

BASE PROSPECTUS DATED 14 JUNE 2012

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



SNS BANK N.V.

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



SNS REAAL N.V.

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

Debt Issuance Programme

Under the Debt Issuance Programme of SNS Bank N.V. (an "**Issuer**" or "**SNS Bank**") and SNS REAAL N.V. (an "**Issuer**" or "**SNS REAAL**" and together with SNS Bank the "**Issuers**") (the "**Programme**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below), if any. The Issuers are part of a group formed by SNS REAAL and its direct and indirect subsidiaries, including SNS Bank ("**SNS REAAL Group**"). Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS Bank will not exceed € 25,000,000,000 (or its equivalent in other currencies calculated as described herein) and the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS REAAL will not exceed € 2,000,000,000 (or its equivalent in other currencies calculated as described herein).

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

Arranger

Rabobank International

Dealers

Rabobank International SNS Bank

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

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

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

Ratings and expected ratings in relation to SNS REAAL and SNS Bank and certain notes are stated in the chapter headed 'SNS REAAL N.V. and SNS Bank N.V.', section 'Rating Agencies'.

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 Senior Notes issued under the Programme and will be specified in the relevant Final Terms. 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.

As of the date of this Prospectus, each of Fitch Ratings Limited ("**Fitch**"), Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") and Moody's Investors Service Ltd ("**Moody's**") is established in the European Union and is registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").

The rating of a certain Series or Tranche of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether a credit rating applied for in relation to a relevant Series or Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed clearly and prominently in the applicable Final Terms.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "**AFM**"). Each Issuer has requested the AFM to provide the competent authorities in Luxembourg and Italy with a certificate of approval (a "**Notification**") 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**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in The Netherlands on the date hereof). Each Issuer may request the AFM to provide competent authorities in additional Member States within the European Economic Area (the "**EEA**") with a Notification.

This Prospectus will be published in electronic form on the websites of the AFM and the Luxembourg Stock Exchange and on 14 June 2012 (the "Publication Date") on the website of the Issuers at www.snsreaal.com. This Prospectus is issued in replacement of the prospectus of the Issuers dated 11 July 2011. It is valid for a period of up to 12 months from the Publication Date.

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CHAPTER 1: INFORMATION RELATING TO THE DEBT ISSUANCE PROGRAMME AND THE ISSUERS

SUMMARY

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

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

As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. On 18 May 2006 the shares of SNS REAAL were listed on NYSE Euronext in Amsterdam as part of the initial public offering ("**IPO**") of SNS REAAL. As per the Publication Date of this Prospectus Stichting Beheer SNS REAAL owns approximately 50.00001% of SNS REAAL's outstanding share capital. SNS Bank is a 100% subsidiary of SNS REAAL and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**").

SNS REAAL is a Dutch banking and insurance service provider. SNS Bank and REAAL are the core brands. SNS Bank comprises of the business unit SNS Bank and the non-core activities of Property Finance. The business unit SNS Bank can be divided into two business lines: SNS Retail Bank (comprises the brands SNS Bank, RegioBank, ASN Bank and BLG Wonen) for its retail operations and SNS SME (*SNS Zakelijk*) for SME operations.

Risk Factors: There are certain factors that may affect the Issuers' ability to fulfil their respective obligations under the Notes issued under the Programme. These are set out under 'Risk Factors' below and include the fact that the Issuers' results can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme - see 'Risk Factors Regarding the Notes' in this Prospectus.

Description:	Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.
Arranger:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)
Dealers:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), SNS Bank N.V. and any additional Dealers appointed by the relevant Issuer from time to time.
Regulatory Matters:	Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see 'Subscription and Sale' below).
Issuing and Principal Paying Agent:	Banque Internationale à Luxembourg SA (" BIL ")
Amsterdam Paying Agent:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)
Listing Agent:	SNS Securities N.V.
Size:	Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS Bank will not exceed € 25,000,000,000 (or its equivalent in other currencies calculated as described herein) and the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS REAAL will not exceed € 2,000,000,000 (or its equivalent in other currencies calculated as described herein). The Issuers may increase the amount of the Programme in accordance with the terms of the Dealership Agreement (as defined below).
Distribution:	Notes may be distributed by way of public offers or private placements and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the relevant Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Sterling, Swiss francs, United States dollars and Japanese yen.
Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Subordinated Notes, to a minimum maturity of five years.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by SNS REAAL in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by SNS REAAL in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by SNS REAAL.

Issue Price: Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note. Each global Note which is not intended to be issued in the form of a new global Note (a "**New Global Note**" or "**NGN**"), being a classic global Note (a "**Classic Global Note**" or "**CGN**"), as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date either (i) with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Nederland and each global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The temporary global Note will be exchangeable as described therein for, as specified in the applicable Final Terms, 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. Delivery (*uitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, "**Wge**") (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time). Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Nederland, as appropriate.

Fixed Rate Notes:	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes:	Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms). The Margin (as specified in the applicable Final Terms) (if any) relating to such floating rate will be specified in the applicable Final Terms.
Specified Interest Period(s) or Specified Interest Payment Date(s) for Floating Rate Notes:	Such period(s) or date(s) as may be specified in the applicable Final Terms.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer (if any) (as specified in the applicable Final Terms).
Index Linked Notes:	Payments in respect of interest on Index Linked Interest Notes or in respect of principal on Index Linked Notes will be calculated by reference to such index and/or formula as may be specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest other than in the case of late payment.

Structured Notes:	Each Issuer may from time to time issue structured Notes on terms set out in chapter 2, 3, 4, 5, 6 and 7 of this Prospectus or any supplement hereto. Structured Notes may include Notes whose returns are linked to an index, shares, funds, interest rates, inflation rates, foreign exchange rates or other references.
Redemption:	<p>The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specific instalments, if applicable, or for tax reasons or if having Notes outstanding or making payments on the Notes becomes unlawful as described in Condition 7(b) of the applicable Terms and Conditions of the Medium Term Notes or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders (as defined under applicable Terms and Conditions of the Medium Term Notes) upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period, if any, as is indicated in the applicable Final Terms) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>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.</p>
Denomination of Notes:	Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in The Netherlands, subject in the latter case to certain exceptions as provided in Condition 8 of the applicable Terms and Conditions of the Medium Term Notes. If the applicable Final Terms provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 7(b) of the applicable Terms and Conditions of the Medium Term Notes will not apply to the Notes.
Negative Pledge:	The Senior Notes will have the benefit of a negative pledge. See Condition 2(b) of the applicable Terms and Conditions of the Medium Term Notes.
Cross Default:	The Senior Notes will have the benefit of a cross default. See Condition 10(iii) of the applicable Terms and Conditions of the Medium Term Notes.

Status of the Senior Notes:

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

Status and Characteristics relating to Subordinated Notes:

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

The Subordinated Notes issued by SNS Bank may qualify as tier 2 capital for the purposes of the regulatory capital rules applicable to SNS Bank from time to time ("**Tier 2 Notes**"), as specified in the applicable Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying the Terms and Conditions of the Medium Term Notes issued by SNS Bank for the purpose of such Series or Tranche of Notes. The Tier 2 Notes rank pari passu among themselves. Tier 2 Notes are subordinated to Subordinated Notes that do not qualify as Tier 2 Notes. If CRD IV requires that Subordinated Notes shall be written down if a non-viability event occurs, in order to qualify as tier 2 capital under CRD IV, such irrevocable write-down (without the need for the consent of the holders of the Subordinated Notes) may be included in the terms applicable to the Subordinated Notes. In addition, in certain circumstances, the Issuer may, without the consent of the Holders, but subject to the approval of the Dutch Central Bank, substitute the Subordinated Notes or vary the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV, in accordance with the terms of the Subordinated Notes.

The claims of the holders of the Subordinated Notes of each Series (the "**Subordinated Holders**") against SNS Bank 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 SNS Bank in the event that a competent court has declared that SNS Bank is in a situation which requires emergency measures (*noodregeling*) in the interests of all creditors, as referred to in Part 3.5.5 of the Wft, and for so long as such situation is in force (such situation being hereinafter referred to as a "**Moratorium**"), only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of SNS Bank resulting from

	deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.
CRD IV:	(i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;
CRD IV Directive:	a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a first draft of which was published on 20 July 2011;
CRD IV Regulation	a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a first draft of which was published on 20 July 2011; and
Future Capital Instruments Regulations:	regulatory capital rules which may in the future be introduced by the Dutch legislator, the Dutch Central Bank or the European Banking Authority and which are applicable to SNS Bank (on a solo or consolidated basis) as applied and construed by the Dutch Central Bank, which lay down the requirements to be fulfilled in financial instruments for inclusion in the regulatory capital of SNS Bank (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.
Ratings:	<p>Ratings and expected ratings in relation to SNS REAAL and SNS Bank and certain notes are stated in the chapter headed 'SNS REAAL N.V. and SNS Bank N.V.', section 'Rating Agencies'.</p> <p>Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Senior 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 without prior notice.</p>
Listing:	Application may be made for Notes to be issued under the Programme to be listed on NYSE Euronext in Amsterdam and/or the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the relevant 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, The Netherlands, Japan and the United States, Zero Coupon Notes and such other restrictions as may be required in

connection with the offering and sale of a particular Series or Tranche of Notes. See 'Subscription and Sale' below.

RISK FACTORS

Each Issuer believes that the following factors, to the extent these relate to it, may affect the relevant Issuer's ability to fulfil its obligations under the Notes issued by it under the Programme. All risk factors relate to both SNS Bank and SNS REAAL, except for the risk factors included on pages 23 and 24 ('For payment under Notes issued by SNS REAAL, it may be dependent on dividend payments received from its subsidiaries and subsequent risk factors' through 'The insurance business of SNS REAAL Group is subject to risks concerning the adequacy of its technical provisions to cover future losses and benefits'), which only relate to SNS REAAL. Most of these factors are contingencies which may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

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

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

RISK FACTORS REGARDING SNS BANK AND SNS REAAL GROUP

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

SNS Bank and SNS REAAL Group generate most of their income in The Netherlands and therefore are particularly exposed to the economic conditions in The Netherlands. Economic conditions in The Netherlands have been difficult. Partly due to the credit crisis in the past four to five years, growth of the Dutch gross domestic product ("**GDP**") has been subdued. Following a contraction of 3.5% in 2009, GDP grew by 1.6% in 2010 and by 1.3% in 2011. Any deterioration or merely a long-term persistence of the difficult economic environment in The Netherlands could negatively affect the demand for products and services of SNS Bank and SNS REAAL Group.

