

**./. BASE PROSPECTUS DATED 18 April 2008**

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



**SNS BANK N.V.**

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

**€25,000,000,000 Debt Issuance Programme**

Under its € 25,000,000,000 Debt Issuance Programme (the "**Programme**") SNS Bank N.V. (the "**Issuer**", or "**SNS Bank**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below), if any. Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme will not exceed € 25,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes will be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme – Dealers in respect of the Notes" and any additional Dealer appointed in respect of Notes under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). Notes may be distributed by way of a public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant series of Notes (a "**Series**") (or tranche thereof (a "**Tranche**")) will be stated in the relevant final terms (the "**Final Terms**").

**Arranger**

ABN AMRO

**Dealers**

ABN AMRO

BayernLB

Citigroup

Deutsche Bank

DZ BANK AG

HSBC

Landesbank Baden-Württemberg

Merrill Lynch International

Nomura International

Société Générale Corporate & Investment Banking

UniCredit (HVB)

Barclays Capital

BNP PARIBAS

Credit Suisse

Dresdner Kleinwort

Goldman Sachs International

JPMorgan

Lehman Brothers

Morgan Stanley

SNS Financial Markets

UBS Investment Bank

WestLB AG

The full terms and conditions of each Tranche of Notes are constituted by the master terms and conditions as set out in full in this Prospectus in Chapter 2, Part 1 headed "Terms and Conditions of the Medium Term Notes", which constitute the basis of all Notes to be offered under the Programme, together with, if applicable, any additional terms and conditions and the Final Terms applicable to the relevant issue of Notes, which apply and/or disapply, supplement and/or amend the master terms and conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof). The Notes of each Tranche will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Note (as defined below) which will be deposited on the issue date thereof either (i) with a common depository on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other agreed clearing system or (ii) with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**"). See "Form of the Notes".

The Issuer may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the terms and conditions of the Notes herein, in which case a supplementary prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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

Notes to be issued under the Programme are expected to be rated A+ for long term Senior Notes, A for long term Subordinated Notes (Tier 2), A- for long term Subordinated Notes (Tier 3) and F1 for short term Senior Notes by Fitch Ratings Ltd. ("**Fitch**"), A1 for Senior Notes, Prime-1 for short term Senior Notes and A2 for Subordinated Notes by Moody's Investors Service Limited ("**Moody's**") and A-1 for short-term issuer credit rating, A for long-term issuer credit rating, and A- for non-perpetual Subordinated Notes by Standard & Poor's Rating Services ("**Standard&Poor's**"). Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

**This Prospectus will be published in electronic form on the websites of Euronext Amsterdam and the Luxembourg Stock Exchange and on 18 April 2008 (the "Publication Date") on the website of the Issuer at [www.snsreal.com](http://www.snsreal.com). This Prospectus is issued in replacement of a**

**prospectus dated 19 April 2007 and accordingly supersedes that earlier prospectus. It is valid for a period of 12 months from the Publication Date.**

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## CHAPTER 1: INFORMATION RELATING TO THE DEBT ISSUANCE PROGRAMME

### SUMMARY

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

Issuer: SNS Bank N.V.

SNS Bank N.V. is incorporated under the laws of The Netherlands with limited liability and has its corporate seat in Utrecht. Its registered address is Croeselaan 1, 3521 BJ Utrecht, The Netherlands, tel. +31 (0)30 231 5100.

The Issuer is a 100% subsidiary of SNS REAAL N.V. ("**SNS REAAL**") and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**"). SNS REAAL is the result of a merger in May 1997 between SNS Groep N.V. (primarily a banking group) and Reaal Groep N.V. (primarily an insurance group). As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. As of 18 May 2006 the shares of SNS REAAL are listed on Euronext Amsterdam by NYSE Euronext as part of the initial public offering ("**IPO**") of SNS REAAL. On 31 December 2007 Stichting Beheer SNS REAAL owned approximately 54.3% of SNS REAAL's outstanding share capital.

The banking activities of SNS REAAL Group are conducted through SNS Bank and its subsidiaries. SNS Bank offers a broad scale of financial products to private customers and to small and medium sized companies. With the acquisition of SNS Property Finance B.V. SNS Bank gained access to customers in the property finance market. In addition to distribution via its branch network, other forms of distribution have been developed in order to increase efficiency and to establish a full national coverage. Internet distribution of the main financial products is fully operational. Subsidiaries of SNS Bank like BLG Hypotheken, ASN Bank, SNS Regio Bank and

SNS Securities, operate in niche markets or via specific distribution.

Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors" below and include the fact that the Issuer's results can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme - see "Risk Factors" in this Prospectus.
Description:	Debt Issuance Programme
Arranger:	ABN AMRO Bank N.V.
Dealers:	ABN AMRO Bank N.V. Barclays Bank PLC Bayerische Hypo- und Vereinsbank AG Bayerische Landesbank BNP PARIBAS Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Dresdner Bank Aktiengesellschaft DZ BANK AG Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Landesbank Baden-Württemberg Lehman Brothers International (Europe) Merrill Lynch International Morgan Stanley & Co. International plc Nomura International plc Société Générale SNS Bank N.V. UBS Limited WestLB AG
Regulatory Matters:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" below).
Issuing and Principal Paying Agent:	Dexia Banque Internationale à Luxembourg

Size:	Up to € 25,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Sterling, Swiss francs, United States dollars and Japanese yen.
Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Subordinated Notes, to a minimum maturity of five years.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note. Each global Note which is not intended to be issued in the form of a new global Note (a " <b>New Global Note</b> " or " <b>NGN</b> ") (a classic global Note (a " <b>Classic Global Note</b> " or " <b>CGN</b> ")), as specified in the relevant Final Terms, will be deposited on or around the relevant Issue Date either (i) with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Nederland and each global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The temporary global Note will be exchangeable as described therein for either a permanent global Note or definitive Notes upon satisfaction of certain conditions including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note (other than a permanent global Note deposited with Euroclear Nederland) is exchangeable for definitive Notes only upon the

occurrence of an Exchange Event, as described in "Form of the Notes" below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Nederland, as appropriate.

Fixed Rate Notes:

Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

Floating Rate Notes:

Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms). The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

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

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

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant



Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (if any) (as indicated in the Final Terms).

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

**Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest other than in the case of late payment.

**Structured Notes:** The Issuer may from time to time issue structured Notes on terms set out in chapter 3, 4, 5 and 6 of this Prospectus or to be set out in a supplement to this Prospectus. Structured Notes may include Notes whose returns are linked to an index, shares, investment funds, interest rates, inflation rates, foreign exchange rates or other matters.

**Redemption:** The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or for other reasons as described in Condition 7(b) or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period, if any, as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

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

**Denomination of Notes:** Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

**Taxation:** Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding of applicable Dutch taxes (if any) or without

withholding or deduction for or on account of taxes levied in The Netherlands, subject in the latter case to certain exceptions as provided in Condition 8. If the applicable Final Terms provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 7(b) will not apply to the Notes.

Negative Pledge: The Senior Notes will have the benefit of a negative pledge. See Condition 2(b).

Cross Default: The Senior Notes will have the benefit of a Cross Default. See Condition 10(iii).

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

Status and Characteristics relating to Subordinated Notes:

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

In accordance with the Decree on prudential rules Wft (*Besluit Prudentiële regels Wft*) (the "**Decree on Prudential Rules Wft**") to which the Issuer is subject, the Subordinated Notes may qualify as tier 1 capital ("**Tier 1 Notes**"), tier 2 capital ("**Tier 2 Notes**") or tier 3 capital ("**Tier 3 Notes**"), as specified in the applicable Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying the Terms and Conditions for the purpose of such Series or Tranche of Notes. The Tier 1 Notes, the Tier 2 Notes and the Tier 3 Notes respectively rank pari passu among themselves. The Tier 1 Notes are subordinated ("junior subordinated") to any Tier 2 and Tier 3 Notes.

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

- (i) in the event of the liquidation or bankruptcy of the Issuer; or

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

be subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims.

By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

Ratings:

Notes to be issued under the Programme are expected to be rated A+ for long term Senior Notes, A for long term Subordinated Notes (Tier 2), A- for long term Subordinated Notes (Tier 3) and F1 for short term Senior Notes by Fitch, A1 for Senior Notes, Prime-1 for short term Senior Notes and A2 for Subordinated Notes by Moody's, A-1 for short-term issuer credit rating, A for long-term issuer credit rating, and A- for non-perpetual Subordinated Notes by Standard & Poor's Rating Services. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application may be made for Notes to be issued under the Programme to be listed on Euronext Amsterdam by NYSE Euronext and/or the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed and, if so, on which exchanges.

Governing Law:

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

Selling Restrictions:

There are selling restrictions in relation to the European Economic Area, United Kingdom, Japan, and the United States, Zero Coupon Notes and such other restrictions as may be required in connection with the offering and sale of a particular Series or Tranche of Notes. See "Subscription and Sale" below.

## **RISK FACTORS**

The Issuer believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

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

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

### **RISK FACTORS REGARDING SNS BANK**

#### **SNS Bank's business is primarily concentrated in The Netherlands**

SNS Bank generates most of its income in The Netherlands and therefore is particularly exposed to the economic conditions in The Netherlands. Economic conditions in The Netherlands have been difficult since 2001 both on an absolute and on a relative basis. The Dutch economy posted a modest recovery in 2004, following a difficult year in 2003 when the economy registered a contraction. Growth accelerated in 2007 with gross domestic product ("GDP") growing by 3,5 % in 2007 compared to 2006. Any deterioration or merely a long-term persistence of the difficult economic environment in The Netherlands could negatively affect the demand for SNS Bank's products and services.

As a consequence of the acquisition of SNS Property Finance B.V. as of 1 December 2006 SNS Bank is not only exposed to the economic conditions in The Netherlands, but also to those in certain foreign countries. SNS Property Finance B.V. generates approximately 70% of its income in The Netherlands and 30% in certain foreign countries. Commercial property finance activities abroad take place in Belgium, Germany, France, Spain, Sweden, Denmark, the US, Canada, Portugal, Italy, the United Kingdom and Luxembourg ("**Certain Foreign Countries**").

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

#### **A significant portion of SNS Bank's results relates to SNS Bank's mortgage loan products**

Mortgage loans constitute approximately 85 % of SNS Bank's total loan portfolio at year-end 2007. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans, increased interest rates or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. Further, a decrease in the general level of interest rates could affect SNS Bank through, among other things, increased pre-payments on the loan and mortgage portfolio.

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

**SNS Bank is exposed to risks relating to its commercial property finance activities**

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

**SNS Bank's extensive network of intermediaries is its most important distribution channel and SNS Bank may be unable to maintain a competitive distribution network**

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

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

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

**SNS Bank is exposed to the risk of a decline in the securities markets or poor investment performance**

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

Part of the portfolios SNS Bank handles are non-discretionary portfolios with fee arrangements based on the volume of transactions into which SNS Bank enters on behalf of its customers. To the extent that trading volumes decline, lower market activity results in lower commission income for SNS Bank.

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

A decline in or disruption of the securities market would also lower the value of collateral pledged as security for margin loans, which would increase the risk that they would default as well as impact recovery in the event of a default. If SNS Bank is unable to recover the full amount owed to

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

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

**SNS Bank faces substantial competitive pressures which could adversely affect SNS Bank's results of operations**

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

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

**SNS Bank faces significant liquidity risk**

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

**Market conditions can adversely affect the results of SNS Bank**

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

The results of the banking operations of SNS Bank are affected by its management of interest rates sensitivity. The composition of SNS Bank's assets and liabilities, and any gap position resulting from that composition, causes the banking operations net interest income to vary with changes in interest rates. There can be no assurance that SNS Bank will be able to successfully

manage interest rate spreads or the potential negative impact of risks associated with sustained low interest rate changes. A mismatch of interest-earning assets and interest bearing liabilities in any given period may, in the event of changes in interest rates, have a material effect on the financial position or result from operations of the banking business of SNS Bank.

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

**While SNS Bank manages its operational risks, these risks remain an inherent part of all of SNS Bank's businesses**

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

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

**The business of SNS Bank is exposed to risks concerning the adequacy of its credit provisions**

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

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

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

**SNS Bank is subject to currency-related risks**

Currency risk exposure affects SNS Bank's funding of its operations and part of its investment portfolio. To the extent these are not hedged, SNS Bank is exposed to certain currency fluctuations between the euro and the US dollar in particular, as well as other currencies, such as the Japanese yen, Hong Kong dollar, pound sterling and Australian dollar. SNS Bank's reporting currency is the euro. Non-euro income and expense items are translated into euro for consolidation of SNS Bank's profit and loss statement, on the basis of average exchange rates during the period. For the purposes of the Company's consolidated balance sheet, SNS Bank



converts non-euro denominated assets and liabilities into euro at the exchange rate prevailing at the balance sheet date.

**SNS Bank may be exposed to failures in its risk management systems**

SNS Bank invests substantial time and effort in its strategies and procedures for managing not only credit risk, but also other risks, such as strategic risk, market risk, underwriting risk, liquidity risk, operational risk and conduct of business risk. These strategies and procedures could nonetheless fail or not be fully effective under some circumstances, particularly if SNS Bank is confronted with risks that it has not fully or adequately identified or anticipated. Some of SNS Bank's methods for managing risk are based upon observations of historical market behaviour. Statistical techniques are applied to these observations in order to arrive at quantifications of some of SNS Bank's risk exposures. These statistical methods may not accurately quantify SNS Bank's risk exposure if circumstances arise which were not observed in SNS Bank's historical data. For example, as SNS Bank offers new products or services, the historical data may be incomplete or not accurate for such new products or services. As SNS Bank gains more experience it may need to make additional provisions.

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

**SNS Bank is exposed to the risk of ineffective systems and processes, and interruption, failure or breach thereof**

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

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

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

**A significant portion of SNS Bank's business relates to SNS Bank's dealings with third parties**

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

Negative publicity about these third parties, whether or not founded, could also harm SNS Bank's reputation.

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

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

**SNS Bank operates in an industry that is highly regulated. There could be an adverse change or increase in the financial services laws and/or regulations governing SNS Bank's business. There are frequent investigations by supervisory authorities, both into the industry and into SNS Bank, which could result in governmental enforcement actions**

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

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

services SNS Bank offers, whether existing or new, or negatively affect the performance of the products and services SNS Bank offers, whether existing or new. SNS Bank is one of the subjects of an investigation into certain control frameworks (*beheersingskaders*) in the context of market conduct supervision. The outcome of this investigation may damage the reputation of the industry and of SNS Bank. This investigation induced SNS Bank to change certain of its operational processes.

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

**SNS Bank is exposed to risks of damage to its reputation**

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

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

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

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

**A downgrade of any of the Issuer's credit rankings may impact SNS Bank's funding ability and have an adverse effect on SNS Bank's financial condition**

SNS Bank is currently rated A1/P-1 by Moody's, A+/F1 by Fitch and A/A-1 by S&P. A downgrade of any of SNS Bank's ratings (for whatever reason) would result in higher funding and refinancing costs for SNS Bank in the capital markets. In addition, a downgrade of any of SNS Bank's ratings may limit SNS Bank's opportunities to extend mortgage loans and may have a particularly adverse effect on SNS Bank's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse effect on SNS Bank's financial conditions and/or results of operations.

**SNS Bank has counterparty risk exposure**

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

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

**SNS Bank's results of operations can be affected by significant adverse regulatory developments including changes in tax law**

SNS Bank conducts its businesses subject to ongoing regulatory and associated risks, including the effects of changes in law, regulations, and policies in The Netherlands and any other jurisdiction it conducts its business in. The timing and form of future changes in regulation are unpredictable and beyond control of SNS Bank, and changes made could materially adversely affect SNS Bank's business.

## **RISK FACTORS REGARDING THE NOTES**

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

### **Risks related to the structure of a particular issue of Notes**

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

#### *Notes subject to optional redemption by the Issuer*

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

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

#### *Partly-paid Notes*

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

#### *Variable Rate Notes with a multiplier or other leverage factor*

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

#### *Inverse Floating Rate Notes*

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

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to

the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

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

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

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

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

*Fund Linked Notes*

The Issuer may issue Notes with principal or interest determined by reference to the performance of an underlying investment fund. Potential investors in Fund Linked Notes should understand that:

- (i) there are market risks associated with an actual investment in the underlying investment fund, and though the Notes do not create an actual interest in the underlying investment fund, the return on the Notes generally involves the same associated risks as an actual investment in the underlying investment fund. Potential investors in Fund Linked Notes should understand that the Issuer has not purported and does not purport to be a source of information concerning the market risks associated with the underlying fund or fund interests;
- (ii) third parties, not related to the Issuer, may subscribe for and redeem underlying fund interests. These investments may affect the performance and volatility of the fund's net asset value. In turn, this could affect, from time to time, the return on the Notes;

- (iii) the Issuer may invest in the underlying investment fund for its own account, and the Issuer may exercise its discretion in respect of matters concerning its holding of fund interests as it sees fit, without regard to the interests of any investor in the Notes;
- (iv) any performance of the underlying investment fund necessary for the Notes to yield a specific return is not assured. Potential investors in the Notes should understand that the performance of the underlying investment fund may, depending on the terms of the Notes, strongly affect the value of payments on the Notes and the Issuer has no control over the underlying investment fund or the performance of such fund;
- (v) the value of units in the underlying investment fund and the income from it may fluctuate significantly. The Issuer has not provided (save as provided herein) and will not provide during the term of the Notes prospective purchasers of the Notes with any information or advice with respect to the performance of an underlying investment fund. The Issuer may have acquired, or during the term of the Notes may acquire, non-public information with respect to an underlying investment fund, which will not be provided to the Noteholders. The Issuer makes no representation or warranty about, or guarantee of, the performance of an underlying investment fund. Past performance of an underlying fund cannot be considered a guide to future performance;
- (vi) the investment funds may follow a wide range of investment strategies, and invest in assets in a number of different countries and denominated in a number of different currencies. The returns to the Noteholders may, therefore, be materially affected by, among other things, market trends, exchange rate fluctuations and political and economic developments in the relevant countries. This may lead to substantial volatility in the net asset value of the funds;
- (vii) the investment funds may have investment strategies and guidelines that are very broad. They may also be free to engage in additional or alternative strategies without reference to any other person;
- (viii) the investment funds may often rely on a few individuals to determine their investment strategies and to make investment decisions. The loss of such individuals could jeopardise the performance of the funds;
- (ix) the investment funds may be engaged in a high level of trading with commensurately high brokerage and transaction costs, as well as costs associated with leverage, such as interest payments and margin maintenance. Such costs will adversely affect the net asset value of the funds;
- (x) the investment funds will be exposed to credit risks against brokers and other counterparties with which they deal in implementing their investment strategies;
- (xi) where underlying investment funds invest in unlisted shares and certain other assets, risks associated with reduced liquidity and lack of objective valuations will arise. Moreover, the underlying investment funds may invest in emerging markets. This involves risks attributable to nationalisations, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions. The capital markets in such countries have substantially less volume, and are generally less liquid and more volatile, than those in more developed markets. Disclosure and regulatory requirements could be less stringent than in other markets, with a low level of monitoring and limited and uneven enforcement of existing regulations;
- (xii) certain of the underlying funds may have no or a limited operating history, with no proven track record in achieving their stated investment objectives;
- (xiii) the underlying investment funds, or some of them, may be wholly unregulated investment vehicles and may trade in futures, options, forward exchange contracts and other derivative instruments, which may represent significant investment risks. In addition, underlying investment funds may acquire leveraged trading positions, including through the use of borrowing, and may engage in short selling. As a result of leverage, relatively

small price movements may result in substantial losses or gains and an underlying investment fund itself may be subject to fees and charges on its investments which shall be borne by such fund and incorporated in the value of interests in it.