As a consequence of the acquisition of SNS Property Finance B.V. by SNS Bank as of 1 December 2006, SNS Bank and SNS REAAL Group are not only exposed to the economic conditions in The Netherlands, but also to those in certain foreign countries. In 2009, Property Finance took measures to reduce risks and decided to focus on the domestic market, and to run off its international loan portfolio. Since then, total international exposure of Property Finance has been reduced to € 2.3 billion as of the end of 2011, representing less than 3% of the balance sheet of SNS Bank N.V. The future run-off of the remaining international exposure may entail further impairments, depending on economic conditions and developments in the relevant international real estate markets. The international exposure is located in selected Western EU-countries, the United States of America and Canada ("**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 customers which are small and medium-sized enterprises ("**SME's**") in The Netherlands.

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

Mortgage loans constitute approximately 79.3% of SNS Bank's total loan portfolio at year-end 2011. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans, increased interest rates or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. Further, a decrease in the general level of interest rates could affect SNS Bank and thereby indirectly SNS REAAL Group through, among other things, increased pre-payments on the loan and mortgage portfolio.

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

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

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

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

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

A substantial part of the distribution of SNS Bank and SNS REAAL Group originates from distribution of their products and services by intermediaries who may also offer competitors' products and services. As a result, the success of SNS Bank and SNS REAAL Group through these distribution channels depends on the preferences of these intermediaries for the products and services of SNS Bank and SNS REAAL Group, respectively. Intermediaries' preferences are mainly determined by product quality, the services offered to customers and the support services. The level of compensation is in light of the upcoming legislative proposals becoming a less distinct feature for the preferences of intermediaries. SNS Bank and SNS REAAL Group may not succeed in continuing to provide sufficient incentives to intermediaries to market their products and services successfully.

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

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

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

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

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

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

The ECB-AAA government yield curve is used to calculate the regulatory solvency within the SNS REAAL Group. If a country included in the curve no longer has an AAA rating, this may impact the regulatory solvency ratios within the SNS REAAL Group. More generally, volatility in (sovereign) credit spreads may impact both solvency ratios and results at SNS REAAL Group and SNS Bank.

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

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

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

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

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

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

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

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

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

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

SNS Bank and SNS REAAL Group face significant liquidity risk

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

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

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

In addition, for SNS REAAL these market conditions include insurance industry cycles. The non-life insurance industry cycles are characterized by periods of price competition, fluctuations in underwriting results and the occurrence of unpredictable weather-related and other losses. SNS REAAL Group's performance in life insurance can be affected by changes with respect to mortality.

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

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

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

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

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

SNS REAAL Group and SNS Bank are exposed to integration risks following mergers

Between 30 June 2008 and 18 March 2011, several entities merged into SNS REAAL Group and SNS Bank. As a consequence, the businesses, systems and/or processes of such entities have been or currently still need to be integrated into the business of SNS REAAL Group and SNS Bank. Any failure to successfully integrate the businesses, systems and/or processes of such entities could lead to a potential loss of customers and/or key employees or announced synergy advantages might not be realised. This in turn could have a material adverse effect on SNS REAAL Group and SNS Bank. Additionally, unexpected risks or liabilities relating to the entities with whom SNS REAAL Group and SNS Bank merged could adversely affect SNS REAAL Group and SNS Bank.

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

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

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

clients or compete for new business.

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

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

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

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

Reinsurance may not be available, affordable or adequate to protect SNS REAAL Group against losses, and reinsurers may default in their reinsurance obligations

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

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

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

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

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

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

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

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

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

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

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

A significant portion of the business of SNS Bank and SNS REAAL Group relates to products and services which they offer in co-operation with third parties or in relation to which they depend on third parties, for example for the

distribution of such products and services. SNS Bank and SNS REAAL Group cannot assure that these third parties will continue their co-operation with them, that the relationships with these third parties will continue to be beneficial or that SNS Bank and SNS REAAL Group will be able to sustain their ability to successfully develop and market the products and services which are developed together with third parties.

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

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

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

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

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

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

The businesses of SNS Bank and SNS REAAL Group are regulated and supervised by several Dutch supervisory authorities. SNS Bank and SNS REAAL Group are required to hold licenses for their operations and are subject to regulation and supervision by authorities in The Netherlands (such as the Dutch Central Bank, the AFM and Euronext Amsterdam) and in all other jurisdictions in which they operate. Laws and regulations applied at national level generally grant supervisory authorities broad administrative discretion over the activities of SNS Bank and SNS REAAL Group, including the power to limit or restrict business activities. It is possible that laws and regulations governing the businesses of SNS Bank and SNS REAAL Group or particular products and services could be amended or interpreted in a manner that is adverse to SNS Bank and SNS REAAL Group, 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 and SNS REAAL Group offer, whether existing or new, or (ii) negatively affect the performance of the products and services SNS Bank and SNS REAAL Group offer, whether existing or new. The revenues and costs of SNS Bank and SNS REAAL Group, 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 and SNS REAAL Group operate, whether existing or new. Due to the complexity of the regulatory environment in which SNS Bank and SNS REAAL Group operate, it will

entail more costs to ensure that SNS Bank and SNS REAAL Group are, and will continue to be, in compliance with all applicable laws and regulations at all times, to the extent that the volume of regulation increases and the scope of the activities changes.

Furthermore, laws and regulations grant supervisory authorities the authority to perform investigations into, among other things, the compliance with specific regulations by the industry and/or SNS Bank and SNS REAAL Group. Such investigations into financial services groups, including SNS Bank and SNS REAAL Group, are ongoing. 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 and SNS REAAL Group do not or do not fully comply with applicable laws and regulations. The outcome of such investigations could necessitate SNS Bank and SNS REAAL Group 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 and SNS REAAL Group, which could, as indicated above, among other things, reduce or restrict the sale of the products and services SNS Bank and SNS REAAL Group offer, whether existing or new, or negatively affect the performance of the products and services SNS Bank and SNS REAAL Group offer, whether existing or new. SNS Bank and SNS REAAL Group are subjects of ongoing investigations into certain control frameworks ('*beheersingskaders*') in the context of market conduct supervision. The outcome of this investigation may damage the reputation of the industry and of SNS Bank and SNS REAAL Group. Such investigations may induce SNS Bank and SNS REAAL Group to change certain of its operational processes.

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

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

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

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

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

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

Litigation or other proceedings or actions may adversely affect the business, financial condition and results of operations of SNS Bank and SNS REAAL Group

SNS Bank and SNS REAAL Group face significant legal risks in the conduct of their business. In The Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings (including, without limitation, class actions) against financial institutions are increasing. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services in which SNS Bank or a member of SNS REAAL Group acts as principal, intermediary or otherwise. Increasingly financial institutions are also held liable by customers for actions of intermediaries even if there has been little to no control over the actions of such intermediaries. Also, companies in SNS Bank's and SNS REAAL Group's industry are increasingly exposed to collective claims (with or without merit) from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving novel legal claims. These risks are often difficult to assess or to quantify and their existence and magnitude often remain unknown for substantial periods of time. It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving SNS Bank or SNS REAAL Group. The costs to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of SNS Bank's or SNS REAAL Group's services, regardless of whether the allegations are valid or whether SNS Bank or SNS REAAL Group is ultimately found liable. As a result, litigation may adversely affect SNS Bank's and SNS REAAL Group's business, financial condition and results of operations (see also the risk factor 'SNS Bank and SNS REAAL Group are exposed to risks of damage to their reputation' and the paragraph 'Legal proceedings' in the chapter 'SNS REAAL N.V. and SNS Bank N.V.').

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

Ratings and expected ratings in relation to SNS REAAL and SNS Bank and certain notes are stated in the chapter headed 'SNS REAAL N.V. and SNS Bank N.V.', section 'Rating Agencies'. A downgrade of any of these ratings (for whatever reason) would result in higher funding and refinancing costs for SNS REAAL and/or SNS Bank in the capital markets. Such downgrade may also affect or effectively limit access to the capital markets. In addition, a downgrade of any of SNS REAAL and/or SNS Bank's ratings may limit their opportunities to operate in certain business areas and could have an adverse effect on SNS REAAL and/or SNS Bank's image vis-à-vis the capital markets and their customers.

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

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

The ability of SNS Bank and SNS REAAL Group to price their respective products and services accurately is subject to a number of uncertainties. As a result, rates and prices of products and services may be determined on the basis of inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies. If SNS

REAAL Group or SNS Bank fails to establish adequate rates and prices for their respective products and services, their revenues could decline while their expenses increase resulting in proportionately greater losses.

SNS REAAL and SNS Bank have issued guarantees

SNS REAAL and SNS Bank have provided guarantees as referred to in Book 2, Section 403 of the Dutch Civil Code ("**403-guarantee**").

SNS REAAL has provided 403-guarantees for SNS Bank, SNS Asset Management N.V., SNS Beleggingsfondsen Beheer B.V., SNS Global Custody N.V., SNS REAAL Invest N.V., and for some of the subsidiaries of SNS Bank. SNS REAAL also provided 403-guarantees for SNS Verzekeringen B.V. and Foresta Investerings Maatschappij N.V., both subsidiaries of REAAL N.V.

REAAL N.V. has provided 403-guarantees for some of its subsidiaries.

SNS Bank has issued 403-guarantees for ASN Groenbank N.V., Pettelaar Effectenbewaarbedrijf N.V., SNSPF Interim Finance B.V., SNS Property Finance B.V. and SNS Securities N.V.

In the 403-guarantee SNS REAAL or SNS Bank respectively declares itself to be jointly and severally liable for the obligations of the relevant subsidiary resulting from legal acts executed by it. If enforced in accordance with its terms, SNS REAAL or SNS Bank respectively may be held liable under these guarantees and therefore may have to pay to that creditor of the relevant subsidiary.

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

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

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

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

offeror may be liable for actions of the intermediaries which have led to a claim. Recent cases show that some claims against offerors based on breach of their precontractual obligations against the insured have been sustained.