*Issues of Subordinated Notes; limited rights to accelerate*

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

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

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

Interest on Tier 1 Notes shall not be payable on any Interest Payment Date in the event that the Issuer has - based on information contained in its most recently adopted annual accounts - no distributable items, as referred to in article 2:3 under b of the DNB Regulation ("**Distributable Items**") or Distributable Items which are less than the aggregate amount of interest due and payable on all outstanding Tier 1 Notes and any dividends or interest due and payable on any *pari passu* ranking Tier 1 Capital of the Issuer, in each case otherwise payable during the financial year in which the relevant Interest Payment Dates fall.

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

If interest is not paid on this ground, such unpaid interest shall be forfeited (*vervallen*) and there shall be no cumulation. Forfeited amounts of interest shall be lost to the investor and the investor will have no right to demand any compensation or alternative remedy in respect of interest payments so forfeited. Any forfeiting of interest payments will be likely to have an adverse effect on the market price of the Tier 1 Notes. In addition, as a result of the interest forfeiting provision of the



Tier 1 Notes, the market price of the Tier 1 Notes may be more volatile than the market prices of other debt securities in respect of which accrued interest is not subject to such omission and may be more sensitive generally to adverse changes in the Issuer's financial condition.

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

Interest on Tier 3 Notes will not be payable on any interest payment date if and to the extent that at the time of, or as a result of such payment the Issuer's actual Own Funds (as defined in Condition 5(f)) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Decree on Prudential Rules Wft (as defined in Condition 3). Any interest in respect of the Tier 3 Notes not paid on an interest payment date on which such interest would otherwise be payable will constitute arrears of interest ("**Arrears of Interest**") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium resulting from the application of emergency measures as referred to in Chapter 3.5.5 of the Wft is declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of the relevant Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

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

#### **Risks related to the Notes generally**

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

##### *Modification, waivers and substitution*

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

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

##### *EU Savings Directive*

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

*Tax consequences of holding the Notes*

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation. See also "Taxation".

*Notes held in global form*

The Notes will initially be held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Nederland, in each case in the form of a global Note which will be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed "Form of the Notes" below. For as long as any Notes are represented by a global Note held by a common depositary in the case of a CGN, or a common safekeeper in the case of an NGN, on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary for Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

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

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

*Nominee Arrangements*

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

For the purposes of (a) distributing any notices to Noteholders, and (b) recognising Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the Issuer will recognise as Noteholders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland as persons holding a principal

amount of the relevant Series of Notes. Accordingly, an investor must rely upon the nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland and to return the investor's voting instructions or voting certificate application to Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland. Accordingly, such an investor will be exposed to the risk that the relevant nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor.

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

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

#### *Change of law and jurisdiction*

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

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

#### **Risks related to the market generally**

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

#### *The secondary market generally*

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

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange

controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

#### *Interest rate risks*

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

#### **Credit ratings may not reflect all risks**

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

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

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

#### **Legal investment considerations may restrict certain investments**

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

#### **General risks**

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

## **CERTAIN NOTICES TO INVESTORS**

### **Responsibility statement**

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

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

### **Notice**

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

The Issuer has undertaken to the Dealers to furnish a supplement to this Prospectus in case of any significant new factor, material mistake or inaccuracy relating to the information contained in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noticed between the time when this Prospectus has been approved and the final closing of any Tranche of Notes offered to the public or, as the case may be, when trading of any Tranche of Notes on a regulated market begins, in respect of Notes issued on the basis of this Prospectus.

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

This Prospectus is valid for 12 months following its Publication Date and this Prospectus and any amendment or supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances imply that the information contained in such documents is correct at any time subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer 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 Issuer during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer, the Arranger or any Dealer that any recipient of this Prospectus or any other information supplied in connection with the Programme

should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by the Arranger or any Dealer in their capacity as such. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

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

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

appointed under the Programme which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than in certain Member States of the EEA.

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

## **SNS BANK N.V.**

### **Incorporation**

SNS Bank N.V., a public limited liability company ("*naamloze vennootschap*"), was incorporated under Dutch law on 18 December 1990 as a result of the merger of several regional savings banks. The corporate seat of SNS Bank is in Utrecht, the Netherlands. The registered office of SNS Bank is Croeselaan 1, 3521 BJ, Utrecht and SNS Bank is registered in the Commercial Register of the Utrecht Chamber of Commerce ("*handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht*"), under number 16062338. The telephone number of SNS Bank is +31(0)30 291 5100. The Articles of Association of SNS Bank were lastly amended by notarial deed on 13 January 2003 before a duly authorised substitute of Mr. P. Klemann, civil law notary in Amsterdam, the draft of these articles having received the approval of the Minister of Justice, number 394.723.

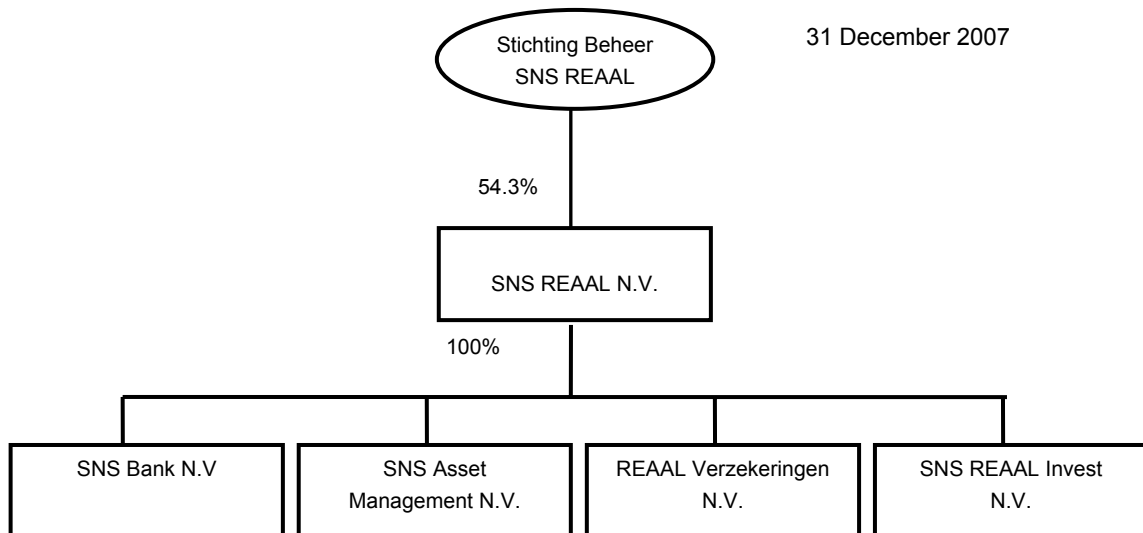
### **Ownership**

SNS Bank is a 100% subsidiary of SNS REAAL and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**"). SNS REAAL is the result of a merger in May 1997 between SNS Groep N.V. (primarily a banking group) and Reaal Groep N.V. (primarily an insurance group). As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. On 18 May 2006 the shares of SNS REAAL were listed on Euronext Amsterdam by NYSE Euronext as part of the IPO of SNS REAAL. On 31 December 2007 Stichting Beheer SNS REAAL owned approximately 54.3% of SNS REAAL's outstanding share capital.

During the extraordinary general meeting of shareholders of SNS REAAL held on 29 January 2008, the decision was taken to amend the articles of association of SNS REAAL in connection with the acquisition of the Dutch and Belgian activities of Swiss Life, including Zwitserleven, Swiss Life Asset Management (Nederland) and Swiss Life Belgium ("**the acquisition of Zwitserleven**"). This amendment of the articles of association will be effected by executing a notarial deed of amendment of the articles of association in the days before the acquisition of Zwitserleven is finalised. The aforementioned amendment of the articles of association is necessary in order to ensure that the share capital of SNS REAAL will consist of two types of shares, namely ordinary shares and shares B. In order to finance the acquisition of Zwitserleven, six shares B in the capital of SNS REAAL (hereinafter also to be referred to as: the 'shares B') will be issued to Stichting Beheer SNS REAAL for a total issue price of € 600,000,000 in cash. The total nominal amount of the shares B amounts to € 9.78. The issue price exceeds this total nominal amount by € 599,999,990.22. The surplus will be added to the share premium reserve that will be linked to the shares B in the capital of SNS REAAL. This issue of the shares B will be effected by executing a notarial deed of issue of shares in the days before the acquisition of Zwitserleven is finalised.



31 December 2007



#### **Board of Directors of SNS Bank**

Mr. M.W.J. Hinssen, chairman  
Mr. C.H. van den Bos, deputy chairman  
Mr. H.K. Kroeze  
Mr. R.G.J. Langezaal  
Mr. M. Menkveld  
Mr. M.E. Straub

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

#### **Supervisory Board of SNS Bank**

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

Mr. H.J. Hielkema, chairman Supervisory Board of Sligro N.V. and chairman Supervisory Board Van Wijnen Holding N.V.\*

Mr. H.M. van de Kar, deputy-chairman, Head of Research, Faculty of Law, Leiden University

Mr. R.J. van de Kraats, CFO and deputy-chairman of Randstad Holding N.V.

Mr. J.E. Lagerweij, general managing director of Sperwer Groep

Mr. S.C.J.J. Kortmann, Professor of Civil Law, University of Nijmegen

Mr. H. Muller, Former Federation Executive and Treasurer of the Trade Union Federation FNV

Ms. H.W.P.M.A. Verhagen, Managing Director Group Human Resources TNT\*

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

\* On 16 April 2008 the annual general meeting of shareholders of SNS REAAL has taken place. Mr. Hielkema and Ms. Herna Verhagen were appointed as members of the Supervisory Board, under the condition precedent that the Dutch Central Bank grants its approval for both appointments. Mr. Bouma and Mr. Van Heeswijk have resigned by rotation as Supervisory Board Members.

#### **General Meeting of Shareholders**

The annual general meeting of shareholders is held within six months after the end of the financial year. The general meeting of shareholders appoints the members of the Board of Directors, adopts

the annual accounts and any amendments to the Articles of Association, determines the allocation of the profits and appoints the auditors of SNS Bank. The general meeting of shareholders has to approve, *inter alia*, any major investments (outside the group formed by SNS Bank and its subsidiaries), the entering into or cancellation of a durable and important cooperation with an entity which is not part of the group formed by SNS Bank and its subsidiaries, as well as the issue and listing of shares and debt instruments; the latter only for as far as the issue or listing does not take place in the context of normal business activities.

#### **Audit Committee**

The Audit Committee of SNS Bank currently consists of 2 members, all members of the Supervisory Board of SNS Bank:

Mr. H.M. van de Kar

Mr. R.J. van de Kraats

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

#### **Corporate Governance**

The most recent version of the Dutch Corporate Governance Code (*Code Tabaksblat*) applies to companies of which the shares are listed on a recognized stock exchange. Although the Code Tabaksblat does not apply to SNS Bank, SNS Bank endorses most principles of the Code Tabaksblat. The Code Tabaksblat does apply to SNS REAAL.

#### **Independent Auditors**

KPMG ACCOUNTANTS N.V., with registered offices in Amstelveen, have been appointed as from 21 August 2003 as independent auditors to SNS Bank. KPMG ACCOUNTANTS N.V., have audited, and rendered unqualified audit reports on, SNS Bank's financial statements for each of the financial years ended 31 December 2007 and 31 December 2006. Each partner of KPMG ACCOUNTANTS N.V. is a member of the Dutch Institute for Chartered Accountants (*NivRA*).

#### **Rating Agencies**

SNS Bank has been rated by independent rating agencies Moody's, Standard & Poors and Fitch. The most recently published reports by these rating agencies, expressing opinions on any of the ratings assigned to SNS Bank, will be made available on [www.snsreaal.com](http://www.snsreaal.com) under the heading "Investor relations".

#### **SNS REAAL**

With a balance sheet total of almost € 80 billion, SNS REAAL is one of the major financial banc assurance companies in the Netherlands. As a bank and insurer, SNS REAAL holds a distinct position in its market by quickly and effectively translating client needs into accessible and transparent products. In-depth knowledge of products and efficient processes lead to effective standardisations and combination options within product and client groups. SNS REAAL is a decisive and flexible organisation that through its core brands SNS Bank and REAAL Verzekeringen N.V. ("**REAAL**") and specialised sales labels enjoy strong positions in the Dutch market. Furthermore the combination has involved the following:

- A single group management centre has been established in Utrecht, and board linkages have been created between the banking and insurance operations - the chairmen of each are also the deputy chairmen of the other;

- Centralisation of staff departments within the SNS REAAL Group such as risk management, audit, finance, legal affairs, compliance, fiscal affairs and human resources; and
- Creation of centralised competence centres and service centres.

### **Company Structure and Profile**

SNS Bank is a Dutch branch-based retail banking organisation, concentrating on savings, mortgages and services to small and medium enterprises ("SMEs") in the Netherlands and generally operates under Dutch law, be it that it has entered into and operates under, and may enter into and operate under, agreements which are not governed by Dutch law. Besides a network of approximately 150 branches SNS Bank uses intermediaries, a call center, and the internet to generate business. Its focus is the domestic retail market plus small and medium size companies and institutions with a local or domestic scope. SNS Bank offers a full range of banking and insurance products and services to its clients. In terms of volume, residential mortgages form the major part of SNS Bank's assets. Due to innovative mortgage products SNS Bank has shown a good performance in terms of relative growth of the mortgage business during recent years. SNS Bank also shows an increasing sales of insurance products through its branch network. Professional wholesale activities have been developed within SNS Securities N.V. Commercial property finance activities will be concentrated in SNS Property Finance B.V. Portfolios under management of SNS Beleggingsfondsen N.V. increased in 2007 by 11% from € 2.7 billion to € 3.0 billion. BLG Hypotheekbank N.V., Algemene Spaarbank voor Nederland ASN N.V. and SNS Regio Bank N.V. are legal entities 100% owned by SNS Bank. These companies operate in niche markets or for specific distribution channels and use the centralized service centres of SNS Bank.

### **Mortgage loans**

SNS Bank's mortgage portfolio increased in 2007 from € 44.9 billion to € 46.2 billion. Market share declined during that period from 8.3% to 8.0%. These figures include securitised mortgages, which amount to € 11.2 billion. SNS Bank is focused on product innovation and packaging mortgage and life insurance product to enhance cross-selling.

### **Retail banking**

SNS Bank offers its customers a full range of banking products and services. The savings held for customers by the banking operation increased. SNS Bank successfully penetrates the market for SME's mainly by an efficient use of her service centres, internet, telephone and call centres.

### **Insurances**

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

### **Professional activities**

SNS Securities N.V., a subsidiary of SNS Bank, is a securities broker, serving domestic and international institutional customers with specialised fixed-income products and investment advice with respect to Dutch smallcap and midcap shares. In addition, SNS Securities is active in the field of corporate finance (including equity capital markets and acquisition finance), asset management and brokerage and trading. SNS Financial Markets, a business unit of SNS Bank, is responsible for all funding and treasury activities of SNS REAAL Group. Its activities comprise of public and private bond issuance, taking and placing interbank deposits, interest rate products and treasury transactions for clients.

As of 1 December 2006 SNS Property Finance B.V. ("**SNS PF**"), renamed from Bouwfonds Property Finance B.V., is a 100% subsidiary of SNS Bank. SNS PF operates in the mortgage

backed commercial (business-to-business) market, which includes real estate project finance, lease finance and real estate investment finance. Commercial property finance activities of SNS Bank will be integrated into SNS PF. With SNS PF, SNS Bank has gained a leading position in the property finance market in the Netherlands, in which it has been active for several years. SNS PF generates approximately 77% of its income in the Netherlands with the remaining 23% being generated by international activities consisting primarily of property finance for Dutch clients abroad. The commercial property finance activities abroad take place in Belgium, Germany, France, Spain, Sweden, Denmark, the United States of America, Canada, Portugal, Italy, the United Kingdom and Luxembourg. In 2006, the international market for property finance grew steadily, boosted by ongoing demand from the investment market. The total loan production of SNS PF grew from € 3.8 billion to € 5.6 billion(+ 47.4%).

On 14 May 2007, SNS Bank and ING Bank signed a purchase agreement for the acquisition of Regio Bank by SNS Bank. Regio Bank offered mortgage and savings product through 380 independent intermediaries throughout the Netherlands. At year-end 2006, Regio Bank had a mortgage portfolio of € 2.0 billion and savings deposits of 3.0 billion. On 1 July 2007 SNS Bank finalised the acquisition of Regio Bank. Regio Bank and CVB Bank, another subsidiary of SNS Bank, have merged as of this date. The merged entity operates under the new name of SNS Regio Bank N.V.

#### **Recent developments SNS REAAL**

On 30 August 2007, SNS Securities and VVAA Groep reached a final agreement on the acquisition of FBS Bankiers, a specialised securities firm that provides services to both private and institutional clients, which was completed on 1 October 2007. SNS Securities was merged into FBS Bankiers as of 31 December 2007 after which the new entity was renamed SNS Securities.

SNS REAAL announced on 6 September 2007 that it has completed the acquisition of AXA Nederland B.V., Winterthur Verzekeringen Holding B.V. and DBV Holding N.V., together referred to as "**AXA NL Combined**". AXA NL Combined was acquired for a cash consideration of €1,797 million, which consists of the acquisition price of €1,750 million plus €48 million of accrued interest (4% per annum as from 1 January 2007, the effective date of the acquisition, up to and including the date of the acquisition, 5 September 2007). AXA Nederland B.V. and Winterthur Verzekeringen Holding B.V. will be merged into REAAL Verzekeringen. DBV Holding N.V. has become a 100% subsidiary of REAAL Verzekeringen. AXA Nederland B.V., Winterthur Verzekeringen Holding B.V. and DBV Holding N.V. are financially consolidated as of 6 September 2007. The pre-closing year-to-date net profit of AXA NL Combined has accrued to SNS REAAL's shareholders' equity.

On 19 November 2007 SNS REAAL announced that it and Swiss Life Holding have come to a mutual understanding concerning the purchase of the Dutch and Belgium businesses of Swiss Life Holding, including Zwitserleven and its brand in the Netherlands, Swiss Life Asset Management (Nederland) and Swiss Life Belgium for a total consideration of up to € 1,535 million. The transaction will be effective as of 1 January 2008 and is expected to be completed in the first half of 2008.