For quite some time the (alleged) non-transparency of and the costs paid for investment insurance policies and investment pension policies have the wide interest of the public, media, politics and the supervisory authorities. Since 2009, a number of parties, including SNS REAAL, have reached settlement agreements with several claimant foundations and organisations and followed a recommendation of the Financial Services Ombudsman (*'Ombudsman Financiële Dienstverlening'*) for compensation of their policy holders for the costs of such investment insurance policies and investment pension policies respectively. In 2011, SNS REAAL Group started executing, in accordance with the settlement agreements, a compensation scheme for clients who had purchased unit linked insurance in the past. The final agreement with the parties involved an amount reserved for clients in distressed situations. The compensation scheme is applied by SRLEV N.V., Proteq Levensverzekeringen N.V. and their legal predecessors. It is uncertain whether the majority of the policyholders will accept this arrangement offered by the relevant SNS REAAL Group entities. Policyholders who do not accept such arrangement are not bound by it and still have the possibility to initiate legal proceedings. The quantity and the outcome of such legal proceedings are uncertain and may lead to reputational damage and/or direct financial loss for SNS REAAL.

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

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

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

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

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

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

Regulated entities within the SNS REAAL Group, including SNS Bank, are required to maintain significant levels of capital and to comply with a number of regulatory requirements relating to their solvency. If any of these entities would be in danger of failing, or fails, to meet its minimum capital requirements, it may have to consider taking measures to protect its capital and solvency position, and the supervisory authorities have authority to require it to take steps to compensate for capital shortfalls

Regulated entities within the SNS REAAL Group, including SNS Bank, are required to maintain significant levels of capital and to comply with a number of regulatory requirements relating to their solvency. SNS REAAL must make sure that these requirements are observed by the regulated entities within the SNS REAAL Group and that the SNS REAAL Group as a whole maintains a sufficient level of capital.

At the end of 2011, the core Tier 1 ratio of SNS REAAL Group's banking activities stood at 9.2%, and the BIS ratio at 14.4%. The regulatory solvency of SNS REAAL Group's insurance activities was 203% at year-end 2011. The European Banking Authority ("**EBA**") required banks to establish buffers such that their core Tier 1 ratio reaches 9% by the end of June 2012, valuing sovereign debt exposures at market prices as per 30 September 2011. SNS Bank's EBA core Tier 1 ratio was 8.8% at the end of 2011 (See Chapter "SNS REAAL N.V. and SNS BANK N.V.—Recent developments"). While SNS Bank expects to have addressed the remaining EBA capital shortfall by the end of June 2012, it cannot be guaranteed that SNS Bank will have an EBA core Tier 1 ratio of at least 9% at the end of June 2012.

If any of the regulated subsidiaries within the SNS REAAL Group is unable to meet any of its regulatory requirements, it and/or SNS REAAL may have to consider taking measures to protect its capital and solvency position. These measures may include divesting parts of its business, which may only be possible on unfavourable terms as it may have to be undertaken quickly. SNS REAAL or any of its regulated entities within the SNS REAAL Group may also have to raise additional capital in the form of subordinated debt or equity. Raising additional capital from external sources may be impossible due to factors outside SNS REAAL Group's control, such as market conditions, or it may be possible only on unfavourable terms. Any of these measures could have a material adverse effect on SNS REAAL Group's business, revenues and results.

The supervisory authorities could require SNS REAAL or regulated entities within the SNS REAAL Group to take remedial action if it breaches any of the regulatory capital requirements. The remedial action could be to work closely with the authorities to protect customers and policyholders' interests and to restore SNS REAAL Group's or the individual subsidiary's capital and solvency positions to acceptable levels. This may have a negative impact on the payments on the Notes.

SNS REAAL has committed to repurchase the capital support by the Dutch State. SNS REAAL may not be able to do so by the end of 2013

In 2008, SNS REAAL issued € 750 million in capital securities to the Dutch State. At year-end 2011, the Dutch State's capital support was € 565 million (see Chapter "SNS REAAL N.V. and SNS BANK N.V.—Core Tier 1 securities Stichting Beheer SNS REAAL and the Dutch State"). SNS REAAL and the Dutch State have committed to the repurchase by SNS REAAL of the capital support by the Dutch State by the end of 2013 (see Chapter "SNS REAAL N.V. and SNS BANK N.V.—Recent developments"). While SNS REAAL is employing measures to facilitate repayment of the capital support by the Dutch State by the end of 2013, the turmoil on the financial markets, higher capital thresholds and a deteriorated economic environment may negatively impact our capital position and ability to realise future repurchase of the capital securities issued to the Dutch State. In case the capital support by the Dutch State will not be repurchased in full by the end of 2013, renotification to the European Commission will be required in January 2014. It is uncertain what would be the consequences hereof. It cannot be excluded that the European Commission would impose certain restrictions or take remedial action, which may have a negative impact on payments on the Notes.

Amendments to regulatory framework

The regulatory framework applicable to financial institutions such as the Issuers is worldwide, in the EU as well as in the Netherlands subject to various amendments, most of which ensue from the financial and economic crisis.

Additional powers of regulatory authorities

An act on special measures regarding financial institutions (the "*Wet bijzondere maatregelen financiële ondernemingen*", hereinafter the "**Special Measures Financial Institutions Act**") entered into force on 13 June 2012 (with the exception of some provisions which will enter into force on a later date). On 6 June 2012, the European Commission published a proposal for a comprehensive framework for crisis management in the financial sector (the "**EU Proposal**") which contains a number of legislative proposals similar to the Special Measures Financial Institutions Act.

Under the Special Measures Financial Institutions Act, substantial additional powers are granted to the Dutch Central Bank, (*De Nederlandsche Bank N.V.*, "**DNB**") and the Dutch Minister of Finance aimed at either an individual financial institution or at ensuring the stability of the financial system. The Special Measures Financial Institutions Act aims to empower DNB or the Minister of Finance, as applicable, to: (i) commence proceedings leading to transfer of all or a part of the business (including deposits) of the relevant financial institution to a private sector purchaser or a "bridge bank", (ii) commence proceedings leading to transfer of shares in the relevant financial institution to a private sector purchaser or a "bridge bank", (iii) commence proceedings leading to public ownership (nationalisation) of the relevant financial institution, or also its parent company, and (iv) take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant financial institution. Subject to certain exceptions, as soon as any of these proposed proceedings or measures have been initiated or taken by DNB or the Minister of Finance, as applicable, the relevant counterparties of such financial institution will not be entitled to invoke events of default or set off their claims against the relevant financial institution. The Special Measures Financial Institutions Act has retroactive effect as of 20 January 2012.

The EU Proposal includes proposals to give regulators powers to write down debt of failing banks and certain investment firms (or to convert such debt into equity) to strengthen their financial position and allow such institutions to continue as a going concern subject to appropriate restructuring. Notes currently issued or to be issued under the Programme may be affected by the exercise of these Powers. At this stage it is uncertain if the EU Proposal will be adopted and if so, when and in what form.

It is possible that, given the entering into force of the Special Measures Financial Institutions Act and/or upon the entering into force of the EU Proposal in its current form, the relevant regulator may use its powers under the new regime in a way that could result in subordinated and/or senior debt instruments of the Issuer absorbing losses. The Special Measures Financial Institutions Act and/or the entering into force of the EU Proposal could also in other ways negatively affect the position of certain categories of the Issuer's bondholders and the credit rating attached to subordinated and/or senior debt instruments then outstanding, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments to the EU Proposal, which may add to these effects.

Solvency II, CRD IV

Pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance ("**Solvency II**") and CRD IV (CRD IV includes, among other things, the formal implementation of the prudential framework adopted by the Basel Committee on Banking Supervision on 16 December 2010 (revised in June 2011) and press release of 13 January 2011 (the "**Basel III Final Recommendations**")) more stringent capital requirements will apply to the

Issuers. In addition, more stringent rules will apply to instruments in order to constitute regulatory capital (*toetsingsvermogen c.q. solvabiliteitsmarge*). As a result, the Issuers may be required to maintain additional capital and/or certain instruments may no longer constitute regulatory capital. This may have a negative effect on payments on the Notes.

There can be no assurance that, prior to the implementation of the Basel III Final Recommendations, the Basel Committee on Banking Supervision (the "**Basel Committee**") will not amend the Basel III Final Recommendations. Any such amendment is likely to affect CRD IV and/or the application of CRD IV and the rules and regulations based thereon. Further, the European Union and/or authorities in The Netherlands may implement the Basel III Final Recommendations, including the terms which subordinated debt instruments are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on Dutch banks.

The EBA publishes rules and guidelines in relation to capital requirements. In the event of changes in these rules or guidelines, EBA may decide that implementation may have to be effected within a relative short period of time.

Any of the above factors may materially adversely affect the Issuers' financial position and results of operations.

RISK FACTORS REGARDING THE NOTES

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuers

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

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

Partly-paid Notes

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

Variable Rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

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

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

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

Fund Linked Notes, Share Linked Notes

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

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

Potential investors in Fund Linked Notes should also understand that:

- (i) third parties, not related to the relevant Issuer, may subscribe for and redeem underlying fund interests. These investments may affect the performance and volatility of the fund's net asset value. In turn, this could affect, from time to time, the return on the Notes;
- (ii) 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;
- (iii) 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;
- (iv) 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;

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

Issues of Subordinated Notes; limited rights to accelerate

Each Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 3 of the applicable Terms and Conditions of the Medium Term Notes. Any such Subordinated Notes will constitute unsecured subordinated obligations of the relevant Issuer. Subordinated Notes of one Series will rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the relevant Issuer, save for those preferred by mandatory provisions of law. In the event of liquidation or bankruptcy of the relevant Issuer or in the event of a Moratorium with respect to the relevant Issuer, the claims of the holders of the Subordinated Notes against such Issuer will be subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims. In addition, Tier 2 Notes are subordinated to Subordinated Notes that do not qualify as Tier 2 Notes. By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the relevant Issuer or in the event of a Moratorium with respect to the relevant Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the relevant Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied. A Subordinated Holder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the relevant Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the relevant Issuer from time to time, whether before or after the Issue Date of the relevant Subordinated Notes.

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

Variation and substitution

In certain circumstances, the Issuer may, without the consent of the Holders, but subject to the approval of the Dutch Central Bank, substitute the Subordinated Notes or vary the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV, in accordance with the terms of the Subordinated Notes. The terms and conditions of such substituted or varied Subordinated Notes may have terms and conditions that (A) include a write-down feature (see the paragraph "Non-viability" below for further information) and (B) contain one or more provisions that are substantially different from the terms and conditions of the original Subordinated Notes. While the Issuer cannot make changes to the terms of the Subordinated Notes that, in its reasonable opinion, are materially less favourable to a holder of such Subordinated Note, no assurance can be given as to whether any of these changes will negatively affect the position of any particular holder of Subordinated Notes or the credit rating attached to such Subordinated Notes.