The acquisition will be financed through a combination of (i) € 600 million of a new class of shares ('shares B') to be issued to Stichting Beheer SNS REAAL (see under 'Ownership' and up to € 935 million of debt instruments and internal resources. Zwitserleven will continue to operate largely on a standalone basis. REAAL Verzekeringen has incorporated Zwitserleven N.V. on 17 March 2008. The current pensions businesses of REAAL Verzekeringen, AXA Leven N.V. and Winterthur Levensverzekering Maatschappij N.V. will be integrated into Zwitserleven N.V.

On 21 January 2008, SNS REAAL announced that it and Delta Lloyd Group have come to a mutual understanding concerning the sale of the shares of Swiss life Belgium to Delta Lloyd Group

for an amount of € 135 million in cash. The agreement between SNS REAAL and Delta Lloyd Group is subject to completion of the acquisition of the Dutch and Belgian activities of Swiss Life Holding as announced by SNS REAAL on 19 November 2007. The completion of that transaction and the transaction with Delta Lloyd Group is subject to approval from the relevant regulators and works council and is expected to take place in the second quarter of 2008.

### **Supervision**

SNS Bank is a credit institution with a full Netherlands banking license and as such is supervised by DNB (*De Nederlandsche Bank N.V.*) and by the AFM.

### **Conflicts of interest**

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

## SELECTED FINANCIAL INFORMATION

SNS Bank's publicly available consolidated audited annual financial statements for the years ended 31 December 2007 and 31 December 2006 (the "**Audited Financial Statements**") are incorporated by reference into this Prospectus. All information below has been derived from the Audited Financial Statements.

### Key Financial Information

#### Key Figures of SNS Bank

<i>(amounts in millions of EUR)</i>	31December 2007 (audited)	31December 2006 (audited)
Total assets	<b>70.584</b>	<b>64.382</b>
Loans and advances to the private sector	<b>60.236</b>	<b>56.248</b>
of which mortgage loans	<b>46.172</b>	<b>44.930</b>
Amounts due to customers	<b>27.025</b>	<b>20.697</b>
of which savings	<b>19.179</b>	<b>13.678</b>
Equity distributable to Shareholders	<b>2.209</b>	<b>2.097</b>
Capital base	<b>3.887</b>	<b>3.545</b>
Tier 1 ratio	<b>8,4%</b>	<b>8,2%</b>
BIS ratio	<b>11,5%</b>	<b>11,2%</b>
Net interest income	<b>783</b>	<b>567</b>
Other income	<b>155</b>	<b>201</b>
of which net commission and management fees	<b>129</b>	<b>120</b>
Net profit	<b>272</b>	<b>214</b>
<i>(in numbers)</i>		
Branches	<b>146</b>	<b>167</b>
Cash dispensers	<b>513</b>	<b>308</b>
Employees (fte's, average)	<b>3.223</b>	<b>3.197</b>

## Outlook

If the crisis on the financial markets continue in 2008, as it has so far, this may prove to be a challenging year. SNS Bank will continue to focus on diversifying its existing sources of income and on investing in new sources, on improving the operation efficiency based on integration processes, and on innovating in marketing and distribution. At the same time, SNS Bank will maintain its moderate risk profile.

## Trends

### *Financial Markets:*

#### *Equity*

The stock markets will continue to be volatile for the time being, especially due to concerns about the impact of the credit crisis. Meanwhile, stock markets have generally become cheaper, measured by various valuation methods, such as dividend discount models - in which interest rates play a big role -, price/earnings ratios or dividend yields. However, these low valuations come at the end of a period marked by exceptionally strong growth in corporate earnings. Consequently, if corporate earnings were to fall significantly, this might put new pressure on equity valuations. However, no such relapse can as yet be derived from the leading indicators for the US and the eurozone. We expect that concerns about a recession in the US and a widening of the financial crisis will continue for some time. This may result in disappointing equity revenues for investors.

#### *Interest Rates*

In order to limit the risks of an excessive slowdown of economic growth, the Federal Reserve - the American Central Bank - is expected to continue its policy of rate cuts. In the eurozone, the European Central Bank (ECB) will give priority to countering inflationary trends. This considerably reduces the likelihood of interest rate cuts, particularly as the average inflation rate in the eurozone is now above the norm. At the same time, the eurozone will not be able to avoid certain slowdown of growth, which in turn reduces the likelihood of a rate hike.

The central banks will do all they can to ensure that the money market continues to function properly, but the situation cannot return to normal until mutual trust between banks is restored. This requires transparency, i.e. clarity about the financial health of potential debtors, which can only be achieved after the major banks have reported their audited figures for 2007.

Bond yields are currently low, relative to nominal growth. The very low real interest rates in the US, i.e. the interest rate less inflation expectations, reflect the advent of a recession. This may change during the course of the year if the economy develops less unfavourably than many analysts now fear. In the wake of a possible rise in US interest rates, long-term interest rates in the eurozone will also rise slightly. Credit spreads - the risk mark-ups on the money and capital markets - are likely to remain at the current high levels for some time in 2008. This means banks will need to obtain their funding at relatively high costs.

### *Product Markets:*

#### *Mortgages*

We anticipate continued strong competition and ongoing pressure on prices. The overall Dutch mortgage market is expected to contract, in particular due to limited new construction activity and limited circulation in the residential market; both these trends will result in ongoing scarcity. The mortgage refinancing market will remain at its present low level. The yield curve is not likely to change much, but may rise slightly at the end of the year. We expect interbank interest rates to

show a mixed picture, which may contribute significantly to relatively large changes in mortgage interest rate levels over the course of the year.

#### *Savings and investments*

Economic developments will continue to support a favourable savings environment. Mounting uncertainty due to the credit crisis and the economic development in the US may result in a higher savings growth at the expense of growth in investments. We expect the investment climate to improve later in 2008. For the full year 2008, SNS Bank again expects the savings and investment inflow to increase. Inflow in investment products and structured savings and investment products in the investment market will again likely exceed that of individual equity investments. We expect products for sustainable asset growth to again outstrip the growth of other products.

#### *Property finance*

Demand for high-quality properties in The Netherlands remains high, despite high levels of investment over the past few years. In the office market, the divide between high-quality and less attractive properties is widening, and the latter category is clearly becoming less profitable. Prospects for the residential market and the markets for distribution centres and shopping centres remain positive. Demand for mixed-use centres is especially strong.

Partly due to scarcity of attractive investment projects in The Netherlands, demand for foreign property investment opportunities from Dutch investors remains high.

#### *Initiatives*

The key initiatives planned for each product group are set out below.

#### *Mortgages*

- Within the Budget hypotheek concept, more options and product choices aimed at various target groups.
- Increased third-party product sales through our own distribution channels.
- Improvement and increased flexibility of advisory services, for example by using more mobile SNS Bank advisers.
- Product range optimisation and sales coaching for franchisees of SNS Regio Bank.
- Promotion of joint purchasing by franchisees of SNS Regio Bank through a centralised purchasing organisation.
- More collaboration with purchase organisations based on exclusive mortgage arrangements and more sales through the intermediaries and mortgage chains.
- Fine-tuning of the SME approach, focusing, among other things, on self-employed individuals.
- Intensifying marketing communication for commercial mortgages, with a special focus on distribution through SNS Regio Bank.

#### *Savings and investments*

- Improvements and expansion of internet functionality, enabling clients to better manage their financial affairs, obtain a better overview and make easier use of corresponding online and offline advisory functions.
- Improvement and increased flexibility of advisory services, for example by using more mobile SNS Bank advisers.
- Product range optimisation and sales coaching for franchisees of SNS Regio Bank.
- Third-party investment fund sales through our own distribution channels.



- Intensifying SNS Bank's savings campaigns and ASN Bank's new sustainable asset growth products.
- Introduction of products in the area of tax-friendly savings for mortgage repayments or pension schemes.

#### *Property finance*

- Stronger focus on alternative sectors and property concepts, such as mixed-use centres, residential centres for the elderly, healthcare centres and hotels (investment financing).
- Stronger focus on regions outside the Randstad urban area (investment finance and project finance).
- Stronger focus on investments in carefully selected projects (project finance).
- Selective growth in a number of major European markets (project finance).

### **Capitalisation of SNS Bank**

The following table on this page and page 40 sets forth the capitalization and long-term indebtedness of SNS Bank on a consolidated basis:

<i>(amounts in millions of EUR)</i>	31 December 2007 (audited)	31 December 2006 (audited)
	_____	_____
Short-term debt (remaining terms to maturity up to and including five years)		
- Savings	<b>18.979</b>	<b>12.852</b>
- Other amounts due to customers	<b>6.705</b>	<b>5.817</b>
- Derivatives	<b>709</b>	<b>547</b>
- Debt certificates	<b>15.730</b>	<b>18.375</b>
- Amounts to credit institutions	<b>3.650</b>	<b>5.814</b>
- Participation cert. and subordinated debts	<b>506</b>	<b>260</b>
- Non interest-bearing liabilities	<b>1.484</b>	<b>1.318</b>
	<b>47.763</b>	<b>44.983</b>
Long-term debt (remaining terms to maturity over five years)		
- Savings	<b>200</b>	<b>826</b>
- Other amounts due to customers	<b>1.141</b>	<b>1.202</b>
- Derivatives	<b>229</b>	<b>135</b>
- Debt certificates	<b>16.452</b>	<b>12.466</b>
- Amounts due to credit institutions	<b>1.416</b>	<b>1.485</b>
- Participation cert. and subordinated debts	<b>1.172</b>	<b>1.188</b>
- Non interest-bearing liabilities	-	-
	<b>20.610</b>	<b>17.302</b>
Share Capital*	<b>381</b>	<b>381</b>
Revaluation Reserve	-	<b>6</b>
Cash Flow Hedge Reserve	<b>3</b>	-

Fair Value reserve	-51	-19
Other Reserves	1.876	1.729
Third party interests	2	-
	<b>2.211</b>	<b>2.097</b>
Total		
- Savings	19.179	13.678
- Other amounts due to customers	7.846	7.019
- Derivatives	938	682
- Debt certificates	32.182	30.841
- Amounts to credit institutions	5.066	7.299
- Participation cert. and subordinated debts	1.678	1.448
- Not interest-bearing liabilities	1.484	1.318
	<b>70.584</b>	<b>64.382</b>

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

There has been no material change in the capitalisation of SNS Bank since 31 December 2007.

#### **Financial Year**

The financial year of SNS Bank is the calendar year.

#### **Auditors**

The consolidated financial statements for 2006 and 2007 have been audited by KPMG ACCOUNTANTS N.V., Burg. Rynderslaan 10-20, 1185 MC Amstelveen. The auditors have given an unqualified opinion for each of these years.

#### **Legal proceedings**

SNS Bank and its affiliates are involved in governmental, legal and arbitration proceedings that relate to claims by and against the respective company which ensue from its normal business operations (including any such proceedings which are pending or threatened of which SNS Bank is aware). Although it is impossible to predict the result of pending or threatened governmental, legal and arbitration proceedings, based on the information currently available and after consulting legal advisors, SNS Bank believes that the result of these proceedings are unlikely to significantly affect the financial position or results of the activities of SNS Bank and its affiliates. Although it is impossible to predict the result of pending or threatened governmental, legal and arbitration proceedings, based on information currently public available, SNS Bank is unaware of any governmental, legal and arbitration proceedings in which SNS Bank and its affiliates are not involved, which may have a significant effects on SNS Bank's and its affiliates financial position or profitability.

#### **No significant change**

Since 31 December 2007, the last day of the financial period in respect of which the most recent audited annual report of SNS Bank has been prepared, there has been no significant change in the (financial) condition or prospects of SNS Bank or its affiliates.

## Lending Volume

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

(amounts in millions of EUR)	31 December 2007 (audited)	31 December 2006 (audited)
Mortgage loans to customers		
- with municipal and other guarantees	<b>5.579</b>	<b>6.331</b>
- other	<b>40.593</b>	<b>38.599</b>
	<b>46.172</b>	<b>44.930</b>
Loans to or guaranteed by public authorities	<b>784</b>	<b>562</b>
Consumer loans	<b>582</b>	<b>464</b>
Property Finance	<b>11.575</b>	<b>8.809</b>
Other loans and advances to customers	<b>1.123</b>	<b>1.483</b>
	<b>60.236</b>	<b>56.248</b>

## Funding structure

(amounts in millions of EUR)	31 December 2007 (audited)	31 December 2006 (audited)
Amounts due to credit institutions	<b>5.066</b>	<b>7.299</b>
Savings	<b>19.179</b>	<b>13.678</b>
Other amounts due to customers	<b>7.846</b>	<b>7.019</b>
Participation certificates and subordinated debts	<b>1.678</b>	<b>1.448</b>
Debt certificates	<b>32.182</b>	<b>30.841</b>
	<b>65.951</b>	<b>60.285</b>

## Summary Consolidated Accounts

The 2007 and 2006 financial statements of SNS Bank have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("EU").

<i>Consolidated Balance Sheet (before profit appropriation, amounts in millions of EUR)</i>	31 December 2007 (audited)	31 December 2006 (audited)
	_____	_____
<b>Assets</b>		
Cash and cash equivalents	3.141	687
Loans and advances to credit institutions	1.092	3.607
Mortgage loans to customers	46.172	44.930
Property Finance	11.575	8.809
Other loans and advances to customers	2.489	2.509
<b>Loans and advances to customers</b>	<b>60.236</b>	<b>56.248</b>
Derivatives	1.041	804
Investments	4.056	2.038
Investment property	6	6
Investment in associates	53	34
Tangible fixed assets	139	163
Intangible Assets	285	214
Deferred tax assets	128	39
Other tax receivables	100	106
Other assets	307	436
<b>Total assets</b>	<b>70.584</b>	<b>64.382</b>
<b>Liabilities and equity</b>		
Savings	19.179	13.678
Other amounts due to customers	7.846	7.019
<b>Amounts due to customers</b>	<b>27.025</b>	<b>20.697</b>
Amounts due to credit institutions	5.066	7.299
Debt certificates	32.182	30.841
Derivatives	938	682
Deferred tax liabilities	151	97
Corporate tax	-	7
Other liabilities	1.316	1.190
Other provisions	17	24
Participation certificates and subordinated debts	1.678	1.448
Share capital	381	381
Other reserves	1.686	1.592
Retained profit	142	124
Shareholder's equity	2.209	2.097
Third Party Interest	2	-
Group Equity	2.211	-
<b>Total liabilities and equity</b>	<b>70.584</b>	<b>64.382</b>

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

	31 December 2007 (audited)	31 December 2006 (audited)
	_____	_____
<b><i>Income</i></b>		
Interest income, banking operations	3.359	2.314
Interest charges, banking operations	2.576	1.715
Net interest income	783	567
Commission and management fees received	163	153
Commission and management fees paid	34	33
Net Commission and management fees	129	120
Share in the result of associates	3-	1-
Result on investments	14	67
Result on derivatives and other financial instruments	13	15
<i>Other operating income</i>	2	-
<b><i>Total income</i></b>	<b>938</b>	<b>768</b>
<b><i>Expenses</i></b>		
Staff costs	332	283
Other operating expenses	203	173
Value adjustments of financial instruments and other assets	35	36
Depreciation of tangible fixed assets and amortisation of intangible assets	31	25
Total Expenses	601	517
Share in the results of associated companies	-	-
Operating profit before taxation	337	251
Taxes	64	37
Third party interest	1	-
Net profit	272	214

*Consolidated cash flow statement*

(amounts in millions of EUR)

31 December 2007  
(audited)

31 December 2006  
(audited)

***Cash Flow from operating activities***

Operating profit before taxation	337	251
Adjustments for:		
- Depreciation and amortisation	32	27
- Value adjustments	35	36
- Changes in provisions and deferred taxes	67-	22
Retained profit share in associates	8-	1
Tax paid	9-	1-

***Change in operating assets and liabilities***

Change in loans and advances to customers	1.519-	3.044-
Change in Savings	2.531	1.345
Change in loans and advances to credit institutions	1.443	3.096-
Change in trading portfolio	636-	244-
Change in investments and derivatives (other than from purchase and sale)	10	191-
Revaluations and exchange rate differences in debt certificates	202-	305-
Change in other operating activities	224	86-
Total net cash flow from operating activities	2.171	5.285-

***Cash flow from investment activities***

Income on the sale of intangible assets	-	1
Income on the sale of tangible fixed assets	29	8
Income on the sale of subsidiaries	-	-
Income from the sale of investment property	1	-
Income from the sale and redemption of investments and derivatives	652	1.023
Purchase of intangible assets	7-	7-

Purchase of tangible fixed assets	29-	39-
Purchase of associated companies	-	-
Purchase of other investments	-	-
Purchase of subsidiaries	32	831-
Purchase of investment property	-	1-
Purchase of investments and derivatives	2.048-	1.337-
Total Cash flow from investment activities	1.370-	1.183-
<b><i>Cash flow from financing activities</i></b>		
Share premium received	-	600
Income from subordinated loans	255	387
Income from debt certificates	11.406	14.295
Redemption of subordinated loans	19-	79-
Redemptions of debt certificates	9.859-	8.555-
Dividend paid	130-	90-
Net Cash flow from financing activities	1.653	6.558
Cash and cash equivalents as at 1 January	687	597
Net increase in cash and cash equivalents	2.454	90
<i>Cash and cash equivalents as at 31 December</i>	3.141	687

## FORM OF THE NOTES

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

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

On and after the date (the "**Exchange Date**") which is not less than 40 days nor more than 90 days after the date on which the Temporary Global Note is issued, interests in the Temporary Global Note will be exchangeable (free of charge) upon request as described therein, either for interests in a Permanent Global Note without receipts, interest coupons or talons, or for definitive Notes (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes") the Agent shall arrange that, where a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg and/or a Fondscode by Clearnet S.A. Amsterdam Branch Stock Clearing (the securities clearing corporation of Euronext Amsterdam) which are different from the ISIN, common code and Fondscode assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche. In case of Notes which have a



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

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

Payments of principal and interest (if any) on a Permanent Global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the Permanent Global Note to or to the order of any Paying Agent without any requirement for certification. A Permanent Global Note (other than a Permanent Global Note deposited with Euroclear Nederland) will be exchangeable (free of charge), in whole in accordance with the applicable Final Terms for security printed definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of any Exchange Event. An "**Exchange Event**" means (1) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (2) any of the circumstances described in Condition 10 occur or (3) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event as described in (1) above, Euroclear and/or Clearstream, Luxembourg, acting on the instructions of any holder of an interest in the global Note, may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date of receipt of the relevant notice by the Agent.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. In case of Notes represented by a Permanent Global Note deposited with Euroclear Nederland, a Noteholder shall not have the right to request delivery (*uitlevering*) of his Notes under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

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

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss of Notes, receipts or interest coupons and will not be entitled to capital

gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

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

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

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

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

"Notice: This Note is issued for deposit with Euroclear Nederland at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved."

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

**USE OF PROCEEDS**

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

## TAXATION

The information given below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes. Prospective purchasers are strongly advised to acquaint themselves as with the overall tax consequences of purchasing, holding and/or selling the Notes. This summary is based on the tax laws, published case law and tax regulations in force in The Netherlands as of the date of this Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

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

- (a) All payments by the Issuer of interest and principal under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as a loan that is regarded as equity for tax purposes as referred to in Section 10 (1) (d) of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*).
- (b) A holder of a Note who derives income from a Notes or who realizes a gain on the disposal or redemption of a Notes will not be subject to Dutch taxation on such income or capital gains unless:
  - (i) the holder is, or is deemed to be, resident in The Netherlands or has opted to be treated as a resident of The Netherlands; or
  - (ii) such holder has an enterprise or an interest in an enterprise which, in whole or in part, is carried on through a permanent establishment or a permanent representative in The Netherlands and the Notes are attributable to this permanent establishment or permanent representative; or
  - (iii) such holder is an entity and has a substantial interest\* in the Issuer and such interest does not form part of the assets of an enterprise ; or
  - (iv) such holder is an entity and has a deemed Netherlands enterprise to which enterprise the Notes are attributable; or
  - (v) such holder is an individual and derives benefits from miscellaneous activities carried out in The Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or
  - (vi) such holder or a person related to the holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of The Netherlands has or is deemed to have substantial interest\* in the Issuer.

\* Generally speaking an interest in the Issuer should not be considered as a substantial interest if the holder of such interest, and if the holder is a natural person, his or her spouse, registered partner, certain other relatives or certain persons sharing the holder's household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five percent or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer.

- (c) No gift, estate or inheritance tax will arise in The Netherlands on the transfer by way of gift or inheritance of the Notes, unless:
  - (i) the donor or the deceased at the time of the gift or the death is a resident or a deemed resident of The Netherlands;
  - (ii) at the time of the gift such holder has, or at the time of his or her death such holder had, an enterprise or interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part the Notes are or were attributable; or

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

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated dealership agreement dated 18 April 2008 (the "**Dealership Agreement**") (as supplemented from time to time) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Dealership Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### **Public offer selling restriction under the Prospectus Directive**

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

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

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

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

### **United Kingdom**

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

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

#### **United States of America**

1. The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of, or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer represents and agrees that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and notified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer further represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has subscribed for Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche subscribed for by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Agent the completion of the distribution by it of the Notes of such Tranche. On the basis of such notification or notifications, the Agent will notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

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

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

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

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

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

*where TEFRA C is specified in the applicable Final Terms:*

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

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

### **Japan**

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

### **General**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and



belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or deliveries and the Issuer shall not have any responsibility therefore. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with any other additional restrictions set out in the applicable Final Terms.

### **Zero Coupon Notes**

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

## **GENERAL INFORMATION**

### **Authorisation**

The 2008 update of the Programme and each future issue under the Programme was duly authorized by a resolution of the Board of Directors of the Issuer dated 18 March 2008. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, the Agency Agreement and the Notes.

### **Listing**

Application may be made to Euronext Amsterdam for Notes to be issued under the Programme up to the expiry of 12 months from the publication date of this Prospectus to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. In addition, Notes issued under the Programme may be listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange and on any other stock exchange or market specified in the applicable Final Terms. The Issuer may also issue unlisted Notes under the Programme. For listing purposes, the Luxembourg Stock Exchange has allocated the number 12081 to the Programme.

### **Documents Available**

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

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

### **Clearing and Settlement Systems**

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

*Clearing systems addresses*

The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of Euroclear Nederland is Herengracht 459 - 469, 1017 BS Amsterdam, The Netherlands.

## Ratings

### *Rating definitions Fitch:*

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

### *Rating definitions Moody's*

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

### *Rating definitions Standard & Poor's*

- A: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
- Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.
- A-1: A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

## Liquidity Providers

The Issuer has appointed AFS and Van der Moolen as special bond liquidity providers for certain Notes issued under the Programme, admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. The obligations of a liquidity provider are mainly based on the interest of ensuring orderly trading conditions in particularly for a maximum spread between the bid and ask prices. The special bond liquidity providers are obliged to enter limit bid and ask orders simultaneously, also to be referred to as "quotes", in the trading system and to enter into transactions on the basis of such quotes at all times during Euronext Amsterdam trading hours.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) SNS Bank's publicly available financial statements and auditors report for the years ended 31 December 2007 (set forth on pages 50 up to and including 123, page 127 and page 128 of its 2007 annual report) and 31 December 2006 (set forth on pages 48 up to and including 113, page 116 and page 117 of its 2006 annual report);
- (b) SNS Bank's articles of association as per the Publication Date of this Prospectus (in the original Dutch language version as well as in English translation); and
- (c) the terms and conditions set forth on pages 58 up to and including pages 85 of the prospectus relating to the Programme dated 19 April 2007 (the "**2007 Terms and Conditions**") and the terms and conditions set forth on pages 59 up to and including 85 of the prospectus relating to the Programme dated 26 July 2006, (the "**2006 Terms and Conditions**").

These documents can be obtained without charge at the offices of the Issuer and the Agent, each as set out at the end of this Prospectus. In addition these documents are available on the Issuer's website at [www.snsreaal.com](http://www.snsreaal.com).

## CHAPTER 2: MEDIUM TERM NOTES

### PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES

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

This Note is one of a series of Notes issued by SNS Bank N.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 12 June 1998 (as supplemented from time to time) and as amended and restated by an amended and restated Agency Agreement dated 18 April 2008 (together the "**Agency Agreement**") and made between the Issuer, Dexia Banque Internationale à Luxembourg as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

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

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

references to such Coupon sheets.

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

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranche of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

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

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

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

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

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

This Note is either a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Non Interest Bearing Index Linked Note, a Dual Currency Note, an Index Linked Note, an Inflation Linked Note, a Share Linked Note, a Fund Linked Note, an Instalment Note or a Partly Paid Note or a combination of any of the foregoing or such other Note, as indicated in the applicable Final Terms.

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

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

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

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Nederland. Any amendments to the Terms and Conditions required in connection with such addition or alternative clearing system shall be specified in the applicable Final Terms.

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

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

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

### *(b) Negative Pledge*

This Condition 2(b) applies only to Senior Notes (unless otherwise specified in the applicable Final Terms). So long as any Senior Note remains outstanding (as defined in the Agency Agreement), the Issuer will not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness of any person without at the same time or prior thereto securing the Senior Notes equally and rateably therewith or providing such other security for the Senior Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

In this Condition:

**"Relevant Indebtedness"** means:

- (a) any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock or certificate in physical form which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including,



without limitation, any over-the-counter market); and

(b) any guarantee or indemnity in respect of any such indebtedness.

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

**"Encumbrance"** means any mortgage, charge, pledge, lien or other encumbrance.

**"Material Subsidiary"** means any subsidiary, direct or indirect, of the Issuer which is a bank or an insurer within the meaning of the Wft and is supervised by the DNB (*De Nederlandsche Bank N.V.*).

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

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

The claims of the holders of the Subordinated Notes of this Series and the relative Receipts and Coupons (the **"Subordinated Holders"**) against the Issuer are (i) in the event of the liquidation or bankruptcy of the Issuer or (ii) in the event that a competent court has declared that the Issuer is in a situation which requires emergency measures (*noodregeling*) in the interests of all creditors, as referred to in Part 3.5.5 of the Wft and for so long as such situation is in force (such situation being hereinafter referred to as a Moratorium), subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims. By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

In accordance with the Decree on Prudential Rules Wft to which the Issuer is subject, the Subordinated Notes may qualify as tier 1 capital, i.e. Tier 1 Notes, tier 2 capital, i.e. Tier 2 Notes, or tier 3 capital, i.e. Tier 3 Notes, as specified in the applicable Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying these Terms and Conditions for the purpose of such Series of Notes. The Tier 1 Notes, the Tier 2 Notes and the Tier 3 Notes respectively rank *pari passu* among themselves. The Tier 1 Notes are subordinated ("junior subordinated") to the Tier 2 and Tier 3 Notes.

### **4. Redenomination**

(a) *Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Nederland and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes, the Receipts and the Coupons denominated in the Specified Currency (or Specified Currencies) (each the **"Old Currency"**) shall be redenominated in another currency (the **"New Currency"**) being

either euro, or, in the event of redenomination upon the occurrence of a Convertibility Event, a currency other than euro, as the case may be.

The election will have effect as follows:

- (i) the Notes, the Receipts and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of euro 0.01, or its equivalent in another currency, with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into the New Currency at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into the New Currency of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01 or its equivalent in another currency;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01, or any of its equivalents in another currency, and such other denominations as the Agent shall, in consultation with the Issuer, determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") to the Noteholders in accordance with Condition 14 that replacement of Old Currency denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New Currency denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent, in consultation with the Issuer, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) on or after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in the New Currency as though references in the Notes to the Specified Currency were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;

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

(b) *Definitions*

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

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

**"Established Rate"** means the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations), shall be as established by the Council of the European Union pursuant to Article 109 I(4) of the Treaty;

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

**"Redenomination Date"** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which in case of (i) the New Currency being euro, falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union and in case of (ii) the New Currency being a currency other than euro, shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender; and

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

## 5. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid

Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date (if that does not fall on an Interest Payment Date).

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

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

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

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

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

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

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

- (i) If "**Actual/Actual (ICMA)**" or "**Act/ACT (ICMA)**" is specified in the applicable Final terms, it means:
  - (a) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of

- Determination Periods normally ending in any year; and
- (b) where the Calculation Period is longer than one Determination Period, the sum of:
- (A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual numbers 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 the Interest Payment Date in any year to, but excluding, the next Interest Payment Date; and

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

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

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

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

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

*(b) Interest on Floating Rate Notes, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes and Fund Linked Interest Notes*

(i) Interest Payment Dates

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

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

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

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

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

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

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

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre of the country of the relevant Specified Currency (if other than London) and any Additional Business Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) Hong Kong dollars, shall be Hong Kong and (c) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET System is open. In these Conditions, "**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(ii) Rate of Interest

The rate of interest ("**Rate of Interest**") payable from time to time in respect of the Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(a) *ISDA Determination For Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

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

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

When this sub-paragraph (a) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (a).

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

Where Screen Rate Determination is specified in the applicable Final Terms as the manner

in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

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

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

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

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes, in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any



such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

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

- (i) if **"Actual/Actual (ISDA)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Interest Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**"M<sub>2</sub>"** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**"D<sub>1</sub>"** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**"D<sub>2</sub>"** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Fund Linked Interest Notes or Share Linked Interest Notes are for the time being listed and notice thereof to be published in accordance

with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, if applicable, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent, if applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms ("**Rate of Exchange**").

(d) *Interest on Partly Paid Notes*

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

(e) *Accrual of Interest*

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

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

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

Notwithstanding anything to the contrary contained elsewhere in this Condition 5, interest on the Tier 3 Notes of this Series will not be payable on any Interest Payment Date or Specified Interest Payment Date or for a Specified Period if and to the extent that at the time of, or as a result of, such payment the Issuer's actual Own Funds (as defined below) would amount to less than 100

per cent. of the Issuer's required minimum amount of Own Funds under the Decree on Prudential Rules Wft. Any interest in respect of the Tier 3 Notes of this Series not paid on a Fixed Interest Date or Interest Payment Date on which such interest would otherwise be payable will constitute Arrears of Interest and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Part 3.5.5 of the Wft are declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

**"Own Funds"** means the amount of shareholders' and other funds which qualify as actual own funds ("*toetsingsvermogen*") under the Decree on Prudential Rules Wft.

*(g) Forfeiting of Interest Payments on Tier 1 Notes*

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

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

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

## **6. Payments**

*(a) Method of Payment*

Subject as provided below:

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

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

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

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

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

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against surrender of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unexpired Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note, Fund Linked Note, Inflation Linked Note or Share Linked Note or Long Maturity Note in definitive form becomes due and repayable, unexpired Receipts, Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Note is presented for redemption without all unexpired Receipts, Coupons or Talons relating to it, redemption shall be

made only against the provision of such indemnity as the Issuer may require. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note to or to the order of any Paying Agent. On each occasion on which a payment of principal or interest is made in respect of a Classic Global Note, the payment is noted in a schedule thereto and in respect of a New Global Note the payment is entered pro rata in the record of Euroclear and Clearstream, Luxembourg.

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

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

(c) *Payment Day*

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

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

*(d) Interpretation of Principal and Interest*

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

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

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

## **7. Redemption and Purchase**

*(a) At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments).

*(b) Redemption for Tax Reasons*

- (i) Subject as provided in paragraph (e) below and subject, in the case of Subordinated Notes of any Series, to the consent of DNB (*De Nederlandsche Bank N.V.*) having first been obtained and only if so specified in the applicable Final Terms, Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes, Index Linked Interest Notes, Inflation

Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes) or on any Specified Interest Payment Date (in the case of Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

- (ii) Subject as provided in paragraph (e) below Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if it becomes or will within 21 days become unlawful for the Issuer to have Notes outstanding or make payments on the Notes as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any change in the application of official interpretation of such laws or regulations or in the position of any regulator, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

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

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

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

- (i) not less than 15 nor more than 30 days' notice to the Noteholders or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

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

Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or Higher Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor of a reduction in principal amount at their discretion) and/or Euroclear Nederland, in the case of Redeemed Notes represented by a global Note, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes



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

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

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

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

*(e) Early Redemption Amounts*

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

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

- (B) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where "x" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Notes become due and repayable and the denominator of which is 360, or (in either case) such other calculation basis as may be specified in the applicable Final Terms.
- (iv) in case of Tier 1 Notes, which bear interest at a fixed rate and if so specified in the Final Terms, at an amount equal to the greater of the principal amount including interest accrued until the Early Redemption Date (subject to and excluding interest forfeited pursuant to Condition 5(g)) and the Make-Whole Amount .

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

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

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

(f) *Instalments*

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

(g) *Partly Paid Notes*

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

(h) *Purchases*

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

(i) *Cancellation*

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

*(j) Late Payment on Zero Coupon Notes*

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

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

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

Notwithstanding anything to the contrary contained elsewhere in this Condition 7, principal on the Tier 3 Notes of this Series will not be payable on any Interest Payment Date or Specified Interest Payment Date (or for Specified Periods) if and to the extent that at the time of, or as a result of, such payment the Issuer's actual Own Funds would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Decree on Prudential Rules Wft. Any principal in respect of the Tier 3 Notes of this Series not paid on an Interest Payment Date or Specified Interest Payment Date or for a Specified Period on which such principal would otherwise be payable will constitute arrears of principal ("**Arrears of Principal**") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Principal will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Part 3.5.5 of the Wft are declared in respect of the Issuer. Where any amount of principal or Arrears of Principal is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the principal accrued furthest from the date of payment. Any Arrears of Principal shall not themselves bear interest.

*(l) Redemption of Tier 1 Notes*

Redemption of Tier 1 Notes of any Series is subject to prior written approval from the DNB (*De Nederlandsche Bank N.V.*), provided that if the Tier 1 Notes cease to qualify as Tier 1 Capital and/or cease to (partly) qualify as upper Tier 2 Capital in accordance with the DNB Regulation, such redemption shall not require the approval of the DNB (*De Nederlandsche Bank N.V.*) and the Issuer may, but shall not be obliged to, redeem any or all Tier 1 Notes on the next succeeding Interest Payment Date at the Early Redemption Amount after having given notice to the Noteholders in accordance with Condition 14 at least 15 days prior to the Early Redemption Date.

## 8. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Final Terms, either:

(a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons; or

(b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

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

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

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

(iv) in The Netherlands; or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

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

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14. If and to the extent that in respect of the Tier 3 Notes of any Series any amount is not payable or repayable pursuant to Condition 5(f) or 7(k), the Relevant Date shall be the date on which any such amount becomes first payable or repayable.

## 9. Prescription

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

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. Events of Default

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

- (i) default is made for more than 14 days in the payment of interest or principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 30 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) (a) any indebtedness for money borrowed or raised (in an aggregate principal amount equal to or greater than euro 25,000,000 or its equivalent in other currencies) of the Issuer or any Material Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period, (b) any such indebtedness of the Issuer or any Material Subsidiary in an aggregate principal amount as aforesaid becomes, or becomes capable of being declared, due and payable prior to its stated maturity other than at the option of the Issuer or any such subsidiary or (c) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any guarantee or indemnity given by it in respect of any indebtedness for money borrowed or raised in an aggregate principal amount as aforesaid; or
- (iv) the Issuer or any Material Subsidiary is declared bankrupt, or a declaration in respect of the Issuer or any Material Subsidiary is made as referred to in Part 3.5.5 of the Wft; or
- (v) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer or any Material Subsidiary unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation of a Material Subsidiary,

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

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

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

## **12. Agent and Paying Agents**

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

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

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) there will at all times be a Paying Agent with a specified office situated outside The Netherlands; and
- (v) the Issuer will ensure that it maintains a paying agent with a specified office in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive. EU Savings Directive means the EU Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such EU Savings Directive.

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

## **13. Exchange of Talons**

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

matures.

#### **14. Notices**

All notices regarding the Notes shall be published (i) if and for so long as the Notes are listed on Euronext Amsterdam by NYSE Euronext, in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in at least one daily newspaper of wide circulation in The Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, in a leading daily newspaper having general circulation in Luxembourg, or 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* (in the case of (i) above) and *d'Wort* (in the case of (ii) above). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made or on the date of publication on the website of the Luxembourg Stock Exchange.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Note(s) is or are held in its or their entirety with a depository or a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or 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 that Stock Exchange so require, such notices will also be published in a daily newspaper of general circulation in The Netherlands.