Non-viability

The Basel III Final Recommendations state that the terms and conditions of Tier 2 instruments must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into ordinary shares upon the occurrence of a non-viability event. To the extent that any Subordinated Notes contain provisions relating to non-viability of the Issuer, the Issuer may be required, subject to the terms of the relevant Subordinated Notes, irrevocably (without the need for the consent of the holders of the Subordinated Notes) to effect a full write-down of the outstanding principal and accrued and unpaid interest in respect of such Subordinated Notes. Such non-viability event may be (i) a decision of the Relevant Authority that a write-down, without which the Issuer would become non-viable, is necessary, (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Relevant Authority, or (iii) another event as mandatorily prescribed in CRD IV (a "**Non-Viability Event**"). Any written-down amount shall be irrevocably lost and holders of such Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write-down.

The occurrence of a Non-Viability Event may be unpredictable and may depend on a number of factors which may be outside of the Issuer's control. The Relevant Authority may require or may cause a write-down in circumstances that are beyond the control of the Issuer and with which the Issuer may not agree. It is possible that the Relevant Authority will use its powers under the Special Measures Financial Institutions Act and/or the EU Proposal (see "Risk Factors regarding SNS Bank and SNS REAAL Group - Amendments to regulatory framework"), when entered into force, to force a write-down or conversion, which could result in subordinated and/or senior debt instruments of the Issuer absorbing losses. Because of the inherent uncertainty regarding the determination of whether a Non-Viability Event exists, it will be difficult to predict when, if at all, a write-down will occur. Accordingly, market prices and trading strategy in respect of Subordinated Notes which have the non-viability loss absorption feature may differ from other types of securities. Any indication that the Issuer is trending towards a Non-Viability Event could have an adverse effect on the market price of the relevant Subordinated Notes. Potential investors should consider the risk that a holder of Subordinated Notes which have the non-viability loss absorption feature may lose all of its investment in such Subordinated Notes, including the principal amount plus any accrued but unpaid interest, in the event that a Non-Viability Event occurs.

There is no assurance that any contractual provisions with non-viability loss absorption features, to the extent applicable, will be sufficient to satisfy CRD IV requirements. This may have a negative effect on the capital adequacy of the Issuer. Also, this may lead to variation or substitution of the Subordinated Notes (see the paragraph "Variation and substitution" above for further information).

"**Relevant Authority**" means the Dutch Central Bank or any other regulatory authority that is competent to exercise prudential supervision over the Issuer.

Risks related to the Notes generally

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

Modification, waivers and substitution

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

The conditions of the Notes also provide that the Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of any of the provisions of Notes which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 17 of the applicable Terms and Conditions of the Medium Term Notes, or (iv) substitution of the Subordinated Notes or variation of the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV, in accordance with the terms of the Subordinated Notes.

Eurosystem eligibility

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

EU Savings Directive

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Each Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the 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.

Tax consequences of holding the Notes

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

Notes held in global form

The Notes will initially be held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Nederland, in each case in the form of a global Note which may 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 a NGN, on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note will be made through Euroclear and/or

Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary for Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland, shall be treated by the relevant Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes. Delivery (*uitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Wge (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time).

In relation to any issue of Notes which have a denomination of € 100,000 (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 € 100,000 (or its equivalent) that are not integral multiples of € 100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination (a "**Stub Amount**") may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. As long as the Stub Amount is held in the relevant clearing system, the Noteholder will be unable to transfer this Stub Amount.

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

Nominee Arrangements

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

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

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

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

Change of law and jurisdiction

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

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

Risks related to the market generally

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

The secondary market generally

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

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

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

Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Notes, as opposed to any revaluation of the Issuers' financial strength or other factors such as conditions affecting the financial services industry generally. Noteholders and prospective investors should be aware that such a change in the methodology of a rating agency could result in certain series of Notes being downgraded, potentially to noninvestment grade (if the relevant Notes are issued before the new methodology is applied by a rating agency to such Notes) or receiving a lower rating than that is currently expected from that rating agency (if the relevant Notes are issued after the new methodology is applied by that rating agency to such Notes).

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

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

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

Legal investment considerations may restrict certain investments

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

General risks

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

CERTAIN NOTICES TO INVESTORS

RESPONSIBILITY STATEMENT

SNS Bank accepts responsibility for the information contained in this Prospectus, other than the information contained in the following sections of this Prospectus, for which only SNS REAAL is responsible: information under 'Summary' which specifically relates to SNS REAAL or SNS REAAL N.V., the risk factors relating only to SNS REAAL (as indicated on page 13 of this Prospectus), the information contained in the chapter 'SNS REAAL N.V. and SNS Bank N.V.' which relates specifically to SNS REAAL or SNS REAAL N.V., information contained in the chapter 'Selected Financial Information of SNS REAAL', the information referred to under (f) through (k) in chapter 'Documents Incorporated by Reference' and the information contained in Chapter 3 of this Prospectus. SNS Bank declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus (other than in the sections mentioned above) is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

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

NOTICE

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

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

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

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

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 or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

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

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

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

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

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

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

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

This Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuers, the Arranger and the Dealers represent that this Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, further action may be required 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.

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

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

Incorporation

SNS REAAL N.V. ("**SNS REAAL**") is a public limited liability company (*'naamloze vennootschap'*) established under the laws of The Netherlands and was incorporated on 25 May 1987. SNS REAAL is the result of a merger in May 1997 between SNS Groep N.V. (primarily a banking group) and Reaal Groep N.V. (primarily an insurance group). SNS REAAL is registered in the Commercial Register of the Utrecht Chamber of Commerce (*'handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht'*) under number 16062627 with SNS REAAL N.V. and SNS REAAL as its commercial names (*'handelsnamen'*). Its registered office is at Croeselaan 1, 3521 BJ Utrecht, The Netherlands. The telephone number of SNS REAAL is +31 (0)30 291 5200.

The articles of association of SNS REAAL were lastly amended by notarial deed executed on 22 April 2010 before Mr. J.D.M. Schoonbrood, civil law notary practising in Amsterdam, on the draft of which deed the Ministerial certificate that there have appeared no objections was granted with number 319.435.

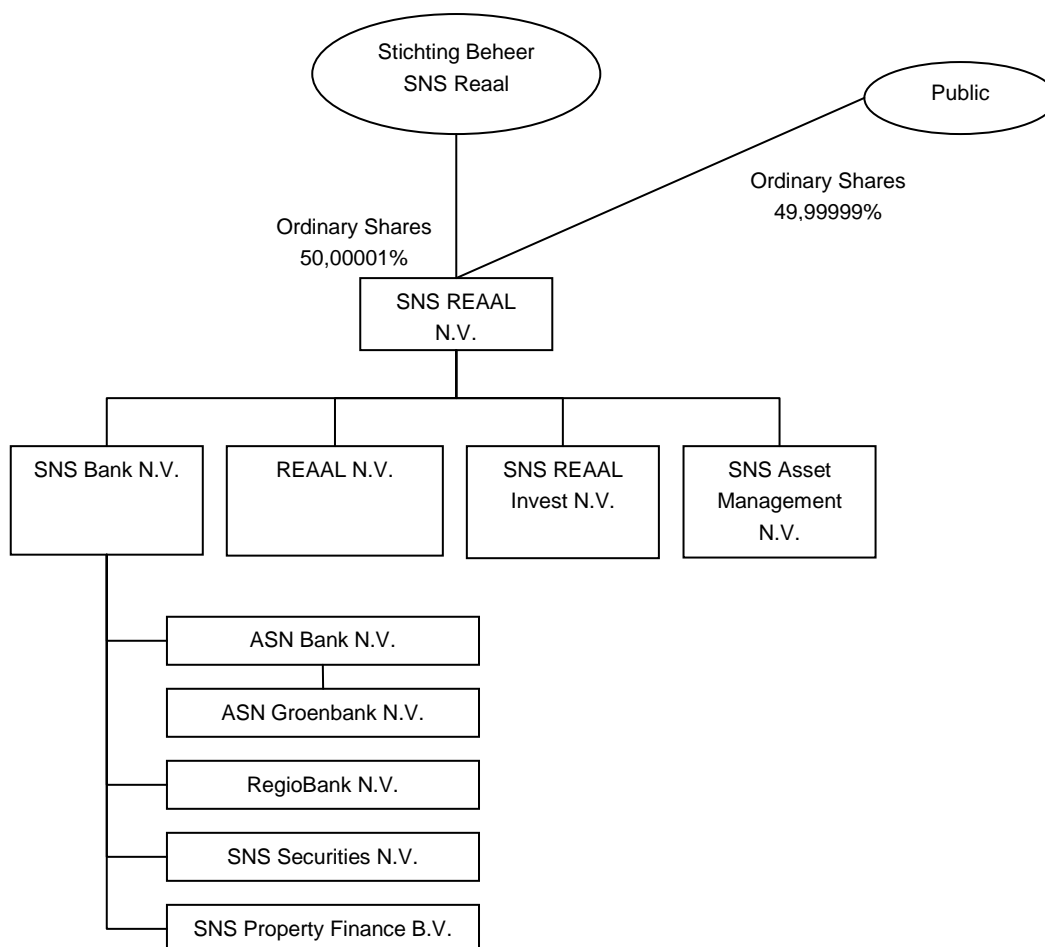
The objects of SNS REAAL according to its articles of association is to participate in, to conduct the management and administration of and to finance other business enterprises of whatever nature and to invest and manage capital. Furthermore, SNS REAAL may guarantee liabilities of other companies with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

SNS Bank N.V. ("**SNS Bank**"), a public limited liability company (*'naamloze vennootschap'*), was incorporated under Dutch law on 18 December 1990 as a result of the merger of several regional savings banks. The corporate seat of SNS Bank is in Utrecht, The Netherlands. The registered office of SNS Bank is Croeselaan 1, 3521 BJ, Utrecht, The Netherlands and SNS Bank is registered in the Commercial Register of the Utrecht Chamber of Commerce (*'handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht'*), under number 16062338. The telephone number of SNS Bank is +31(0)30 291 5100. The articles of association of SNS Bank were lastly amended by notarial deed on 22 September 2011 before a Mr. J.D.M. Schoonbrood, civil law notary practising in Amsterdam.

Ownership

As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. On 18 May 2006 the shares of SNS REAAL were listed on NYSE Euronext in Amsterdam as part of the IPO of SNS REAAL. As per date of this Prospectus, Stichting Beheer SNS REAAL owns approximately 50.00001% of SNS REAAL's outstanding share capital. SNS Bank is a 100% subsidiary of SNS REAAL and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**").