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

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

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such meetings may be convened by the Issuer or Noteholders holding not less than 5 % in a nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or

representing not less than 50 % in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

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

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

## 16. Further Issues

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

## 17. Substitution of the Issuer

- (a) The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default and after written approval of DNB (*De Nederlandsche Bank N.V.*), be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Notes and the relative Receipts and Coupons provided that:
  - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons and the Agency Agreement as the principal debtor in respect of the Notes and the relevant Receipts and



Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Noteholder and each holder of the relative Receipts and Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 8) payable in respect of the Notes and the relative Receipts and Coupons;

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

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

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

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

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

(vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a

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

- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3 of the Terms and Conditions.
- (d) With respect to Subordinated Notes, the Issuer shall be entitled, after written approval of DNB (*De Nederlandsche Bank N.V.*) by notice to the Noteholders given in accordance with Condition 14, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Receipts and Coupons save that any claims under the Notes and the relative Receipts and Coupons prior to release shall enure for the benefit of Noteholders and Couponholders.
- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.
- (g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

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

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

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

## PART 2: FORM OF FINAL TERMS FOR MEDIUM TERM NOTES

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

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

### Final Terms

SNS Bank N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under SNS Bank N.V.'s € 25,000,000,000 Debt Issuance Programme

dated [•]

This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

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

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date:* This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the

Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus dated [19 April 2007] [26 July 2006] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus dated [19 April 2007] [26 July 2006] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

*[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 34 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]*

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Issuer:                           | SNS Bank N.V.  |
| 2. | (i) Series Number:                | [ ]  |
|    | (ii) Tranche Number:              | [ ]  |
|    |                                   | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)                             |
| 3. | Specified Currency or Currencies: | [ ]  |
| 4. | Aggregate Nominal Amount          | [of Notes admitted to trading]*:   |
|    | (i) Tranche:                      | [Up to]  |
|    | (ii) Series:                      | [Up to]  |
| 5. | (i) Issue Price of Tranche:       | [ ] per cent. of the Aggregate Nominal Amount<br>[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
|    | (ii) Dealer Commission:           | [ ]  |

6. (i) Specified Denominations: [ ]
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) Form of Definitive Notes [K/CF/Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date (if different from the Issue Date): [ ]
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR/other] +/- [ ] per cent. Floating Rate]  
 [Dual Currency Interest]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Inflation Linked Interest]  
 [Share Linked Interest]  
 [Fund Linked Interest]  
 [Non Interest Bearing]  
 [specify other]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Dual Currency Redemption]  
 [Instalment]  
 [specify other]
11. Change of interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another

	Interest Basis or Redemption/Payment Basis]
12. Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13. Status of the Notes:	[Senior/Tier1 Subordinated/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution:	[Syndicated/Non-syndicated/Not applicable]
<i>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</i>	
15. Fixed Rate Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub- paragraphs of this paragraph)
(i) Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear] (If payable other than annually, consider amending Condition 4)
(ii) Interest Payment Date(s):	[ ] in each year (NB: This will need to be amended in the case of long or short coupons)
(iii) Interest Period	[Please specify in case of step-up note/Not Applicable]
(iv) Fixed Coupon Amount(s):	[ ] per Calculation Amount
(v) Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date failing [in/on] [ ]
(vi) Business Day Convention	
- Business Day Convention	[Following Business Day Convention/Modified Following Business Day Convention/Unadjusted/Preceding Business Day Convention/[specify other]]
- Adjustment or Unadjustment for Interest Period	[Adjusted] or [Unadjusted]
(vii) Fixed Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or specify other]
(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/give details]
16. Floating Rate Note Provisions	[Applicable/Not Applicable]

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

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



- Relevant Time: [ ]  
(For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: [Yes/No]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (ix) Margin(s): [+/-] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
- 17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
  - (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Any other formula/basis of determining amount payable: [ ]
- 18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Index/Formula: [Give or annex details, name index and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]

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

- (i) Inflation/Formula: [Give or annex details, name inflation and description]

- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
20. Share Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description]
- (ii) Calculation Agent responsible for calculating the principal

- and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Unadjusted/ Preceding Business Day Convention/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]

- (iii) Alternative provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
22. Dual Currency Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Rate of Exchange/ method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [please insert name + address + contact]
- (iii) Provisions applicable where calculation by reference to Rate

of Exchange impossible or  
impracticable:

- (iv) Person at whose option Specified  
Currency(ies) is/are payable:

*PROVISIONS RELATING TO REDEMPTION*

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

(i) Optional Redemption Date(s):

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

(iii) If redeemable in part:  
(a) Minimum Redemption Amount:  per Calculation Amount  
(b) Higher Redemption Amount:  per Calculation Amount

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

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

(i) Optional Redemption Date(s):

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

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

25. Final Redemption Amount  per Calculation Amount /specify other/see Appendix]
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:  [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Permanent Global Note not exchangeable for Definitive Notes]
28. New Global Note form:  [Applicable/Not Applicable]
- [*Please refer to item 50(vi) if applicable*]
29. Additional Financial Centre(s) or other special provisions relating to payment Dates:  [Not Applicable/give details]
- Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate

30. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
32. Redenomination: [Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
33. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
34. Other terms or special conditions: [Not Applicable/give details]
- (when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

#### DISTRIBUTION

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



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

36. If non-syndicated, name and address of relevant Dealer: [specify name [and address]\*\* of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]
37. Total commission and concession\*\*: [ ] per cent. of the Aggregate Nominal Amount\*\*

#### OTHER PROVISIONS

38. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
39. Additional selling restrictions: [Not Applicable/give details]
40. Listing
- (i) Listing [Euronext Amsterdam by NYSE Euronext /other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [ ], [Not Applicable].  
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)\*\* [ ]\*]
41. Ratings: The Notes to be issued have [not] been rated:  
[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]\*\*
42. Notification  
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) ("**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]
43. Interests of Natural and Legal Persons Involved in the Issue  
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
44. Reasons for the Offer (if different from making a profit and/or hedging certain risks)

45. 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]
46. Yield (Fixed Rate Notes only)
- Indication of yield: [ ]  
 The yield is calculated at the Issue [Calculated as [include details of method of  
 Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]\*\*  
 It is not an indication of future yield.
47. Historic Interest Rates (Floating Rate Notes only)\*\*  
 Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuter EURIBOR 01]
48. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)\*\*  
 [Name of index/inflation/share/fund] [ ]  
 [Description of index/inflation/share/fund  
 if composed by Issuer:] [ ]  
 [Information on index/inflation/share/fund  
 if not composed by Issuer:] [ ]  
 [Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security]  
 [ISIN Code or other identification code]
- The underlying is a basket of  
 underlyings: [disclosure of relevant weightings of each  
 underlying in the basket]
49. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)
- [Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
50. Operational Information
- (i) ISIN Code: [ ]  
 (ii) Common Code: [ ]

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

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

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

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

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

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

### Responsibility

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

from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:  
Duly authorised

By:  
Duly authorised

Notes:

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

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

## CHAPTER 3: INDEX LINKED NOTES

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

The terms and conditions applicable to Notes linked to a single index (“**Index Linked Notes**”) shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Single Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Single Index Linked Conditions, the Single Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Single Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

#### 1. Final Redemption

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

#### 2. Definitions

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

“**Additional Disruption Event**” means a Change in Law.

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

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

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

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

submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

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

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

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

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

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

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

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

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

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

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

basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

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

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

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

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

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

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

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

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

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

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

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

### **3. Disrupted Days**

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

*“(m) Disrupted Days*

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

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

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



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

#### **4. Adjustments, Consequences of Certain Events and Currency**

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

*“(n) Adjustments and Currency*

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

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

(ii) Change of Exchange

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

(iii) Price Correction

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

(iv) Currency

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

(v) Additional Disruption Event

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

**5. Index Disclaimer**

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

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

The terms and conditions applicable to Notes linked to a basket of indices (“**Fund Linked Notes**”) shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Basket Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Basket Index Linked Conditions, the Basket Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Basket Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### **1. Final Redemption**

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

### **2. Definitions**

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

“**Additional Disruption Event**” means a Change in Law.

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

“**Basket**” means a basket composed of the Indices specified in the Final Terms.

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

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

“**Early Closure**” means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on

such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

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

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

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

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

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

**“Indices”** means all such indices together.

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

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

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

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

**“Index Sponsor”** means, in respect of an Index, either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the

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

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

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

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

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

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

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

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

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

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

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

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

### **3. Disrupted Days**

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

*“(m) Disrupted Days*

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

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

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

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

#### **4. Adjustments, Consequences of Certain Events and Currency**

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

*“(n) Adjustments and Currency*

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

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

(ii) Change of Exchange

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

(iii) Price Correction

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

(iv) Currency

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

(v) Additional Disruption Events

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

## **5. Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by any of the Indices or any of the Index Sponsors and none of the Index Sponsors has made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Index and/or the levels at which any such Index stands at any particular time on any particular date or otherwise. None of the Index Sponsors shall be liable (whether in negligence or otherwise) to any person for any error in any relevant Index and none of the Index Sponsors are under any obligation to advise any person of any error therein. The Index Sponsors have made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by any Index Sponsor in connection with the calculation, adjustment or maintenance of any Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any of the Indices or any of the Index Sponsors or any control over the computation, composition or dissemination of the Indices. Although the Issuer and the Calculation Agent will obtain information concerning the Indices from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.



## PART 2: FORM OF FINAL TERMS FOR INDEX LINKED NOTES

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

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

### Final Terms

SNS Bank N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under SNS Bank N.V.'s € 25,000,000,000 Debt Issuance Programme

dated [•]

This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

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

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date:* This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or

supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus dated [19 April 2007] [26 July 2006] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus dated [19 April 2007] [26 July 2006] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

*[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 34 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]*

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Issuer:                           | SNS Bank N.V.   |
| 2. | (i) Series Number:                | [ ]   |
|    | (ii) Tranche Number:              | [ ]   |
|    |                                   | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)                          |
| 3. | Specified Currency or Currencies: | [ ]   |
| 4. | Aggregate Nominal Amount          | [of Notes admitted to trading]*:  |
|    | (i) Tranche:                      | [Up to]   |
|    | (ii) Series:                      | [Up to]   |
| 5. | (i) Issue Price of Tranche:       | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |

- (ii) Dealer Commission: [ ]
6. (i) Specified Denominations: [ ]
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) Form of Definitive Notes [K/CF/Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date  
(if different from the Issue Date): [ ]
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/other] +/- [ ] per cent. Floating Rate]  
[Dual Currency Interest]  
[Zero Coupon]  
[Index Linked Interest]  
[Inflation Linked Interest]  
[Share Linked Interest]  
[Fund Linked Interest]  
[Non Interest Bearing]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Instalment]  
[specify other]
11. Change of interest Basis or Redemption/

- Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: [Senior/Tier1 Subordinated/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

*PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE*

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly] in arrear]  
(If payable other than annually, consider amending Condition 4)
- (ii) Interest Payment Date(s): [ ] in each year  
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/ Not applicable]
- (iv) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment date falling [in/on] [ ]
- (vi) Business Day Convention  
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Unadjusted/Preceding Business Day Convention/[specify other]]  
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]

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

- Relevant Time: [ ]  
(For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: [Yes/No]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (ix) Margin(s): [+/-] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
- 17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
  - (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Any other formula/basis of determining amount payable: [ ]
- 18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Index/Formula: [Give or annex details, name index and description]

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

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

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

(v) Business Day Convention:  
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]

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

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

(vii) Minimum Rate of Interest: [ ] per cent. per annum

(viii) Maximum Rate of Interest: [ ] per cent. per annum

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

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

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

(i) Inflation/Formula: [Give or annex details, name inflation and description]

- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
20. Share Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description]



- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Unadjusted/ Preceding Business Day Convention/ specify other]
  - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description]
- (ii) Calculation Agent responsible for calculating the principal

- and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
22. Dual Currency Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [please insert name + address + contact]

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified Currency(ies) is/are payable:

*PROVISIONS RELATING TO REDEMPTION*

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

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount:  per Calculation Amount
  - (b) Higher Redemption Amount:  per Calculation Amount

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

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

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example,

clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount [ ] per Calculation Amount /specify other/see Appendix
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): [ ]

*GENERAL PROVISIONS APPLICABLE TO THE NOTES*

27. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Permanent Global Note not exchangeable for Definitive Notes]
28. New Global Note form: [Applicable/Not Applicable]  
[Please refer to item 48(vi), if applicable]
29. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]  
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii) and 18(iv) relate
30. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
32. Redenomination: [Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count

Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]

33. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
34. Other terms or special conditions: [Not Applicable/give details]
- (when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

*DISTRIBUTION*

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

*INDEX LINKED PROVISIONS*

38. **[The following apply to Notes linked to a single index only:**

Averaging Dates:	[specify dates or delete if N/A]
Barrier Level:	[specify as [ <b>●</b> ] per. cent of Initial Index Level] Or delete if N/A]
Business Day:	[specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [ <b>●</b> ] [and (ii) which is a TARGET Business Day]]
Exchange(s):	[specify if Non-Multi Exchange Index, otherwise no need to complete]
Expiration Date:	[specify or delete if N/A]
Index:	[specify]
Index Sponsor:	[specify or delete if fallback provisions in Chapter 3, Part 1 to apply]
Initial Index Level:	[specify as [the Index Level on the Strike Date] Or delete if N/A]
Multi-Exchange Index:	[Yes/No]
Non Multi-Exchange Index:	[Yes/No]
Observation Date(s):	[specify or delete if N/A]
Observation Period:	[specify as [the period from and including the Issue Date, Strike Date or [ <b>●</b> ] to and including The Expiration Date or [ <b>●</b> ]] or delete if N/A]
Strike Date:	[specify or delete if N/A]
Strike Price:	[specify or delete if N/A]
	[Insert any other relevant terms]]

**[The following apply to Notes linked to a basket of indices only:**

Averaging Dates:	[specify dates or delete if N/A]
Barrier Level:	[specify as [ <b>●</b> ] per. cent of Initial Index Level] Or delete if N/A]

Basket: [specify names of Indices and their weightings]  
[indicate which are Multi-Exchange Indices  
And which are Non Multi-Exchange Indices]

Business Day: [specify as [a day on which (i) commercial  
banks and foreign exchange markets settle  
payments and are open for general business  
(including dealing in foreign exchange and  
foreign currency deposits) in [●] [and (ii) which  
is a TARGET Business Day].

Exchange(s): [specify if any Non Multi-Exchange Indices,  
otherwise no need to complete]

Expiration Date: [specify or delete if N/A]

Index Sponsor: [specify or delete if fallback provisions in  
Chapter 3, Part 1 to apply]

Initial Index Level: [specify as [the Index Level on the Strike Date]  
Or delete if N/A]

Observation Date(s): [specify or delete if N/A]

Observation Period: [specify as [the period from and including the  
Issue Date, Strike Date or [●] to and including  
The Expiration Date or [●]] or delete if N/A]

Strike Date: [specify or delete if N/A]

Strike Price: [specify or delete if N/A]

[Insert any other relevant terms]]

#### *OTHER PROVISIONS*

39. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
40. Additional selling restrictions: [Not Applicable/give details]
41. Listing
- (iii) Listing [Euronext Amsterdam by NYSE Euronext /other  
(specify)/ None]
- (iv) Admission to trading: [Application has been made for the Notes to be  
admitted to trading on Euronext Amsterdam by  
NYSE Euronext with effect from [ ], [Not  
Applicable].  
(Where documenting a fungible issue need to  
indicate that original securities are already admitted  
to trading.)\*\* [ ]\*

42. Ratings: The Notes to be issued have [not] been rated:  
[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]\*\*
43. Notification  
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]
44. Interests of Natural and Legal Persons Involved in the Issue  
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
45. Reasons for the Offer (if different from making a profit and/or hedging certain risks)
46. Estimated net proceeds and total expenses  
(i) Estimated net proceeds [ ]  
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)  
(ii) Estimated total expenses: [ ]. [Include breakdown of expenses]
47. Yield (Fixed Rate Notes only)  
Indication of yield: [ ]  
The yield is calculated at the Issue Date on the basis of the Issue Price. [Calculated as [include details of method of calculation in summary form] on the Issue Date.]\*\*  
It is not an indication of future yield.
48. Historic Interest Rates (Floating Rate Notes only)\*\*  
Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
49. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)\*\*  
[Name of index/inflation/share/fund] [ ]  
[Description of index/inflation/share/fund if composed by Issuer:] [ ]  
[Information on index/inflation/share/fund



if not composed by Issuer: [ ]

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

The underlying is a security: [Name of the issuer of the security]  
[ISIN Code or other identification code]

The underlying is a basket of  
underlyings: [disclosure of relevant weightings of each  
underlying in the basket]

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

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

51. Operational Information

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

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

- (vii) Offer Period: [The offer of the Notes is expected to open at [ ] hours ([ ] time) on [ ] and close at [ ] hours ([ ] time) on [ ] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] [Not Applicable]
- (viii) Delivery: Delivery [against/free of] payment

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

### Responsibility

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

Signed on behalf of the Issuer:

By:  
Duly authorised

By:  
Duly authorised

Notes:

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

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

## CHAPTER 4: INFLATION LINKED NOTES

### PART 1: TERMS AND CONDITIONS OF INFLATION LINKED NOTES

The terms and conditions applicable to inflation linked notes (“**Inflation Linked Notes**”) shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Inflation Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Inflation Linked Conditions set out below, the Inflation Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

#### 1. Final Redemption

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

#### 2. Definitions

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

“**Averaging Date(s)**” means, if Averaging Dates is specified as applicable in the relevant Final Terms, each of the dates specified as such in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

“**AUD – Non-revised Consumer Price Index (CPI)**” means the “Non-revised Index of Consumer Prices for Weighted Average of Eight Capital Cities: All – Groups Index before Seasonal Adjustment”, or relevant Successor Index, measuring the rate of inflation in Australia, expressed as an index and published by the relevant Index Sponsor.

“**Base Level**” means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the Reference Month for which the Substitute Index Level is being determined.

“**BLG – Non-revised Harmonised Consumer Price Index (HICP)**” means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Belgium, expressed as an index and published by the relevant Index Sponsor.

“**BRL – Non-revised Consumer Price Index (IPCA)**” means the “Non-revised Extensive National Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor.

“**BRL – Non-revised Price Index (IGP-M)**” means the “IGP-M General Price Index”, or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor.

**“CAD – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Canada, expressed as an index and published by the relevant Index Sponsor.

**“Change in Law”** means that, on or after the earlier of the Strike Date and Issue Date, as applicable, (or as otherwise set forth in the relevant Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**“Cut-Off Date”** means, in respect of a Determination Date, the number of Business Days specified in the relevant Final Terms prior to such Determination Date.

**“DEK – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Denmark, expressed as an index and published by the relevant Index Sponsor.

**“Delayed Index Level Event”** means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the “Relevant Level”) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time prior to the Cut-Off Date.

**“DEM – Non-revised Consumer Price Index (CPI)”** means the “Non-revised All Items Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Germany, expressed as an index and published by the relevant Index Sponsor.

**“Determination Date”** means the Strike Date, the Expiration Date, any Averaging Date, any Observation Date, the Maturity Date or any other date designated in the relevant Final Terms.

**“ESP – Harmonised-Non-revised Consumer Price Index (HCPI)”** means the “Non-revised Harmonised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

**“ESP – Harmonised-Revised Consumer Price Index (HCPI)”** means the Harmonised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

**“ESP – National-Non-revised Consumer Price Index (CPI)”** means the “Non-revised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

**“ESP – National-Revised Consumer Price Index (CPI)”** means the “Year on Year Revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Spain, expressed as an annual percentage and published by the relevant Index Sponsor.

**“EUR – All Items-Non-revised Consumer Price Index”** means the “Non-revised Harmonised Index of Consumer Prices All Items”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

**“EUR – All Items-Revised Consumer Price Index”** means the “Revised Harmonised Index of Consumer Prices All Items”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

**“EUR – Excluding Tobacco-Non-revised Consumer Price Index”** means the “Non-revised Index of Consumer Prices excluding Tobacco”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor.

**“Expiration Date”** means the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

**“FRC – Excluding Tobacco-Non-Revised Consumer Price Index”** means the “Non-revised Index of Consumer Prices excluding Tobacco”, or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor.

**“GBP – Non-revised Retail Price Index (UKRPI)”** means the “Non-revised Retail Price Index in the United Kingdom”, or relevant Successor Index, measuring the rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor.

**“GRD – Harmonised-Non-revised Consumer Price Index (HICP)”** means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

**“GRD – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

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

**“Index Cancellation”** means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

**“Index Level”** means the level of the Index or any Substitute Index Level.

**“Index Modification”** means the Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

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

**“IRL – Non-revised Consumer Price Index (CPI)”** means the “Consumer Price Index-All Items”, or relevant Successor Index, measuring the rate of inflation in Ireland, expressed as an index and published by the relevant Index Sponsor.

**“ISK – Harmonised Consumer Price Index (HICP)”** means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

**“ISK – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

**“ITL – Inflation for Blue Collar Workers and Employees-Excluding Tobacco Consumer Price Index”** means the “Indice dei prezzi al consume per famiglie di operai e impiegati (FOI) senza tabacchi”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“ITL – Inflation for Blue Collar Workers and Employees-Including Tobacco Consumer Price Index”** means the “Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) con tabacchi”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“ITL – Whole Community – Excluding Tobacco Consumer Price Index”** means the “Indice nazionale dei prezzi al consumo per l’intera collettività (NIC) senza tabacchi” or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“ITL – Whole Community – Including Tobacco Consumer Price Index”** means the “Indice nazionale dei prezzi al consume per l’intera collettività (NIC) con tabacchi”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“JPY – Non-revised Consumer Price Index Nationwide General Excluding Fresh Food (CPI)”** means the “Non-revised Consumer Price Index Nationwide General Excluding Fresh Food”, or relevant Successor Index, measuring the rate of inflation excluding fresh food in Japan, expressed as an index and published by the relevant Index Sponsor.

**“KRW – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in South Korea, expressed as an index and published by the relevant Index Sponsor.

**“Latest Level”** means the latest Index Level (whether definitive or provisional) published or announced by the Index Sponsor prior to the Reference Month in respect of which the Substitute Index Level is being determined.

**“MXN – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in Mexico, expressed as an index and published by the relevant Index Sponsor.

**“MXN – Unidad de Inversion Index (UDI)”** means the **“Unidad de Inversion Index”**, or relevant Successor Index, reporting the daily peso value of an Unidad de Inversion (an “UDI”), expressed as an index and published by the relevant Index Sponsor.

**“NLG – Harmonised-Non-revised Consumer Price Index (HICP)”** means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in The Netherlands, expressed as an index and published by the relevant Index Sponsor.

**“NZD – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in New Zealand, expressed as an index and published by the relevant Index Sponsor.

**“Observation Date”** means, if specified as applicable in the relevant Final Terms, each date, if any, set forth in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

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

**“PLN – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Price Indices of Consumer Goods and Services”, or relevant Successor Index, measuring the rate of inflation in Poland, expressed as an index and published by the relevant Index Sponsor.

**“Rebased Index”** has the meaning given to it in Condition 7(o)(v).

**“Reference Level”** means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the Reference Month that is 12 calendar months prior to the Reference Month in respect of the Latest Level.

**“Reference Month”** means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Index Level was reported is a period other than a month, the Reference Month shall be the period for which the Index Level was reported.

**“Related Bond”** means, if specified as applicable in the relevant Final Terms, means the bond specified as such in the relevant Final Terms.

**“Related Bond Redemption Event”** means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

**“Relevant Level”** has the meaning given to it in the definition of Delayed Index Level Event.

**“SEK – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Sweden, expressed as an index and published by the relevant Index Sponsor.

**“Successor Index”** has the meaning given to it in Condition 7(o).

**“Substitute Index Level”** means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Condition 7(m).

**“USA – Non-revised Consumer Price Index – Urban (CPI-U)”** means the “Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment”, or relevant Successor Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Index Sponsor.

**“ZAR – Non-revised Consumer Price Index (CPI)”** means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in South Africa, expressed as an index and published by the relevant Index Sponsor.

**“ZAR – Non-revised Consumer Price Index Excluding Mortgages (CPIX)”** means the “Nonrevised Index of Consumer Prices excluding Mortgage”, or relevant Successor Index, measuring the rate of inflation excluding mortgages in South Africa, expressed as an index and published by the relevant Index Sponsor.

### **3. Delay in Publication**

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

*“(m) Delay in Publication*

If the Calculation Agent determines that a Delayed Index Level Event has occurred with respect to any Determination Date, then the Index Level with respect to any Reference Month which is to be utilized in any calculation or determination to be made by the

Calculation Agent and/or the Issuer with respect to such Determination Date (the “**Substitute Index Level**”) shall be determined by the Calculation Agent (subject to Condition 7(n)(ii)) as follows:

- (i) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (ii) if (I) Related Bond is specified as not applicable in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

- (iii) in accordance with any formula specified in the relevant Final Terms.

The Issuer shall promptly give notice to the holders of the Notes in accordance with Condition 14 of any Substitute Index Level.”

#### **4. Successor Index**

For the purposes of the Notes, Condition 7 shall be amended by the addition of a new Condition 7(o) as follows:

*“(o) Successor Index*

If the Calculation Agent determines that the level of an Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will not longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a “**Successor Index**”) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (i) if the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a “Successor Index”;
- (ii) if (i) above does not apply and if Related Bond is specified as applicable in the Final Terms, the successor index (if any) designated pursuant to the terms and conditions of the Related Bond and such successor index shall be designated a “Successor Index”; or
- (iii) if (i) above does apply and if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent shall determine an appropriate alternative index and such index will be deemed a “Successor Index”; or



- (iv) if the Calculation Agent determines that neither (i), (ii) nor (iii) above apply, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to holders of the Notes by the Issuer in accordance with Condition 14.”.

## **5. Adjustments**

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

### ***“(n) Adjustments and Currency***

- (i) **Successor Index**  
If a Successor Index is determined in accordance with Condition 7(n), the Issuer may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.
- (ii) **Substitute Index Level** If the Calculation Agent determines a Substitute Index Level in accordance with Condition 7(m), the Issuer may make any adjustment or adjustments (without limitation) to (I) the Substitute Index Level determined in accordance with Condition 7(m) and/or (II) the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.
- (iii) **Index Level Adjustment Correction**
  - (I) The first publication or announcement of the Index Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Condition 7(n)(iii)(II) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESPNational- Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Index Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Index Level for the relevant Reference Month will be deemed to be the final and conclusive Index Level for such Reference Month. The Issuer shall give notice to the holders of the Notes of any valid revision in accordance with Condition 14.
  - (II) If, within thirty days of publication or at any time prior to a Determination Date in respect of which an Index Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Index Level to correct an error which the Calculation Agent determines is material, the Issuer may make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other

relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with Condition 14.

- (III) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Index Level shall be deemed to be the definitive Index Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the holders of the Notes of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 14.
- (iv) Currency If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14.
- (v) Rebasing If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the Index Level from the date of such rebasing; provided, however, that the Issuer may make (A) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as the Index before it was rebased, and in each case the Issuer may make any adjustment(s) to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Condition 14 at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the relevant Final Terms) as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any adjustment, redemption of the Notes or

determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

- (vi) Index Modification
  - (I) If, on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Issuer may (A) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the Index, any Index Level and/or any other relevant term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the Index, any Index Level and/or any other term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.
  - (II) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Issuer may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of (I) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with (I) above.
- (vii) Change in Law If the Calculation Agent determines that a Change in Law has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 14 at its fair economic value as determined by the Calculation Agent) as at the date of redemption taking into account the Change in Law, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Notes shall be given to Noteholders in accordance with Condition 14.
- (viii) Index Cancellation If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 14 at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.”.

## **6. Index Disclaimer**

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

## **7. Related Bond Disclaimer**

The Notes are not sponsored endorsed, sold or promoted by the issuer of the Related Bond and the issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the performance of the Related Bond and/or any amendments, adjustments or modifications to the terms and conditions of the Related Bond, and/or as to the results to be obtained from the use of any value or index level determined or derived with respect to the Related Bond or otherwise. The issuer of the Related Bond shall not be liable (whether in negligence or otherwise) to any person for any error in the index level or any value determined or derived with respect to the Related Bond and such issuer is under no obligation to advise any person of any error with respect thereto. The issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the issuer of the Related Bond nor any calculation agent in respect thereof shall have any liability to any person for any act or failure to act in connection with the Related Bond.

## PART 2: FORM OF FINAL TERMS FOR INFLATION LINKED NOTES

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

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

### Final Terms

SNS Bank N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under SNS Bank N.V.'s € 25,000,000,000 Debt Issuance Programme

dated [•]

This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

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

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted*

from the prospectus dated [19 April 2007] [26 July 2006] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus dated [19 April 2007] [26 July 2006] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

*[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 34 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]*

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Issuer:                           | SNS Bank N.V.  |
| 2. | (i) Series Number:                | [ ]  |
|    | (ii) Tranche Number:              | [ ]  |
|    |                                   | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)                             |
| 3. | Specified Currency or Currencies: | [ ]  |
| 4. | Aggregate Nominal Amount          | [of Notes admitted to trading]*:   |
|    | (i) Tranche:                      | [Up to]  |
|    | (ii) Series:                      | [Up to]  |
| 5. | (i) Issue Price of Tranche:       | [ ] per cent. of the Aggregate Nominal Amount<br>[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
|    | (ii) Dealer Commission:           | [ ]  |

6. (i) Specified Denominations: [ ]
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) Form of Definitive Notes [K/CF/Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date (if different from the Issue Date): [ ]
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/other] +/- [ ] per cent. Floating Rate]  
[Dual Currency Interest]  
[Zero Coupon]  
[Index Linked Interest]  
[Inflation Linked Interest]  
[Share Linked Interest]  
[Fund Linked Interest]  
[Non Interest Bearing]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Inflation Linked Redemption]  
[Dual Currency Redemption]  
[Instalment]  
[specify other]
11. Change of interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another

	Interest Basis or Redemption/Payment Basis]
12. Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13. Status of the Notes:	[Senior/Tier1 Subordinated/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution:	[Syndicated/Non-syndicated/Not applicable]



PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]  
(If payable other than annually, consider amending Condition 4)
- (ii) Interest Payment Date(s): [ ] in each year  
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not Applicable]
- (iv) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (vi) Business Day Convention  
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Unadjusted/Preceding Business Day Convention/[specify other]]  
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [ ] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) Business Day Convention:  
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day

Convention/ Unadjusted/ Preceding Business Day  
Convention/ [specify other]]

- Adjustment or Unadjustment  
for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): [ ]
- (v) Manner in which the Rate of  
Interest and Interest Amount is to  
be determined: [Screen Rate Determination/ISDA  
Determination/specify other]
- (vi) Party responsible for calculating  
the Rate of Interest and interest  
Amount (if not the Agent): [ ]
- (vii) Screen Rate Determination: [Yes/No]
  - Reference Rate: [ ]  
(Either LIBOR, EURIBOR or other, although  
additional information is required if other –including  
fallback provisions in the Agency Agreement)
  - Interest Determination Date(s): [ ]  
(Second London business day prior to the start of  
each Interest Period if LIBOR (other than sterling or  
euro LIBOR), first day of each Interest Period if  
sterling LIBOR and the second day on which the  
TARGET System is open prior to the start of each  
Interest Period if EURIBOR, euro LIBOR or any  
other inter-bank offered rate prevailing in a country  
in which the TARGET System does not apply)
  - Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Reuters EURIBOR  
01 ensure it is a page which shows a composite  
rate or amend the fallback provisions appropriately)
  - Relevant Time: [ ]  
(For example, 11.00 a.m. London time/Brussels  
time)
- (viii) ISDA Determination: [Yes/No]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (ix) Margin(s): [+/-] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum

- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details, name index and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified

- Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Inflation/Formula: [Give or annex details, name inflation and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]

- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
20. Share Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:

- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Unadjusted/ Preceding Business Day Convention/ specify other]
  - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
  - (vi) Additional Business Centre(s): [ ]
  - (vii) Minimum Rate of Interest: [ ] per cent. per annum
  - (viii) Maximum Rate of Interest: [ ] per cent. per annum
  - (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
  - (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description]
  - (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
  - (iii) Alternative provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: [ ]
  - (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
  - (v) Business Day Convention:
    - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day

- Convention/ Preceding Business Day Convention/  
Unadjusted/ specify other]
- Adjustment or Unadjustment  
for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (x) Description of any market  
disruption or settlement  
disruption events that  
affect the underlying: [ ]
22. Dual Currency Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining  
sub paragraphs of this paragraph)
- (i) Rate of Exchange/method of  
calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any,  
responsible for calculating the  
principal and/or interest payable: [please insert name + address + contact]
- (iii) Provisions applicable where  
calculation by reference to Rate  
of Exchange impossible or  
impracticable: [ ]
- (iv) Person at whose option Specified  
Currency(ies) is/are payable: [ ]

*PROVISIONS RELATING TO REDEMPTION*

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

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) If redeemable in part:  
 (a) Minimum Redemption Amount:  per Calculation Amount  
 (b) Higher Redemption Amount:  per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions):   
 -(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
24. Investor Put:  [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions):   
 (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
25. Final Redemption Amount  [ ]per Calculation Amount/specify other/see Appendix]
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in



Condition 7(e): [ ]

*GENERAL PROVISIONS APPLICABLE TO THE NOTES*

27. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Permanent Global Note not exchangeable for Definitive Notes]
28. New Global Note form; [Applicable/Not Applicable]  
[Please refer to item 50(vi), if applicable]
29. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]  
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate
30. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
32. Redenomination: [Redenomination [not] applicable  
(if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
33. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the

Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply):

[Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]

34. Other terms or special conditions: [Not Applicable/give details]

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

#### DISTRIBUTION

35. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, [addresses] \*\* and underwriting commitments]

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

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

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

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

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

#### 38. INFLATION LINKED PROVISIONS

Index: [•]

Index Sponsor: [•]

Related Bond: [Applicable/N/A] [if applicable, specify]

Issuer of Related Bond: [Applicable/N/A] [if applicable, specify]

Related Bond Redemption Event: [Applicable/N/A] [if applicable, specify]

Averaging Date:	[Applicable/N/A] [if applicable, specify]
Observation Date:	[Applicable/N/A] [if applicable, specify]]
Expiration Date:	[•]
Strike Date:	[•]
Strike Price:	[•]
Observation Period:	[Applicable/Not Applicable] [if applicable, specify]
First Publication:	[Applicable/Not Applicable]
Substitute Index Level:	[As determined in accordance with Condition 7(m)][•]
Cut-Off Date:	In respect of a Determination Date, the day that is [•] Business Days prior to such Determination Date.
Business Day Convention:	[•]

*OTHER PROVISIONS*

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

43. Notification  
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "AFM") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]
44. Interests of Natural and Legal Persons Involved in the Issue  
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
45. Reasons for the Offer (if different from making a profit and/or hedging certain risks)
46. Estimated net proceeds and total expenses
- (i) Estimated net proceeds [ ]  
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (ii) Estimated total expenses: [ ]. [Include breakdown of expenses]
47. Yield (Fixed Rate Notes only)  
Indication of yield: [ ]  
The yield is calculated at the Issue [Calculated as [include details of method of  
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]\*\*  
It is not an indication of future yield.
48. Historic Interest Rates (Floating Rate Notes only)\*\*  
Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
49. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)\*\*  
[Name of index/inflation/share/fund] [ ]  
[Description of index/inflation/share/fund  
if composed by Issuer:] [ ]  
[Information on index/inflation/share/fund  
if not composed by Issuer:] [ ]  
[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security]  
[ISIN Code or other identification code]

The underlying is a basket of underlyings: [disclosure of relevant weightings of each underlying in the basket]

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

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

51. Operational Information

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

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

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

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

53. Additional information

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

54. Listing Application

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

### **Responsibility**

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

Signed on behalf of the Issuer:

By:  
Duly authorised

By:  
Duly authorised

Notes:

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

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

## CHAPTER 5: SHARE LINKED NOTES

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

The terms and conditions applicable to Notes linked to a single share (“**Share Linked Notes**”) shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Single Share Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Single Share Linked Conditions, the Single Share Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Single Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

#### 1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n)) the Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if “Share Delivery” is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 7(o)), all as further specified in the Final Terms.

#### 2. Definitions

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

“**Additional Disruption Event**” means Change in Law and/or Insolvency Filing.

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

“**Change in Law**” means that on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer to hold, acquire or dispose of the Shares, or (Y) the Issuer will incur a materially increased cost in holding, acquiring or disposing of the Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**De-listing**” means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or requoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union,

in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

**“Delivery Day”** means, if “Share Delivery” is specified as being applicable in the Final Terms, a day, if any, on which the Shares comprised in the Share Amount(s) may be delivered to the Noteholders in a manner which the Issuer determines to be appropriate.

**“Disrupted Day”** means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

**“Disruption Cash Settlement Price”** means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the Share Amount, as determined by the Calculation Agent in its sole discretion.

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

**“Exchange”** means the Exchange specified in the Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

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

**“Exchange Disruption”** means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange.

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

**“Extraordinary Dividend”** means, in respect of the Shares, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

**“Final Share Price”** means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

**“Fractional Amount”** means, if “Share Delivery” is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 7(o)(iii).



**“Fractional Cash Amount”** means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent: Fractional Cash Amount = (Final Share Price x Fractional Amount).

**“Initial Share Price”** means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

**“Insolvency”** means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

**“Insolvency Filing”** means that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

**“Market Disruption Event”** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

**“Merger Date”** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**“Merger Event”** means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a “Reverse Merger”), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

**“Nationalization”** means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“New Shares”** means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

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

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

**“Other Consideration”** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

**“Potential Adjustment Event”** means any of the following:

- (i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by the Share Issuer in respect of Shares that are not fully paid;
- (v) a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares.

“**Price**” means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if “**Constant Monitoring**” is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if “**Valuation Time Only**” is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

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

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

“**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“**Settlement Disruption Event**” means, if “**Share Delivery**” is specified as being applicable in the Final Terms, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

“**Share Amount**” has the meaning ascribed to it in the Final Terms.

“**Share Currency**” has the meaning ascribed to it in the Final Terms.

“**Share Delivery Date**” has the meaning ascribed to it in the Final Terms.

“**Share Issuer**” has the meaning ascribed to it in the Final Terms.

“**Shares**” has the meaning ascribed to it in the Final Terms.

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

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

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange.

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

### 3. **Disrupted Days**

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

*“(m) Disrupted Days*

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

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

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

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

#### 4. Adjustments

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

*“(n) Adjustments, Consequences of Certain Events and Currency*

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred, the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the “Shares” and the “Share Issuer”, respectively, and if the

Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14.

(iv) Nationalisation, Insolvency or De-listing

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

(v) Change of Exchange

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

(vi) Price Correction

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

(vii) Currency

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

(viii) Additional Disruption Events

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

(ix) Change in currency

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.”

**5. Delivery of Share Amount**

For the purposes of the Notes, if “Share Delivery” is specified as being applicable in the Final Terms, Condition 7 shall be amended by the addition of a new Condition 7(o) as follows:

*“(o) Delivery of Share Amounts:*

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, “delivery” in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and “deliver” shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the Share Issuer. Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 7(n).