Since April 2008, the share capital of SNS REAAL consists of two types of shares, namely ordinary shares and shares B. In order to finance the acquisition of Zwitserleven in 2008, six shares B in the capital of SNS REAAL (hereinafter also to be referred to as: the "**shares B**") were issued to Stichting Beheer SNS REAAL for a total issue price of € 600,000,000 in cash. The total nominal amount of the shares B amounts to € 9.78. The issue price exceeds this total nominal amount by € 599,999,990.22. The surplus was added to the share premium reserve that will be linked to the shares B in the capital of SNS REAAL. The issue of the shares B was effected by executing a notarial deed of issue of shares on 28 April 2008. As per the date of this Prospectus, the issued and paid up share capital of SNS REAAL is € 468,820,329.99 consisting of 287,619,867 ordinary shares and six shares B.



Core Tier 1 securities Stichting Beheer SNS REAAL and the Dutch State

On 12 November 2008 SNS REAAL decided to strengthen its solvency with € 500 million in capital securities, to be issued to Stichting Beheer SNS REAAL and € 750 million in capital securities to be issued to the Dutch State in view of the market environment and in recognition of higher capital market solvency requirements for financial institutions. Aforementioned transactions were completed on 11 December 2008. The documentation is available on www.snsreaal.com under the heading 'Investor relations'. The proceeds of the transaction have been used mainly to increase SNS Bank's core capital by € 260 million and to strengthen the solvency capital of REAAL by € 975 million. The Dutch State obtained the right to nominate two members for the SNS REAAL Supervisory Board and announced in December 2008 that it would nominate Charlotte Insinger and Ludo Wijngaarden for appointment to SNS REAAL N.V.'s Supervisory Board. After their appointment at SNS REAAL's General Meeting of Shareholders on 15 April 2009 they have also become members of the Supervisory Boards of SNS Bank and REAAL and members of the Audit Committee of SNS Bank.

On 30 November 2009, SNS REAAL repurchased € 250 million of core Tier 1 securities of which € 185 million were issued to the Dutch State and € 65 million to Stichting Beheer SNS REAAL. Furthermore, in line with the terms of the agreement with the Dutch State, SNS REAAL paid accrued interest on the amount repurchased from the Dutch State from 9 June 2009, representing an amount of € 7 million. No repurchase fee was paid. At year end 2011, the State's capital support is still € 565 million and the Stichting's capital support EUR 435 million. Since the Stichting's capital support is loss absorbing, the book value of this capital support was lower at year end 2011 (€ 415 million).

Executive Board of SNS REAAL

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

Mr. R. Latenstein	<i>chairman and Chief Executive Officer (CEO)</i> member supervisory board Sligro Food Group N.V. chairman Dutch Insurers' Association member Bank Council of the Dutch Central Bank committee member of the Dutch Employers Association VNO-NCW committee member Oranje Fonds committee member foundation "Weet wat je besteedt" member board of SNS REAAL Fonds
Mr. F. Lamp	<i>Chief Financial and Risk Officer (CFRO)</i> member board of Duisenberg School of Finance member supervisory board of foundation Radio Netherlands Worldwide member supervisory board of ROC Amsterdam
Mr. D. Okhuijsen	<i>Chief Operations Officer (COO) with a focus on SNS Bank, REAAL, Zwitserleven and SNS Asset Management</i> committee member of Dutch Bankers' Association committee member of Dutch Management Studies Foundation
Mr. W.H. Steenpoorte	<i>Chief Technology Officer (CTO) with a focus on IT & Change and responsibility for facility management and legal affairs</i> chairman supervisory board of Meetingpoint B.V. member supervisory board of the Dutch Associated Insurance Companies Netherlands N.V. (VAN)

The members of the Executive Board of SNS REAAL also hold management and supervisory functions with other entities within the SNS REAAL Group.

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

Management Board of SNS Bank

The names of the members of the Management Board of SNS Bank and their major functions outside SNS Bank are as follows:

Mr. E.J. Boers	
Mr. F. Lamp	also member Executive Board of SNS REAAL – see above
Mr. D. Okhuijsen	also member Executive Board of SNS REAAL – see above
Mr. W.H. Steenpoorte	also member Executive Board of SNS REAAL – see above

The members of the Management Board of SNS Bank also hold management and supervisory functions with other entities within the SNS REAAL Group.

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

Supervisory Board of SNS REAAL and SNS Bank

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

Mr. R. Zwartendijk	<i>chairman</i> chairman supervisory board Nutreco Holding N.V. member supervisory board Randstad Holding N.V. member board of the Stichting Preferente Aandelen Mediq
Mrs. C.M. Insinger	independent management advisor partner of the New Commissar Consult member supervisory board of Vesteda Groep member supervisory board of foundation Zoological Garden Blijdorp member management board of the Doping Authority member advisory board of Between us member supervisory board of Rijnland zorggroep member supervisory board of Air traffic control Nederland
Mr. R.J. van de Kraats	vice-chairman of the executive board and CFO of Randstad Holding N.V. member supervisory board of Ordina N.V.
Mr. J. Lagerweij	managing director and partner at Motus Retail member supervisory board of the Dutch State Lottery member supervisory board of Macintosh member supervisory board of Coolcat Fashion member supervisory board of HG International member supervisory board of Beerensgroep member supervisory board of LTP member or chairman of various advisory boards and supervisory board member / advisor of two family businesses
Mr. P.S Overmars	<i>vice chairman</i> president of the Nyenrode Foundation member supervisory board of Aronsohn Raadgevende Ingenieurs member supervisory board of Van Dijk Educatie
Mr. J.A. Nijhuis	president and CFO of the Schiphol Group member supervisory committee of Stichting Kids Moving the World board member of Stichting Common Purpose member supervisory committee of the National Ballet non-executive board member of Aéroports de Paris
Mrs. H. Verhagen	member executive board of PostNL member supervisory board of Nutreco
Mr. L. Wijngaarden	chairman supervisory board of Oasen chairman supervisory board of LTP member supervisory board of the residential building cooperative Rochdale member executive board of DAK member advisory council of College Bescherming Persoonsgegevens member advisory council of Oracle Nederland
Mr. J.A. Nijssen	partner and shareholder of Montae chairman supervisory board of Enviu member committee internal supervision of Shell Pension Fund

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

Audit Committee

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

Mrs. C.M. Insinger
Mr. R.J. van de Kraats (chairman)
Mr. P.S. Overmars
Mr. J. Nijhuis
Mr. L. Wijngaarden

The Audit Committee has obtained a mandate from the Supervisory Board of each of SNS REAAL and SNS Bank to prepare the decision-making of the Supervisory Board in the following areas: (a) the provision of financial information by the Issuer and the quality of that information, (b) compliance with recommendations and actions taken upon the comments of actuaries, internal auditors, external auditors and regulatory authorities, (c) the scope and quality of the external audit and the activities of the internal auditor and external actuaries, (d) the relationship with the external auditor, including in particular the quality of the services provided and his independence, remuneration and any work for the Issuer not related to the audit – the Audit Committee shall also assess the external auditor's involvement in the content and publication of financial reports other than the annual accounts, (e) the Issuer's policy on tax planning, and (f) the financing of the Issuer. In addition, the Audit Committee has the mandate to supervise the main developments in the field of financial reporting, tax, funding and finance, risk management and to monitor the relationship with the independent auditors of SNS REAAL and SNS Bank.

SNS REAAL and the Corporate Governance Code

Compliance with Corporate Governance Code

The Dutch Corporate Governance Code (the "**Corporate Governance Code**") is applicable to all Dutch listed companies and, as such, also to SNS REAAL. In its annual report, SNS REAAL reports on the compliance with principles and best practices of the Corporate Governance Code intended for the Executive Board or the Supervisory Board. The full text of the Corporate Governance Code is available on www.commissiecorporategovernance.nl.

The Corporate Governance Code defines that a company also complies with the Corporate Governance Code if the general meeting of shareholders gives approval to the corporate governance structure and the deviations from the Corporate Governance Code's principles. SNS REAAL is committed to adhering to the Corporate Governance Code's best practice provisions as much as possible. SNS REAAL provides reasons for all deviations on the basis of its stakeholders' best interests.

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

Deviation from best practice provision II.1.1

The first deviation from the Code relates to best practice provision II.1.1: 'A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.' One member of the Executive Board (Mr. Latenstein) was appointed for an indefinite period in

line with the statutory provisions prevailing at the time of his appointment. SNS REAAL considers it inappropriate to change the terms of his employment contract in this respect. Mr. Hinssen was member of the Executive Board until 15 September 2011. He was also appointed for an indefinite period. Other members of the Executive Board (Mr. Lamp, Mr. Okhuijsen and Mr. Steenpoorte) have been appointed for a maximum period of four years, naturally with the possibility of being reappointed.

Deviation from best practice provision IV.1.5

The second deviation from the Code relates to best practice provision IV.1.5: 'A resolution to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.' Partly in connection with the issue of six B shares in the capital of SNS REAAL to the Foundation in order to finance the acquisition of Zwitserleven, SNS REAAL's Articles of Association were amended on 28 April 2008. As a result of this amendment to the Articles of Association, SNS REAAL's authorised capital has been increased by six B shares and the provisions in the Articles of Association pertaining to profits, losses and dividend have been changed. The amended Articles of Association provide, *inter alia*, that as a result of the adoption of the financial statements, the freely distributable profits, to the extent that there are no Losses to be Cleared and after reservation of the Ordinary Reservation Amount (both as defined in the Articles of Association), will be distributed to the holders of ordinary shares and holders of B shares in accordance with the proportions stipulated in the Articles of Association. Accordingly, it follows from the Articles of Association that, upon adoption of the financial statements, the dividend is declared and, moreover, is distributable.

The Banking Code and the Insurance Code

The Banking Code is applicable to all of SNS REAAL's Banking activities and came into force on 1 January 2010. The Insurance Code applies to all of SNS REAAL's Insurance activities and came into force a year later. In its annual report, SNS REAAL reports on the compliance with the Banking Code and Insurance Code (together the Codes). On its website, SNS REAAL provides an up-to-date overview of the manner in which SNS REAAL and its business units implement and apply the recommendation of the Codes.

The mission, core value and strategy of SNS REAAL confirm the principles of the Codes. Since 2009, SNS REAAL started implementing the recommendations of the Codes within its organisation where appropriate. By now, SNS REAAL almost completely complies with the Codes. SNS REAAL and all its employees carefully monitor compliance with the Codes and try to further improve them, in line with the execution of the mission Simplicity in finance and the core value CARE!

Conflicts of interest SNS REAAL and SNS Bank

There are no potential conflicts between any duties to SNS REAAL or SNS Bank and the private interests and/or other duties of members of the Executive Board and/or the Supervisory Board of SNS REAAL or, as the case may be, the Management Board and/or the Supervisory Board of SNS Bank. These members may obtain financial services of SNS REAAL or, as the case may be, SNS Bank. Internal rules are in place for the situation in which a conflict of interest should arise.

Independent Auditors

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

Rating Agencies

SNS REAAL and SNS Bank have been rated by independent rating agencies Moody's, Standard & Poor's and Fitch. The most recently published reports by these rating agencies, expressing opinions on any of the ratings assigned to either SNS REAAL or SNS Bank, are made available on www.snsreaal.nl under the headings

'Investors' > 'Credit ratings'. Please see below an overview of the ratings assigned to SNS REAAL and SNS Bank (Table 1) and the ratings expected to be assigned to the notes to be issued under the Programme (Table 2).

Table 1. Ratings of SNS REAAL and SNS Bank

Long term credit ratings	S&P	Moody's	Fitch
SNS REAAL	BBB (stable)	Baa2 (rur*)	BBB+ (stable)
SNS Bank	BBB+ (stable)	Baa1 (rur*)	BBB+ (stable)

Short term credit ratings	S&P	Moody's	Fitch
SNS REAAL	A-3	P-2	F2
SNS Bank	A-2	P-2	F2

(*rur: rating under review for downgrade)

Table 2. Expected ratings of the notes

SNS REAAL	S&P	Moody's
Senior unsecured long term Notes	BBB+	Baa2
Senior unsecured short term Notes	A-3	Prime-2
Non-perpetual Subordinated Notes	BBB	Baa3

SNS Bank	S&P	Moody's
Senior unsecured long term Notes	BBB+	Baa1
Senior unsecured short term Notes	A-2	Prime-2
Non-perpetual Subordinated Notes	BBB+	Baa2

Company Structure and Profile

SNS REAAL

With a balance sheet total of over € 132 billion as of the end of December 2011, SNS REAAL is a major financial bank-insurance company 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 and specialised sales labels enjoy strong positions in the Dutch market. Furthermore, the combination has involved the following:

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

SNS Bank

SNS Bank comprises of the business unit SNS Bank and the non-core activities of Property Finance. The business unit SNS Bank can be divided into two business lines: SNS Retail Bank for its retail operations and

SNS SME (*SNS Zakelijk*) for SME operations. The activities of SNS Securities are performed from SNS Bank's wholly owned subsidiary SNS Securities N.V.

SNS Retail Bank

SNS Retail Bank comprises the brands SNS Bank, RegioBank, ASN Bank and BLG Wonen. Its customers are private individuals in The Netherlands and its core product groups are mortgages, savings and investments. SNS Retail Bank aims to simplify finance for its customers by offering them accessible, transparent products and good service. Its shared IT infrastructure serves to achieve efficiency and economies of scale in management and administration.

The SNS Retail Bank brands are developing their own independent positions and distinctive customer values in order to best meet the needs of their target groups.

—SNS Bank is the broad and accessible consumer brand for banking and insurance products with an emphasis on sales and information over the internet and telephone. It provides additional information and advice through its own shops, franchisers' shops and location-independent advisors. SNS Bank also sells its mortgages through third-party websites and retail chains.

—ASN Bank is the brand for sustainable savings, investment and payments and sells its products solely over the internet.

—RegioBank is the bank formula for intermediaries in provinces, focusing on local and personal service.

—BLG Wonen is a specialist intermediary brand for mortgages and savings and intermediary activities in relation to insurances.

SNS Retail Bank seeks to reinforce its distribution capabilities. Its key objectives are to further develop on-line sales, collaboration within SNS REAAL in the areas of distribution and production, a nationwide network of compact SNS Shops (70% of which would include franchise shops) and RegioBank intermediaries, a complete range based on its own standardised products as well as third-party products, and continued growth of ASN Bank. Closer collaboration in production, systems and distribution between the banking labels and with the other business units are expected to create synergies in terms of costs and revenues.

SNS SME

As per 1 January 2011, certain (investment) loans of Property Finance to SME customers were integrated into (the financial reporting of) SNS Bank (no legal transfer was involved). As of 1 January 2012, SNS SME (*SNS Zakelijk*) is the trade name for the combination of the former SME activities of SNS Retail Bank and part of Property Finance's Dutch loan portfolio, mostly investment finance.

SNS SME offers products for SME markets in the field of payments and credit, insurance, investment financing and focuses on corporate loans secured by property collateral.

Non-core activities of Property Finance

The former business unit Property Finance operated in all phases of the property cycle, from short-term (project) loans for land purchase, construction and trading transactions to long-term loans for investment properties. As per 1 January 2011, certain loans of Property Finance were integrated into SNS Bank (see above under "SNS SME"). Virtually all project loans, domestic and international remained within the renamed non-core activities of Property Finance. These loans are being phased out.

SNS Securities

SNS Securities provides securities services (shares, bonds and derivatives) to national and international professional investors. In addition, it supports SME and larger companies in private and public capital market transactions and offers investment management and securities services to high-net-worth private investor's. The securities research conducted by SNS Securities mainly focuses on Dutch small-cap and mid-cap funds. The macroeconomic research is also used for SNS REAAL's risk management.

Business unit / activities	Brand	Product groups	Clients	Distribution channels
SNS Bank – SNS Retail Bank	SNS Bank	Mortgages, savings, investments, payments, loans, insurance, commercial credit	Retail	SNS shops, internet, intermediaries, telephone
	ASN Bank	Savings, investments, payments	Retail	Internet
	RegioBank	Mortgages, savings, investments	Retail, SME	Franchise offices
	BLG Wonen	Mortgages, savings, insurance	Retail, SME	Intermediaries, distribution partners
SNS Bank – SNS SME		Payments, credit, insurance, investment financing, corporate loans	SME	Telephone, offices, account management
Property Finance	Property Finance	Property finance (investments, projects, participations)	Companies, professional investors, project developers, housing corporations	Offices
SNS Securities		Securities research, institutional brokerage, corporate finance, asset management	Financial institutions (international), wealthy individuals	Account management

Tax deductibility of mortgage interest payments

The Dutch tax authorities allow borrowers to deduct mortgage interest payments for owner-occupied residences from their taxable income. There is currently a tendency within certain political parties in The Netherlands to limit the favourable tax treatment of mortgage debts, particularly for higher-income households. It is not clear if this will happen and, if so, when, but it cannot be ruled out. Changes in tax deductibility could ultimately have an adverse impact on the ability of borrowers to repay their mortgage receivables. In addition, changes in the deductibility of mortgage interest payments may lead to increased prepayments by borrowers on their mortgage loans or have an adverse effect on the value of the mortgaged assets. However it is too early to predict what the implications of

the current discussions on tax deductibility will be, particularly as the measures (if any) might be (partly) offset by other mitigating measures regarding the current taxation of housing or the tax system in general.

REAAL

REAAL produces and distributes individual life insurance, non-life insurance and disability insurance policies, but also offers banking products purchased from SNS Bank or from third parties to mainly private individuals and small and medium-sized enterprises. Indirect distribution mainly takes place through intermediaries. Mortgage distribution chains, purchase organisations, banks and underwriting agents also play a major role. REAAL will increasingly use SNS Bank's direct channel. The direct-distribution strategy is focused on advanced internet marketing, monitoring consumer behaviour, database management, information management and controlling costs per order. Zelf.nl and Proteq offer a range of individual non-life insurance products, including the pet accident and health insurance by Dier en Zorg, while also offering REAAL savings products. REAAL's strategy is primarily aimed at maintaining its market position in individual life insurance and at growth in the SME non-life market and disability insurance. REAAL aims to lower its cost base and improve its effectiveness in distribution, including by intensifying collaboration with other SNS REAAL business units.

Zwitserleven

Zwitserleven is a pension insurer in The Netherlands and its clients are SME companies, large companies and director-shareholders. Zwitserleven uses market teams that focus on specific market segments. Zwitserleven offers its pension products and services under the brand experience of 'het Zwitserleven Gevoel' in collaboration with intermediaries, professional consultants and on the company website. Zwitserleven's strategy is aimed at growth on the basis of high-quality products, excellent service and close collaboration with intermediaries. Customer and employee satisfaction are important long-term objectives. Zwitserleven aims to create income and cost synergies in production and distribution by collaboration with other SNS REAAL business units.

SNS Reaal Invest

SNS REAAL Invest N.V. ("**SNS REAAL Invest**") is a subsidiary of SNS REAAL which supports financial activities within SNS REAAL. In 2003 it was announced that SNS REAAL Invest would gradually be wound down. The size of the portfolio is € 3 million as at year-end 2011.

SNS Asset Management N.V.

The primary task of SNS Asset Management is the responsible management and administration of the investments of REAAL and Zwitserleven for own account and the investment funds of SNS Bank, ASN Bank and Zwitserleven. SNS Asset Management also focuses on external institutional clients, such as pension funds and insurers, charities and religious institutions. SNS Asset Management's assets under management rose from € 42.4 billion to € 42.06 billion (+ 0.6%) as per 31 December 2011.

Supervision

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

conglomerate (although some of the rules relate to the conglomerate as a whole) and partly at the mixed financial holding company heading up the conglomerate, such as the Company.

The regulatory framework is under constant scrutiny, both at a national and international level. New rules and regulations have been promulgated and are expected to enter into force in the following years. Important changes with respect to the supervision on the Issuers will be introduced by CRD IV, Solvency II and the expected revision of the Financial Conglomerates Directive.

Within SNS REAAL Group the following subsidiaries of SNS REAAL hold licences under the Wft (excluding finance service providers licences):

Banks and bank-investment firms:

SNS Bank N.V.
RegioBank N.V.
ASN Bank N.V.
ASN Groenbank N.V.
SNS Property Finance B.V.
SNS Securities N.V.

Insurance companies:

REAAL Schadeverzekeringen N.V.
SRLEV N.V.
Proteq levensverzekeringen N.V.
Proteq schadeverzekeringen N.V.

Investment firms:

SNS Asset Management N.V.
ASN Vermogensbeheer B.V.

Fund management companies:

SNS Beleggingsfondsen Beheer B.V.
ASN Beleggingsinstellingen Beheer B.V.