Neither the Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount in respect of any Note by the Issuer in accordance with the terms and conditions of the Notes is not practicable



or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 14, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 if a Settlement Disruption Event has occurred.

(iii) **Aggregate Share Amount**

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.”

**6. Prescription**

For the avoidance of doubt, Condition 9 shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

## **PART 1(B): TERMS AND CONDITIONS OF NOTES LINKED TO A BASKET OF SHARES**

The terms and conditions applicable to Notes linked to a basket of shares (“**Share Linked Notes**”) shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (the “**General Conditions**”) and the additional Terms and Conditions set out below the (“**Basket Share Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Basket Share Linked Conditions, the Basket Share Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Basket Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### **1. Final Redemption**

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n)) the Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if “Share Delivery” is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 7(o)), all as further specified in the Final Terms.

### **2. Definitions**

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

“**Additional Disruption Event**” means Change in Law and/or Insolvency Filing.

“**Averaging Dates**” means, in respect of a Share, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m).

“**Basket**” means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Final Terms.

“**Change in Law**” means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer to hold, acquire or dispose of any Shares, or (Y) the Issuer will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**De-listing**” means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the

European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

**“Delivery Day”** means, if “Share Delivery” is specified as being applicable in the Final Terms, a day, if any, on which Shares comprised in any Share Amount(s) may be delivered to the Noteholders in a manner which the Calculation Agent determines to be appropriate.

**“Disrupted Day”** means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

**“Disruption Cash Settlement Price”** means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the relevant Share Amount, as determined by the Calculation Agent in its sole discretion.

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

**“Exchange”** means, in respect of a Share, the Exchange specified for such Share in the Final Terms or otherwise the stock exchange on which such Share is, in the determination of the Issuer, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

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

**“Exchange Disruption”** means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

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

**“Extraordinary Dividend”** means, in respect of a Share, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

**“Final Share Price”** means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

**“Fractional Amount”** means, if “Share Delivery” is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 7(o)(iii).

**“Fractional Cash Amount”** means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent: Fractional Cash Amount = (Final Share Price x Fractional Amount).

**“Initial Share Price”** means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

**“Insolvency”** means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

**“Insolvency Filing”** means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

**“Market Disruption Event”** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

**“Merger Date”** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**“Merger Event”** means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a “Reverse Merger”), in each case if the

Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

**“Nationalisation”** means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“New Shares”** means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

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

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

**“Other Consideration”** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

**“Potential Adjustment Event”** means any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket.

**"Price"** means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **"Constant Monitoring"** is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if "Valuation Time Only" is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

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

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

**"Scheduled Trading Day"** means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

**"Settlement Disruption Event"** means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of a Share, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

**"Share Amount"** has the meaning ascribed to it in the Final Terms.

**"Share Currency"** has the meaning ascribed to it in the Final Terms.

**"Share Delivery Date"** has the meaning ascribed to it in the Final Terms.

**"Share Issuer"** has the meaning ascribed to it in the Final Terms.

**"Shares"** has the meaning ascribed to it in the Final Terms.

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

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

**"Tender Offer"** means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

**“Tender Offer Date”** means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

**“Trading Disruption”** means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange.

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

### **3. Disrupted Days**

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

*“(m) Disrupted Days*

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

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

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

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

#### **4. Adjustments**

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

*“(n) Adjustments, Consequences of Certain Events and Currency*

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or



- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant “Shares” and the relevant “Share Issuer”, respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14.

(iv) Nationalisation, Insolvency or De-listing

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the costs to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14.

(v) Change of Exchange

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

(vi) Price Correction

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

(vii) Currency

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

(viii) Additional Disruption Events

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

(ix) Change in currencies

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

## 5. Delivery of Share Amount

For the purposes of the Notes, if “Share Delivery” is specified as being applicable in the Final Terms, Condition 7 shall be amended by the addition of a new Condition 7(o) as follows:

*“(o) Delivery of Share Amounts:*

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, “delivery” in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and “deliver” shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the relevant Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 7(n).

Neither the Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners

of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount (or part thereof) in respect of any Note by the Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount (or part thereof) shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 13, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount (or part thereof) using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount (or part thereof) in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount (or part thereof) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 if a Settlement Disruption Event has occurred.

(iii) Aggregate Share Amount

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.”

## **6. Prescription**

For the avoidance of doubt, Condition 9 shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

## PART 2: FORM OF FINAL TERMS FOR SHARE LINKED NOTES

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

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

### Final Terms

SNS Bank N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under SNS Bank N.V.'s € 25,000,000,000 Debt Issuance Programme

dated [•]

This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in Chapter 2. Part 1 and Chapter 5. Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in Chapter 2. Part 1 and Chapter 5. Part 1 of the Prospectus.

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or*

supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus dated [19 April 2007] [26 July 2006] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus dated [19 April 2007] [26 July 2006] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

*[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 34 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]*

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Issuer:                           | SNS Bank N.V.   |
| 2. | (i) Series Number:                | [ ]   |
|    | (ii) Tranche Number:              | [ ]   |
|    |                                   | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)                          |
| 3. | Specified Currency or Currencies: | [ ]   |
| 4. | Aggregate Nominal Amount          | [of Notes admitted to trading]*:  |
|    | (i) Tranche:                      | [Up to]   |
|    | (ii) Series:                      | [Up to]   |
| 5. | (i) Issue Price of Tranche:       | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |

- (ii) Dealer Commission: [ ]
6. (i) Specified Denominations: [ ]
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor the case of two or more Specified Denominations.)*
- (iii) Form of Definitive Notes [K/CF/Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date  
(if different from the Issue Date): [ ]
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/other] +/- [ ] per cent. Floating Rate]  
[Dual Currency Interest]  
[Zero Coupon]  
[Index Linked Interest]  
[Inflation Linked Interest]  
[Share Linked Interest]  
[Fund Linked Interest]  
[Non Interest Bearing]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Share Linked Redemption]  
[Dual Currency Redemption]  
[Instalment]  
[specify other]
11. Change of interest Basis or Redemption/



- Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: [Senior/Tier1 Subordinated/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

*PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE*

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]  
(If payable other than annually, consider amending Condition 4)
- (ii) Interest Payment Date(s): [ ] in each year  
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not Applicable]
- (iv) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (vi) Business Day Convention  
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Unadjusted/Preceding Business Day Convention/[specify other]]  
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [ ] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) Business Day Convention:  
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day

Convention/ Unadjusted/ Preceding Business Day  
Convention/ [specify other]]

- Adjustment or Unadjustment  
for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): [ ]
- (v) Manner in which the Rate of  
Interest and Interest Amount is to  
be determined: [Screen Rate Determination/ISDA  
Determination/specify other]
- (vi) Party responsible for calculating  
the Rate of Interest and interest  
Amount (if not the Agent): [ ]
- (vii) Screen Rate Determination: [Yes/No]
  - Reference Rate: [ ]  
(Either LIBOR, EURIBOR or other, although  
additional information is required if other –including  
fallback provisions in the Agency Agreement)
  - Interest Determination Date(s): [ ]  
(Second London business day prior to the start of  
each Interest Period if LIBOR (other than sterling or  
euro LIBOR), first day of each Interest Period if  
sterling LIBOR and the second day on which the  
TARGET System is open prior to the start of each  
Interest Period if EURIBOR, euro LIBOR or any  
other inter-bank offered rate prevailing in a country  
in which the TARGET System does not apply)
  - Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Reuters EURIBOR  
01 ensure it is a page which shows a composite  
rate or amend the fallback provisions appropriately)
  - Relevant Time: [ ]  
(For example, 11.00 a.m. London time/Brussels  
time)
- (viii) ISDA Determination: [Yes/No]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (ix) Margin(s): [+/-] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum

- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details, name index and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified

- Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Inflation/Formula: [Give or annex details, name inflation and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]

- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
20. Share Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:

- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Unadjusted/ Preceding Business Day Convention/ specify other]
  - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
  - (vi) Additional Business Centre(s): [ ]
  - (vii) Minimum Rate of Interest: [ ] per cent. per annum
  - (viii) Maximum Rate of Interest: [ ] per cent. per annum
  - (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
  - (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description]
  - (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
  - (iii) Alternative provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: [ ]
  - (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
  - (v) Business Day Convention:
    - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day

Convention/ Preceding Business Day Convention/  
Unadjusted/ specify other]

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

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

(vii) Minimum Rate of Interest: [ ] per cent. per annum

(viii) Maximum Rate of Interest: [ ] per cent. per annum

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

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

22. Dual Currency Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining  
sub paragraphs of this paragraph)

(i) Rate of exchange/method of  
calculating Rate of exchange: [Give details]

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

(iii) Provisions applicable where  
calculation by reference to Rate  
of Exchange impossible or  
impracticable: [ ]

(iv) Person at whose option Specified  
Currency(ies) is/are payable: [ ]

#### *PROVISIONS RELATING TO REDEMPTION*

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



- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) If redeemable in part:  
 (a) Minimum Redemption Amount:  per Calculation Amount  
 (b) Higher Redemption Amount:  per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions):   
 -(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
24. Investor Put:  [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions):   
 (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
25. Final Redemption Amount  per Calculation Amount /specify other/see Appendix]
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Permanent Global Note not exchangeable for Definitive Notes]
28. New Global Note form: [Applicable/Not Applicable]  
[Please refer to item 50(vi), if applicable]
29. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]  
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21 (iv) relate
30. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
32. Redenomination: [Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
33. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first

- case Condition 7(b) of the Notes will apply): paragraph under (b) applies and Condition 7(b) applies]
34. Other terms or special conditions: [Not Applicable/give details]
- (when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

#### DISTRIBUTION

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

#### SHARE LINKED PROVISIONS

38. **[The following apply to Notes linked to a single share only:**
- Averaging Dates: [specify dates or delete if N/A]
- Barrier Level: [specify as [[●] per. cent of Initial Share Price] or delete if N/A]
- Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET Business Day].

Constant Monitoring	[specify as applicable and delete “Valuation Time Only” below or delete if N/A]
Exchange:	[specify]
Expiration Date:	[specify date or delete if N/A]
Final Share Price:	[specify if fallback provisions in Chapter 5, Part 1(A), not to apply or state if N/A]
Initial Share Price:	[specify if fallback provisions in Chapter 5, Part 1(A), not to apply or state if N/A]
Observation Date(s):	[specify or delete if N/A]
Observation Period:	[specify as [the period from and including the Issue Date, Strike Date or [●] to and including the Expiration Date or [●]] or delete if N/A]
Share Amount:	[specify formula or delete if N/A]
Share Currency	[specify]
Share Delivery:	[specify as applicable or delete if N/A; if applicable, specify in which circumstances share delivery may occur (at the option of the Issuer; if share price reaches certain level, etc.)]
Share Delivery Date:	[specify or delete if N/A], subject to Condition 7(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day.
Share Issuer:	[specify]
Shares:	[name and short description of type of shares] issued by the Share Issuer (ISIN: [●]).
Strike Date:	[specify or delete if N/A]
Strike Price:	[specify or delete if N/A]
Valuation Time Only:	[specify as applicable and delete “ <b>Constant Monitoring</b> ” above or delete if N/A] [Insert any other relevant terms]]

**[The following apply to Notes linked to a Basket of Shares only:**

Where:

Averaging Dates: [specify dates or delete if N/A]

Barrier Level: [specify as [[●] per. cent of Initial Share Price] or delete if N/A]

“**Basket**” means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:

[Insert details of:

- \* Share Issuer
- \* [Proportion/number of Shares]
- \* ISIN number
- \* Exchange]

Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET Business Day].

Constant Monitoring [specify as applicable and delete “Valuation Time Only” below or delete if N/A]

Expiration Date: [specify date or delete if N/A]

Final Share Price: [specify if fallback provisions in Chapter 5, Part 1(B) not to apply or state if N/A]

Initial Share Price: [specify if fallback provisions in Chapter 5, Part 1(B) not to apply or state if N/A]

Observation Date(s): [specify or delete if N/A]

Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [●] to and including the Expiration Date or [●]] or delete if N/A]

Share Amount: [specify formula or delete if N/A]

Share Currency [specify]

Share Delivery: [specify as applicable or delete if N/A; if applicable, specify in which circumstances share delivery may occur (at the option of the Issuer; if share price reaches certain level, etc.)]

Share Delivery Date: [specify or delete if N/A], subject to Condition 7(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day.

Share Issuer: [specify]

Shares: [name and short description of type of shares] issued by the Share Issuer (ISIN: [●]).

Strike Date: [specify or delete if N/A]

Strike Price: [specify or delete if N/A]

Valuation Time Only [specify as applicable and delete “**Constant Monitoring**” above or delete if N/A] [Insert any other relevant terms]]

*OTHER PROVISIONS*

39. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
40. Additional selling restrictions: [Not Applicable/give details]
41. Listing
- (i) Listing [Euronext Amsterdam by NYSE Euronext /other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [ ]], [Not Applicable].  
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)\*\* [ ]\*
42. Ratings: The Notes to be issued have [not] been rated:  
[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]\*\*
43. Notification [The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, “**AFM**”) [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a

notification that the Prospectus has been drawn up in accordance with the Prospectus Directive. / Not Applicable]

44. Interests of Natural and Legal Persons Involved in the Issue  
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
45. Reasons for the Offer (if different from making a profit and/or hedging certain risks): [ ]
46. Estimated net proceeds and total expenses
- (i) Estimated net proceeds [ ]  
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (ii) Estimated total expenses: [ ]. [Include breakdown of expenses]
47. Yield (Fixed Rate Notes only)  
Indication of yield: [ ]  
The yield is calculated at the Issue [Calculated as [include details of method of  
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]\*\*  
It is not an indication of future yield.
48. Historic Interest Rates (Floating Rate Notes only)\*\*  
Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
49. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)\*\*  
[Name of index/inflation/share/fund] [ ]  
[Description of index/inflation/share/fund  
if composed by Issuer:] [ ]  
[Information on index/inflation/share/fund  
if not composed by Issuer:] [ ]  
[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security]  
[ISIN Code or other identification code]
- The underlying is a basket of  
underlyings: [disclosure of relevant weightings of each  
underlying in the basket]
50. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)

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

51. Operational Information

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

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

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

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

53. Additional information

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

54. Listing Application



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

### **Responsibility**

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

Signed on behalf of the Issuer:

By:  
Duly authorised

By:  
Duly authorised

Notes:

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

## CHAPTER 6: FUND LINKED NOTES

### PART 1: TERMS AND CONDITIONS OF FUND LINKED NOTES

The terms and conditions applicable to Notes linked to a fund ("**Fund Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (the "**General Conditions**"), and the additional Terms and Conditions set out below (the "**Fund Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Linked Conditions, the Fund Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Linked Conditions; and (ii) the Final Terms, the Final Terms shall prevail.

#### 1. Final Redemption

Notwithstanding Condition 7(a), unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer (subject to the provisions of Conditions 7(m) and 7(n), and this section 1 of these Fund Linked Conditions) as its Final Redemption Amount on the Maturity Date.

If the Final Redemption Receipt Date falls on or after the Latest Permissible Receipt Date, then the Issuer may, notwithstanding Condition 7(m), postpone the payment of the Final Redemption Amount to the date that is that number of Business Days equal to the Settlement Period following the Final Redemption Receipt Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

For the purposes of this section 1 of these Fund Linked Conditions:

"**Averaging Dates**" means, in respect of the Calculation Determination Date, each of the dates specified as such in the applicable Final Terms, in each case subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m).

"**Final Redemption Amount**" means an amount in the Specified Currency determined by the Calculation Agent as specified in the applicable Final Terms.

"**Final Price**" means: (a) if Single Price is specified as the Final Price in the applicable Final Terms, the Price on the Observation Date; or (b) if Average Price is specified as the Final Price in the applicable Final Terms, the arithmetic mean of the Prices for each Averaging Date.

"**Final Redemption Receipt Date**" means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been submitted for redemption on or as soon as reasonably practicable after the Observation Date or final Averaging Date, as the case may be, all as determined by the Calculation Agent.

"**Fund**" means the entity, collective investment scheme, fund, trust, partnership or similar arrangement or undertaking specified as such in the applicable Final Terms, or any Replacement Fund.

"**Fund Interest**" means a unit, share, partnership interest, or other similar direct interests in a Fund that entitles the holder of such interest to a share in the net assets of that Fund, as specified as such in the applicable Final Terms, or such relevant interests in any Replacement Fund as determined by the Calculation Agent in accordance with section 6 of these Fund Linked Conditions below.

**“Initial Price”** means: (a) if a particular amount is specified as the Initial Price in the applicable Final Terms, the amount specified as such; or (b) if “Strike Price” is specified as the Initial Price in the applicable Final Terms, the Price on the Strike Date as determined by the Calculation Agent.

**“Latest Permissible Receipt Date”** means, in respect of any payment, the date that falls the Settlement Period before the Maturity Date.

**“Observation Date”** means the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m).

**“Price”** means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day (subject to the provisions of Condition 7(m)), which shall be equal to the available official net asset value of a Fund per Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Manager or published by or on behalf of such Fund, less any applicable costs, expenses or taxes that would be incurred by a holder of a Fund Interest in redeeming such Fund Interest, determined by the Calculation Agent; provided that if an Investing Entity either makes an investment in, or redeems, Fund Interests as of such Fund Business Day at a price per Fund Interest that is different from the one so notified or published, the net price per Fund Interest at which such investment or redemption is effected shall be treated as the Price.

**“Settlement Period”** means seven Business Days (or such other number of Business Days as specified in the applicable Final Terms).

**“Strike Date”** means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m).

All other terms shall have the meanings given to them in section 2 of these Fund Linked Conditions below.

## **2. Early Redemption Provisions**

Notwithstanding Conditions 7(e) and 10, if (a) the Calculation Agent determines that an Early Redemption Event has occurred or is continuing, the Calculation Agent shall forthwith give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 14, and each Note shall fall due for redemption on the Early Redemption Date at its Early Redemption Amount, or (b) for the purposes of Condition 10, an Event of Default occurs and is continuing and a Note held by a Noteholder is declared to be due and payable, the same shall become due and payable on the Early Redemption Date at its Early Redemption Amount.

Any notice to Noteholders in respect of such a payment shall specify the expected date of that payment, which date shall be confirmed by the Issuer in a later separate notice to Noteholders.

For the purposes of this section 2 of these Fund Linked Conditions:

**“Associated Costs”** means an amount per Note equal to the pro rata share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the date for early redemption) of the total amount of any and all costs associated or incurred by the Issuer in connection with such early redemption including, without limitation, any costs associated with unwinding any hedge positions relating to the Notes and any costs associated with any market disruption, all as determined by the Calculation Agent.

**“Early Redemption Amount”** means, in respect of each Note, an amount in euro equal to the fair economic value of such Note less the Associated Costs, with such fair economic value

being determined on the Receipt Date (taking into account the occurrence of the Early Redemption Event or Event of Default, as the case may be), as determined by the Calculation Agent by reference to such factor(s) as it may deem appropriate.