Recent developments

On 17 November 2011, SNS Bank announced an exchange offer to improve and strengthen the quality of the capital of SNS Bank through the creation of core tier 1 capital. An offer was made to holders (I) of outstanding EUR 500,000,000 6.25 per cent subordinated notes (due 2020) and holders (II) of outstanding EUR 200,000,000 6.625 per cent subordinated fixed rate notes (due 2018) to exchange these securities for Euro denominated fixed rate senior notes (due 2016), to be issued by SNS Bank under its EUR 25,000,000,000 debt issuance programme. The expiration date for the exchange offer was 25 November 2011. The number of valid registrations received for the exchange offer represents a degree of participation of:

- (I) 47.53% (€ 237,658,000) of the outstanding EUR 500,000,000 6.25% subordinated notes (due 2020);
- (II) 81.36% (€ 159.3 million) of the outstanding EUR 200,000,000 6.625% subordinated fixed rate notes (due 2018).

With an average degree of participation of 57.05% of the existing securities, this transaction was a success. The net proceeds from this transaction are approximately EUR 72 million after tax. The exchange offer was made on the terms and subject to the conditions and restrictions set out in the exchange offer memorandum dated 17 November 2011.

On 8 December 2011, SNS REAAL issued a press statement in relation to announcements by the EBA and the Dutch Central Bank regarding requirements for banks to strengthen their capital position by building up a temporary capital buffer against sovereign debt exposures measured at market value. The EBA required banks to establish buffers such that their core Tier 1 ratio reaches 9% by the end of June 2012, valuing sovereign debt exposures at market prices as per 30 September 2011. SNS Bank had reported a core Tier 1 ratio of 8.6% as per 30 September 2011, based on Basel II including the 80% transition floor of Basel I for RWA calculation. Applying the EBA methodology, which includes the capital buffer in relation to sovereign debt, the core Tier 1 ratio was 8.2% as per 30 September 2011. To reach the EBA core Tier 1 ratio of 9%, SNS Bank needed to address a capital shortfall of € 159 million. At the end of 2011, SNS Bank's EBA core Tier 1 ratio had increased from 8.2% to 8.8%, driven by both an increase of available core Tier 1 capital and a reduction of risk-weighted assets. In all, the EBA capital shortfall was reduced to € 32 million per 31 December 2011. SNS Bank expects to have addressed the remaining shortfall by the end of June 2012.

On 19 December 2011, the European Commission has reconfirmed approval for the capital support by the Dutch State to SNS REAAL. The reconfirmation of approval follows the renotification by the Dutch State earlier in 2011. SNS REAAL and the Dutch State have committed to the repurchase by SNS REAAL of the capital support by the Dutch State by the end of 2013. Under the reconfirmation of approval by the European Commission, SNS REAAL is required to execute, where necessary, measures in addition to the current plan to facilitate full State repayment by the end of 2013, subject to regulatory approval. The Dutch authorities will continue to report to the European Commission on SNS REAAL's progress regarding repurchase of the capital support, by means of a monitoring report. In case the capital support by the Dutch State will not be repurchased in full by the end of 2013, renotification to the European Commission will be required in January 2014.

On 15 February 2012, Moody's placed all ratings of SNS REAAL, SNS Bank and its other operating entities on review for possible downgrade. The review was part of a wider review of the ratings of a number of European banks in relation to which Moody's wants to reassess the influence of a weakening macro-economic environment, more costly market funding and a pressure on profits.

On 1 March 2012, Standard & Poor's lowered all ratings of SNS REAAL, SNS Bank and its other operating entities with one notch, while at the same time replacing the 'negative outlook' by a 'stable outlook'.

On 8 March 2012, Fitch Ratings affirmed all Long- and Short-term IDRs of SNS REAAL, SNS Bank and its other operating entities and remained the 'stable outlook'

On 8 March 2012, SNS REAAL published its annual report 2011, including SNS REAAL's publicly available financial statements and auditors report for the year ended 31 December 2011, which are incorporated herein by reference.

On 8 March 2012, SNS Bank published its annual report 2011, including SNS Bank's publicly available financial statements and auditors report for the year ended 31 December 2011, which are incorporated herein by reference.

On 23 March 2012, SNS Bank announced that it will redeem the first series of SNS Participation Certificates on 28 June 2012. These subordinated perpetual notes were issued on 28 June 2002 for a total nominal amount of EUR 125 million against 6.6% interest. SNS Bank has the option to call and redeem these notes as from ten years after the issue date.

On 15 May 2012, SNS REAAL published its trading update for the first quarter of 2012 and reported a net profit of EUR 23 million, which trading update is incorporated by reference herein.

Legal proceedings

SNS REAAL, SNS Bank and its other affiliates are and may become from time-to-time involved in governmental, legal and arbitration proceedings that relate to claims by and against the respective Issuer which ensue from its normal business operations. The most important proceedings are described below.

In July 2009, a group of execution-only clients of SNS Bank have held SNS Bank and certain of its group companies liable for alleged losses suffered on investments in non-Dutch (regulated) investment funds (including Madoff-feeder funds). These clients have invested in these investment funds on the advice of external financial advisors. SNS Bank executed the orders given by these clients for these funds and acted as custodian. The clients claim they should not have been facilitated to invest in these funds pursuant to their terms and conditions.

Although SNS Bank continues to believe that given its role as an execution-only party, it would not be obliged to compensate for any and all losses, given the costs and risks of defending any legal actions, it has taken the opportunity to resolve this matter by offering payment of a compensation amount. A majority of the clients has accepted this offer. SNS Bank has taken provisions for this offer. At the end of 2009 a group of clients organised themselves within the foundation Stichting Claim SNS/Bos & Partners and repeated the liability claim. On 1 April 2010 the foundation initiated legal proceedings against SNS Bank and SNS Global Custody, the custody entity of SNS Bank, despite attempts of SNS Bank to settle this matter out of court. The foundation allegedly acts in the interest of a group of execution-only clients larger than the above mentioned clients which organised themselves in the Stichting Claim SNS/Bos & Partners. Pursuant to the Dutch Civil Code the proceedings initiated by the foundation do not include a claim for monetary damages. Instead, declaratory relief is sought, with which monetary damages could be claimed in subsequent proceedings.

In 2010, the liquidators of three Fairfield funds (all Madoff-feeder funds) having their statutory seat in the British Virgin Islands ("BVI") have initiated legal proceedings in New York against, amongst others, SNS Global Custody, and its clients as former beneficial owners of investments in these funds. Similar proceedings have been initiated by the liquidators of one of these funds against SNS Global Custody in the BVI. The liquidators claim repayment of payments made by the funds for redemptions of investments received by these beneficial owners through SNS Global Custody for an aggregate amount of approximately USD 65 million. In line with these lawsuits, the trustee of Madoff started proceedings against SNS Bank and SNS Global Custody. The proceedings in New York and the BVI are still in their early stages. Both cases are complicated and many financial institutions worldwide have been summoned in similar proceedings. In view hereof and considering the early stage of these proceedings, SNS Bank is currently not able to make a reliable estimate for a provision for these cases, if any. SNS Bank is defending itself against all of the abovementioned claims. In turn, all three Fairfield funds are defendants in similar clawback procedures initiated by the trustee of the estate of Bernard L. Madoff Investment Securities ("BLMIS"). The funds have also submitted claims in the bankruptcy of BLMIS. In June 2011, both the New York Bankruptcy court and the BVI High Court of Justice approved the settlement reached between the liquidators of the Fairfield funds and the trustee of the estate of BLMIS of their respective claims.

For quite some time the (alleged) non-transparency of and the costs paid for investment insurance policies and investment pension policies have the wide interest of the public, media, politics and the supervisory authorities. Since 2009, a number of parties, including SNS REAAL, have reached settlement agreements with several claimant foundations and organisations and followed a recommendation of the Financial Services Ombudsman ('*Ombudsman Financiële Dienstverlening*') for compensation of their policy holders for the costs of such investment insurance policies and investment pension policies respectively. In 2011, SNS REAAL Group started

executing, in accordance with the settlement agreements, a compensation scheme for clients who had purchased unit linked insurance in the past. The final agreement with the parties involved an amount reserved for clients in distressed situations. The compensation scheme is applied by SRLEV N.V., Proteq Levensverzekeringen N.V. and their legal predecessors. It is uncertain whether the majority of the policyholders will accept this arrangement offered by the relevant SNS REAAL Group entities. Policyholders who do not accept such arrangement are not bound by it and still have the possibility to initiate legal proceedings. The quantity and the outcome of such legal proceedings are uncertain and may lead to reputational damage and/or direct financial loss for SNS REAAL.

SELECTED FINANCIAL INFORMATION OF SNS BANK

SNS Bank's publicly available consolidated audited annual financial statements for the years ended 31 December 2011 (set forth on pages 66 up to and including 189 of the annual report in the English language) and 31 December 2010 (set forth on pages 47 up to and including 140 of the annual report in the English language) (the "**SNS Bank Financial Statements**") are incorporated by reference into this Prospectus. Except for the information under the heading "Outlook", the information below has been derived from the SNS Bank Financial Statements.

The former business unit Property Finance has been split into two separate segments as from 1 January 2011. Property Finance retains its international loan portfolio and part of its Dutch loan portfolio. This 'run-off' unit (non-core activities) will be phased out over the next years. The remaining part of Property Finance's Dutch portfolio is combined with the existing small and medium-sized enterprise (SME) activities of SNS Retail Bank in the new unit called SNS SME.

The segment information shown in the annual report of SNS REAAL differs from the information in the separate financial statements of SNS Bank as shown in the annual report of 2011. The SNS Retail Bank net result in the annual report of SNS Bank is € 24 million higher, as net interest income is € 5 million (gross) higher and result on financial instruments is € 27 million (gross) higher. These differences consist of the sale of € 0.5 billion of mortgages of SNS Retail Bank to the Insurance activities.

Key Figures of SNS Bank

<i>(amounts in millions of EUR)</i>	31 December 2011 (audited)	31 December 2010 (audited)
Total assets	81,272	78,918
Loans and advances to the private sector	64,778	65,013
of which mortgage loans	52,920	50,888
Amounts due to customers	40,557	37,880
of which savings	30,342	27,398
Equity distributable to Shareholders	1,723	1,580
Capital base	2,961	3,694
Tier 1 ratio ¹	12.2%	10.7%
BIS ratio ¹	14.4%	16.7%
Net interest income	803	871
Other income	239	114
of which net commission and management fees	86	92
Net profit	38	(431)

¹ As from 2008 figures are calculated based on Basel II, taking into account the 80% floor of Basel I.

(in numbers)

Branches (unaudited)	155	143
Cash dispensers (unaudited)	507	490
Employees (fte's, average) (unaudited)	2,426	2,639

Capitalisation of SNS Bank

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

<i>(amounts in millions of EUR)</i>	31 December 2011 (audited)	31 December 2010 (audited)
Short-term debt (remaining terms to maturity up to and including five years)		
- Savings	29,702	26,890
- Other amounts due to customers	7,066	7,653
- Derivatives	1,308	1,207
- Debt certificates	12,508	14,918
- Amounts to banks	4,587	2,908
- Participation cert. and subordinated debts	300	425
- Non interest-bearing liabilities	2,027	1,678
	57,498	55,679
Long-term debt (remaining terms to maturity over five years)		
- Savings	640	508
- Other amounts due to customers	3,149	2,829
- Derivatives	2,298	1,673
- Debt certificates	14,853	14,605
- Amounts due to banks	130	189
- Participation cert. and subordinated debts	821	1,597
- Non interest-bearing liabilities	6	2
	21,897	21,403
Share Capital*	381	381
Revaluation Reserve	--	2
Cash Flow Hedge Reserve	64	27
Fair Value reserve	(227)	(145)
Other Reserves	1,505	1,315
Securities capital	156	256
Third party interests	--	--
Total	1,879	1,836
- Savings	30,342	27,398
- Other amounts due to customers	10,215	10,482
- Derivatives	3,606	2,880
- Debt certificates	27,361	29,523
- Amounts due to banks	4,717	3,097

- Participation cert. and subordinated debts	1,121	2,022
- No interest-bearing liabilities	2,033	1,680
	81,273	78,918

Financial Year

The financial year of SNS Bank is the calendar year.

Independent Auditors

The consolidated financial statements of SNS Bank for 2011 and 2010 have been audited by KPMG ACCOUNTANTS N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands. The independent auditors have given an unqualified opinion for each of these years.

Summary Consolidated Accounts

The 2011 and 2010 financial statements of SNS Bank have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("EU").

Consolidated Balance Sheet

In € millions

Assets

	31-12-2011	31-12-2010
Cash and cash equivalents	5,128	3,833
Loans and advances to banks	1,682	1,681
Loans and advances to customers	64,778	65,013
Derivatives	3,354	2,317
Investments	4,106	4,249
Investment properties	1	1
Property projects	512	467
Investments in associates	17	6
Property and equipment	90	110
Intangible assets	153	164
Deferred tax assets	225	267
Corporate income tax	115	102
Other assets	1,111	587
Assets held for sale	--	121

Total assets	81,272	78,918
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Equity and liabilities

Savings	30,342	27,398
Other amounts due to customers	10,215	10,482
Amounts due to banks	4,716	3,096
Debt certificates	27,361	29,523
Derivatives	3,606	2,880

Deferred tax liabilities	303	323
Corporate income tax	--	--
Other liabilities	1,694	1,317
Other provisions	35	41
Participation certificates and subordinated debt	1,121	2,022
Share capital	381	381
Other reserves	1,304	1,630
Retained earnings	38	(431)
Shareholders' equity	1,723	1,580
Equity attributable to securityholders	156	256
Minority interest	--	--
Total equity	1,879	1,836
Total equity and liabilities	81,272	78,918

Consolidated Profit And Loss Account

In € millions	2011	2010
Income		
Interest income	2,761	2,489
Interest expense	1,958	1,618
Net interest income	803	871
Fee and commission income	139	138
Fee and commission expense	53	46
Net fee and commission income	86	92
Share in the result of associates	(1)	(9)
Investment income	45	47
Result on financial instruments	119	(20)
Other operating income	(6)	4
Results assets and liabilities held for sale	(4)	--
Total income	1,042	985
Expenses		
Impairment charges	410	941
Staff costs	258	256
Depreciation and amortisation of fixed assets	30	35

Other operating expenses	285	285
Total expenses	983	1,517
Result before taxation	59	(532)
Taxation	21	(101)
Net result for the financial year	38	(431)
Attribution:		
Net result for the financial year	38	(431)
Net profit attributable to minority interests	--	--
Net profit for the year	38	(431)
Earnings per share (in €)	45.26	(488.44)
Diluted earnings per share (in €)	40.16	(488.44)
Earnings per security 'State-like' (in €)	--	--
Earnings per security 'Foundation-like' (in €)	--	(19.55)
Weighted average number of shares outstanding	840,008	840,008
Consolidated cash flow statement		
In € millions	2011	2010
Cash flow from operating activities		
Result before taxation	59	(532)
Adjustments for:		
Depreciation and amortisation of fixed assets	32	20
Changes in other provisions	15	21
Impairment charges / reversals	410	941
Unrealised results on investments through profit and loss	(90)	(165)
Retained share in the result of associates	1	9
Tax paid	--	--
Change in operating assets and liabilities		
Change in loans and advances to customers	2,195	3,113
Change in loans and advances to banks	1,334	(2,989)
Change in savings	2,944	2,963
Change in trading portfolio	52	41
Change in other operating activities	(1,011)	(1,113)
Net cash flow from operating activities	5,941	2,309

Cash flow from investing activities

Proceeds from the sale of intangible assets	--	16
Proceeds from the sale of property and equipment	17	4
Proceeds from the sale of subsidiaries	122	--
Sale of investment property	194	--
Proceeds from the sale and redemption of investments and derivatives	4,079	1,618
Purchase of intangible fixed assets	(6)	(9)
Purchase of property and equipment	(18)	(17)
Purchase of subsidiaries	108	(10)
Purchase of investment property	--	(58)
Purchase of investments and derivatives	(3,928)	(1,582)
Net cash flow from investing activities	568	(38)

Cash flow from financing activities

Proceeds from issue of shares and share premium	154	--
Proceeds from issue of subordinated loans	60	635
Proceeds from issue of debt certificates	1,556	6,207
Proceeds from repurchase of securities	(100)	--
Redemption of subordinated loans	(982)	(205)
Redemption of debt certificates	(5,895)	(7,634)
Dividends paid on ordinary shares	--	--
Net cash flow from financing activities	(5,207)	(997)

Cash and cash equivalents as at 1 January	3,833	2,554
Effect of exchange rate fluctuations on cash held	(7)	5
Change in cash and cash equivalents	1,302	1,274
Cash and cash equivalents as at 31 December	5,128	3,833

Additional disclosure with regards to cash flows from operating activities

Interest income received	2,803	2,445
Dividends received	1	--
Interest paid	1,781	1,471

Outlook

The outlook for SNS Bank is included in the chapter 'Outlook 2011' on pages 21, 22 and 23 of the annual report of SNS Bank for the year ended 31 December 2011, which chapter is included by reference in this Prospectus.

SELECTED FINANCIAL INFORMATION OF SNS REAAL

SNS REAAL's publicly available consolidated audited annual financial statements for the years ended 31 December 2011 (set forth on pages 139 up to and including 340 of the annual report in the English language) and 31 December 2010 (set forth on pages 114 up to and including 302 of the annual report in the English language) (the "**SNS REAAL Financial Statements**") are incorporated by reference into this Prospectus. Except for the information under the headings "Outlook" and "Key Ratios", the information below has been derived from the SNS REAAL Financial Statements.

Key figures of SNS REAAL

Balance Sheet (in € millions)

	31 December 2011	31 December 2010
TOTAL ASSETS	132,174	127,713
Investments	31,435	31,001
Investments for account of policyholders	12,420	12,637
Loans and advances to customers	67,534	69,117
Loans and advances to banks	2,171	2,029
Total equity	5,428	4,719
Debt certificates	27,429	31,460
Insurance contracts	38,827	38,814
Savings	30,341	27,397
Amounts due to banks	7,245	6,528

Result

Income banking operations		
Net interest income	798	871
Net fee and commission income	86	92
Other income	126	22
Total income banking operations	1,010	985
Income insurance operations		
Net premium income	3,450	3,574
Investment income	1,439	1,498
Investment income for account of policyholders	(39)	815
Other income	277	212
Total income insurance operations	5,127	6,099
Other income and eliminations	(18)	(16)
Total consolidated income	6,119	7,068
Total consolidated expenses	5,990	7,384
Result before taxation	129	(316)
Taxation	41	(57)
Net result discontinued operations	--	--
Minority interests	1	1
Net result attributable to shareholders and securityholders	87	(260)

Net result banking operations	14	(431)
Net result insurance operations	166	242
Net result group activities	(93)	(71)
Earnings per share (€)	0.28	(0.83)
Diluted earnings per share (€)	0.20	(0.83)
Earnings per security issued to the Dutch State (€)	--	--

KEY RATIOS¹

	31 December 2011	31 December 2010
Return on shareholders' equity		(4.5%)
Double Leverage	114.2%	115.4%
Average number of employees (FTE)	7,002	7,301
SNS Bank:		
Efficiency ratio SNS Retail Bank	51.8%	64.8%
Efficiency ratio SNS SME	33.1%	29.8%
BIS ratio ²	14.4%	16.7%
Tier 1 ratio ²	12.2%	10.7%
REAAL Verzekeringen		
New annual premium equivalent		328
(in € millions)		
Operating cost/premium ratio REAAL	11.2%	12.2%
Operating cost/premium ratio Zwitserleven	14.9%	15.4%
Regulatory solvency Insurance activities	203%	195%
Regulatory solvency Life	234%	205%
Regulatory solvency Non-Life	464%	398%

¹ The key ratios are based on the audited figures in the annual report of 2010 and 2011, but are in itself not audited.

² Figures are calculated based on Basel II, taking into account the 80% floor of Basel I.

Summary Consolidated Accounts

Consolidated Balance Sheet

Before result appropriation and in € millions	31-12-2011	31-12-2010
Assets		
Intangible assets	2,179	2,441
Property and equipment	341	350
Investments in associates	56	60
Investment properties	197	194
Investments	31,435	31,001
Investments for account of policyholders	12,420	12,637
Invested collateral securities lending	117	176
Derivatives	3,893	2,579

Deferred tax assets	542	481
Reinsurance contracts	3,426	355
Property projects	512	467
Loans and advances to customers	67,534	69,117
Loans and advances to banks	2,171	2,029
Corporate income tax	299	159
Other assets	1,543	875
Cash and cash equivalents	5,509	4,671
Assets held for sale	--	121
Total assets	132,174	127,713

Equity and liabilities

Share capital	469	469
Other reserves	3,892	3,509
Retained earnings	87	(260)
Shareholders' equity	4,448	3