**“Early Redemption Date”** means the Business Day falling that number of Business Days equal to the Settlement Period following the Early Redemption Receipt Date.

**“Early Redemption Event”** means: (a) an event as described in Condition 7(b); and (b) a determination by the Issuer pursuant to section 6 of these Fund Linked Conditions below.

**“Early Redemption Receipt Date”** means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been made on or as soon as reasonably practicable after the date, either (a) in the case of an Early Redemption Event, notice of redemption of the Notes given to the Noteholders or, if no such date is specified, on which such notice is given or (b) in the case of an Event of Default, on which the Notes are declared due and payable, all as determined by the Calculation Agent.

### 3. Definitions

For the purposes of the General Conditions and the Fund Linked Conditions, the following terms shall have the meanings set out below:

**“Affiliate”** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

**“Applicable Fund Centres”** has the meaning set out in the applicable Final Terms.

**“Calculation Determination Date”** means the Business Day (or such number of Business Days as specified in the applicable Final Terms) following the date on which the Price for the Observation Date or final Averaging Date, as the case may be, is either notified, published or (if the proviso to the definition of Price applies) the Final Redemption Receipt Date.

**“Disrupted Day”** means any Fund Business Day on which a Market Disruption Event has occurred.

**“Fund Business Day”** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Applicable Fund Centres.

**“Fund Business Day Convention”** means as specified in the applicable Final Terms, where:

- (a) **“Following”** means if the relevant day is not a Fund Business Day such day shall be postponed to the next day which is a Fund Business Day;
- (b) **“Modified Following”** means if the relevant day is not a Fund Business Day such day shall be postponed to the next day which is a Fund Business Day unless it would thereby fall into the next calendar month, in which event such day shall be brought forward to the immediately preceding Fund Business Day; and
- (c) **“Preceding”** means if the relevant day is not a Fund Business Day such day shall be brought forward to the immediately preceding Fund Business Day.

**“Fund Manager”** means (a) the person specified as such in the applicable Final Terms, (b) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests, or (c) the relevant manager or person as

described in (b) above in respect of any Replacement Fund as determined by the Calculation Agent in accordance with section 6 of these Fund Linked Conditions below.

**“Fund Rules”** means, with respect to a Fund, the terms of the bye-laws and other associated documentation relating to such Fund and any other rules or regulations relating to such Fund and the relevant Fund Interests (including any prospectus in respect of such) existing on the Issue Date of the Notes, including its investment guidelines and restrictions.

**“Hedge Counterparty”** means any party to a contract with the Issuer or any of its Affiliates under which the Issuer obtains a derivative exposure to Fund Interests and includes hedge counterparties of such hedge counterparties.

**“Investing Entity”** means the Issuer, any Affiliate of the Issuer or any Hedge Counterparty that holds, redeems or subscribes Fund Interests.

**“Market Disruption Event”** means, in respect of a Fund Business Day, the occurrence or continuation, as determined by the Calculation Agent, of: (a) a failure or postponement that is, in the determination of the Calculation Agent, material by a Fund Manager to publish the official net asset value of a Fund per Fund Interest in respect of that Fund Business Day (provided that such Fund Business Day is a day for which such official net asset value is scheduled to be published); or (b) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or (c) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules).

**“Valid Date”** means a Fund Business Day which the Calculation Agent determines is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

#### **4. Disrupted Days**

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

*“(m) Disrupted Days*

If the Calculation Agent determines that the Strike Date, Observation Date or (subject as provided below) any Averaging Date, as the case may be, in respect of the Fund Interests is a Disrupted Day, then the Strike Date, Observation Date or such Averaging Date, as the case may be, shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the Fund Business Days falling in the Disrupted Period is a Disrupted Day. In that case:

- (a) that final Fund Business Day of the Disrupted Period shall be deemed to be the Strike Date, the Observation Date or such Averaging Date, as the case may be, in respect of the Fund Interests, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Fund Interest as its good faith estimate of the price of one Fund Interest that would have prevailed, but for the occurrence of a Disrupted Day, on that final Fund Business Day of the Disrupted Period.

If the Calculation Agent determines that any Averaging Date is a Disrupted Day, then if under Averaging Date Disruption in the Final Terms the consequence specified is:

- (i) **“Omission”**, then such Averaging Date shall be deemed not to be an Averaging Date for the purposes of determining the Final Price. If through the operation of this provision no Averaging Date would occur, then the provisions above will apply for the purposes of determining the relevant Price for the final Averaging Date as if such final Averaging Date were a Disrupted Day;
- (ii) **“Postponement”**, then the provisions above will apply for the purposes of determining the relevant Price for that Averaging Date as if such Averaging Date were a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date; or
- (iii) **“Modified Postponement”**, then the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (A) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant Price for that Averaging Date with its good faith estimate of the Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date.

Notwithstanding the provisions of Condition 7, if the Calculation Agent determines that the Calculation Determination Date for any payment falls after the Latest Permissible Determination Date, such payment shall be postponed to the date that is the number of Business Days equal to the Settlement Period, following the Calculation Determination Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14, of any delay that results in the postponement of any payment in respect of the Notes.”

For the purpose of this Condition 7(m):

**“Cut-off Period”** means the Disrupted Period or such different number of Fund Business Days as specified in the applicable Final Terms.

**“Disrupted Period”** means the period comprising the number of Fund Business Days specified as such in the applicable Final Terms, commencing on (and including) the day immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Observation Date or such Averaging Date, as the case may be.

**“Latest Permissible Determination Date”** means, in respect of any payment, the date that falls the number of Business Days equal to the Settlement Period before the relevant payment falls due.

## 5. Adjustments

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

### *“(n) Adjustments*

If the Calculation Agent determines that, in respect of a Fund, a Corporate Event has occurred or is continuing, the Calculation Agent will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount, the Early Redemption Amount (if any) and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for the dilutive or concentrative effect on the value of Fund Interests and (b) determine the effective date(s) of the adjustment(s). The Issuer shall give notice of such adjustment to Noteholders in accordance with Condition 14.”

## 6. Inclusion Conditions and Substitution

Events If at any time the Calculation Agent determines that an applicable Substitution Event has occurred or is continuing with respect to a Fund, the Calculation Agent may either (a) as soon as is practicable after such determination, replace such Fund for the purposes of the Notes with an appropriate alternative fund (a “**Replacement Fund**”), as determined by the Calculation Agent and following any such replacement, the Calculation Agent may make any adjustments to the terms and conditions of the Notes as it deems appropriate to reflect such replacement or (b) determines that the Notes shall become due for redemption in accordance with section 2 of these Fund Linked Conditions above.

A Substitution Event is applicable in respect of the Notes if it is so specified in the Final Terms, where such term so specified shall have the following meaning. If no Substitution Event is specified, then no Substitution Event will be deemed to have been specified. If one or more Substitution Events are specified, only the Substitution Events specified will apply:

“**Audit Event**” means the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;

“**Charging Change**” means the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;

“**Corporate Event**” means a declaration by or on behalf of a Fund of: (i) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests; (ii) a (1) dividend (including cash, and whether ordinary or extraordinary), (2) distribution or (3) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or (iii) a call by a Fund in respect of the relevant Fund Interests that are not fully paid;

“**Cross-contamination**” means any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;

**“Currency Change”** means the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules;

**“Distribution In-kind”** means a redemption of Fund Interests in the form of a distribution of non-cash assets;

**“Fund Constitution Breach”** means any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

**“Fund Constitution Change”** means any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

**“Fund Rules Breach”** means any failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund;

**“Fund Strategy Breach”** means any failure to observe any of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;

**“Fund Strategy Change”** means any modification of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;

**“Fund Tax Event”** means any changes in the regulatory, tax, accounting and/or any other treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

**“Hedging Event”** means the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;

**“Investor Tax Event”** means any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;

**“Litigation Event”** means the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;

**“Management Change”** means the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;

**“Mandatory Disposal”** means any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;

**“Market Event”** means any crisis in the major financial markets such that the holding, trading or managing of an investment in a Fund is impracticable, inadvisable or materially altered.



**“NAV Suspension”** means suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;

**“Performance Failure”** means any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;

**“Potential Regulatory Event”** means an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;

**“Redemption Failure”** means a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;

**“Regulatory Event”** means the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;

**“Subscription/Redemption Alteration”** means any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;

**“Subscription/Redemption Restriction”** means any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or

**“Transfer Restriction”** means suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules.

## PART 2: FORM OF FINAL TERMS FOR FUND LINKED NOTES

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

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

### Final Terms

SNS Bank N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under SNS Bank N.V.'s € 25,000,000,000 Debt Issuance Programme

dated [•]

This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in Chapter 2. Part 1 and Chapter 6. Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in Chapter 2. Part 1 and Chapter 6. Part 1 of the Prospectus.

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the € 25,000,000,000 Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the Issuer's base prospectus pertaining to the Programme, dated 18 April 2008 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the*

Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus dated [19 April 2007] [26 July 2006] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at [www.snsreaal.com](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus dated [19 April 2007] [26 July 2006] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

*[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 34 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]*

1. Issuer: SNS Bank N.V.
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount [of Notes admitted to trading]\*:  
(i) Tranche: [Up to]  
(ii) Series: [Up to]
5. (i) Issue Price of Tranche: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]  
  
(ii) Dealer Commission: [ ]

6. (i) Specified Denominations: [ ]
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) Form of Definitive Notes [K/CF/Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date  
(if different from the Issue Date): [ ]
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/other] +/- [ ] per cent. Floating Rate]  
[Dual Currency Interest]  
[Zero Coupon]  
[Index Linked Interest]  
[Inflation Linked Interest]  
[Share Linked Interest]  
[Fund Linked Interest]  
[Non Interest Bearing]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Fund Linked Redemption]  
[Dual Currency Redemption]  
[Instalment]  
[specify other]
11. Change of interest Basis or Redemption/

- Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: [Senior/Tier1 Subordinated/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

*PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE*

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly] in arrear  
(If payable other than annually, consider amending Condition 4)
- (ii) Interest Payment Date(s): [ ] in each year  
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not Applicable]
- (iv) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (vi) Business Day Convention  
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Unadjusted/Preceding Business Day Convention/[specify other]]  
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period(s): [ ] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Unadjusted/ Preceding Business Day Convention/ [specify other]]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): [ ]
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): [ ]
- (vii) Screen Rate Determination: [Yes/No]  
 - Reference Rate: [ ]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback provisions in the Agency Agreement)  
 - Interest Determination Date(s): [ ]  
 (Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET System does not apply)  
 - Relevant Screen Page: [ ]

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

- Relevant Time: [ ]  
(For example, 11.00 a.m. London time/Brussels time)
  
  - (viii) ISDA Determination: [Yes/No]
    - Floating Rate Option: [ ]
    - Designated Maturity: [ ]
    - Reset Date: [ ]
  
  - (ix) Margin(s): [ +/– ] [ ] per cent. per annum
  
  - (x) Minimum Rate of Interest: [ ] per cent. per annum
  
  - (xi) Maximum Rate of Interest: [ ] per cent. per annum
  
  - (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
  
  - (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
  
  - (xiv) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Any other formula/basis of determining amount payable: [ ]

18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details, name index and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
- Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)



- (i) Inflation/Formula: [Give or annex details, name inflation and description]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:  
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]  
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)  
 Other]  
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
20. Share Linked Interest Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description]

- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Unadjusted/ Preceding Business Day Convention/ specify other]
  - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description]

- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Alternative provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Unadjusted/ specify other]
  - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
Other]  
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: [ ]
22. Dual Currency Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Rate of exchange/method of calculating rate of exchange: [Give details]
  - (ii) Calculation Agent, if any, responsible for calculating the

principal and/or interest payable: [please insert name + address + contact]

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified Currency(ies) is/are payable:

*PROVISIONS RELATING TO REDEMPTION*

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

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount:  per Calculation Amount
  - (b) Higher Redemption Amount:  per Calculation Amount

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

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

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution

of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount [[ ] per Calculation Amount /specify other/see Appendix]
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): [ ]

*GENERAL PROVISIONS APPLICABLE TO THE NOTES*

27. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.]
- [Permanent Global Note not exchangeable for Definitive Notes]
28. New Global Note form; [Applicable/Not Applicable]  
[Please refer to item 50(vi), if applicable]
29. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]  
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21 (iv) relate
30. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]

32. Redenomination: [Redenomination [not] applicable  
(if Redenomination is applicable, include  
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and  
(ii) the New Currency]
33. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
34. Other terms or special conditions: [Not Applicable/give details]  
  
(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

#### DISTRIBUTION

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

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

*FUND LINKED PROVISIONS*

38. Fund: [Specify]  
Fund Interest(s): [Specify]  
Fund Manager: [Specify]  
Applicable Fund Centre: [Specify places for determining Fund Business Days]  
Fund Business Day Convention: [Following/Modified Following/Preceding]

**Market Disruption**

Disrupted Period: [●] Fund Business Days  
*[Specify number of Fund Business Days before Issuer may estimate values owing to Market Disruption Events]*

Final Disrupted Period: [●] Fund Business Days  
*[Specify number of Business Days that Maturity Date is postponed owing to Market Disruption Events]*

Minimum Payment Interval: [[●] Business Days] [Not Applicable]  
*(two Business Days unless otherwise specified)*

Averaging Date Disruption: [Omission]  
[Postponement]  
[Modified Postponement]

Cut-off Period: [●] [Not Applicable]  
*(If Averaging Date Disruption is determined by Modified Postponement and the period is different to the Disrupted Period)*

**Substitution**

Substitution Event (select all that apply): [Strategy Change  
Currency Change  
Audit Event  
Charging Change  
Corporate Event  
Cross-contamination  
Currency Change  
Distribution In-kind]

Fund Constitution Breach  
 Fund Constitution Change  
 Fund Rules Breach  
 Fund Strategy Breach  
 Fund Strategy Change  
 Fund Tax Event  
 Hedging Event  
 Investor Tax Event  
 Litigation Event  
 Management Change  
 Mandatory Disposal  
 Market Event  
 NAV Suspension  
 Performance Failure  
 Potential Regulatory Event  
 Redemption Failure  
 Regulatory Event  
 Strategy Breach  
 Strategy Change  
 Subscription/Redemption Alteration  
 Subscription/Redemption Restriction  
 Transfer Restriction]

Publishing Failure Period: [Specifying number of Fund Business Days before a Publishing Failure can be called by the Issuer] Fund Business Days

**Final Redemption**

Minimum Redemption Amount: [Specify/Not Applicable]

Participation: [Specify] per cent./Not Applicable]

Initial Price: [Strike Price] [Specify other]

Strike Date: [•]

Final Price: [Single Price/Average Price]

Observation Date: [•]  
 (specify if Averaging Dates do not apply) [Not Applicable]

Averaging Dates: [Specify/Not Applicable]  
 (specify if Observation Date does not apply) [Not Applicable]

Calculation Determination Date: [Not Applicable]  
 (one Business Day unless specified otherwise) [Business Days]

Settlement Period: [Not Applicable]  
 (seven Business Days unless otherwise specified) [[•] Business Days (number of Business Days following the Final Redemption Receipt Date)]



## Early Redemption

Early Redemption Date: [Not Applicable]  
(seven Business Days unless otherwise [Business Days]  
specified) (number of Business Days following Receipt  
Date)

[Insert any other relevant terms]

## OTHER PROVISIONS

39. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
40. Additional selling restrictions: [Not Applicable/give details]
41. Listing
- (i) Listing [Euronext Amsterdam by NYSE Euronext/ other (specify) / None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [ ]], [Not Applicable].  
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)\*\* [ ]\*
42. Ratings: The Notes to be issued have [not] been rated:  
[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]\*\*
43. Notification  
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive./ Not Applicable]
44. Interests of Natural and Legal Persons Involved in the Issue  
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

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

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

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

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

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

53. Additional information

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

54. Listing Application

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

### Responsibility

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

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

Signed on behalf of the Issuer:

By:  
Duly authorised

By:  
Duly authorised

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

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

**REGISTERED OFFICE OF THE ISSUER**

**SNS Bank N.V.**

Croeselaan 1  
3521 BJ Utrecht  
The Netherlands

**AGENT**

**Dexia Banque Internationale à Luxembourg**

69 Route d'Esch  
L-2953 Luxembourg  
Luxembourg

**OTHER PAYING AGENT**

**ABN AMRO Bank N.V.**

Kemelstede 2  
4817 ST Breda  
The Netherlands

**LEGAL ADVISERS**

To the Issuer  
(as to Netherlands law except tax law)

**NautaDutilh N.V.**

Strawinskylaan 1999  
1077 XV Amsterdam  
The Netherlands

To the Dealers

**Clifford Chance LLP**

Droogbak 1A  
1013 GE Amsterdam  
The Netherlands

**AUDITORS TO THE ISSUER**

**KPMG ACCOUNTANTS N.V.**

Burgemeester Rijnderslaan 10-20  
1185 ML Amstelveen  
The Netherlands

**LIQUIDITY PROVIDERS (Public Fixed Rate bonds)**

**AFS Group**

Oudezijds Voorburgwal 282  
1012 GL Amsterdam  
The Netherlands

**VAN DER MOOLEN HOLDING N.V.**

Keizersgracht 307  
1016 ED Amsterdam

**AMSTERDAM LISTING AGENT**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**LUXEMBOURG LISTING AGENT**

**Dexia Banque Internationale à Luxembourg**

69 Route d'Esch  
L-2953 Luxembourg  
Luxembourg

**DEALERS**

**ABN AMRO Bank N.V.**

250 Bishopgate 5  
London EC2M 4AA  
United Kingdom

**Barclays Bank PLC**

5 The North Colonnade  
London E14 4BB  
United Kingdom

**Bayerische Hypo- und  
Vereinsbank AG**

Arabellastrasse 12  
D-81925 München  
Germany

**Bayerische Landesbank**

Brienner Strasse 18  
D-80333 München  
Germany

**BNP PARIBAS**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global  
Markets Limited**

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

**Credit Suisse  
Securities  
(Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**Deutsche Bank AG,  
London Branch**

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

**Dresdner Bank  
Aktiengesellschaft**

Jürgen-Ponto-Platz 1  
D-60301 Frankfurt am Main  
Germany

**DZ BANK AG**  
**Deutsche Zentral-**  
**Genossenschaftsbank,**  
**Frankfurt am Main**  
F/CTOA  
Platz der Republik  
D-60265 Frankfurt am Main  
Germany

**Landesbank Baden-**  
**Württemberg**  
4043/H New Issues  
Department  
Am Hauptbahnhof 2  
D-70173 Stuttgart  
Germany

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

**Société Générale**  
29, Boulevard Haussmann  
75009 Paris  
France

**Goldman Sachs**  
**International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**Lehman Brothers**  
**International (Europe)**  
25 Bank Street  
London E14 5LE  
United Kingdom

**Morgan Stanley & Co.**  
**International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

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

**WestLB AG**  
Herzogstrasse 15  
D-40217 Düsseldorf  
Germany

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities Ltd.**  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

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

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom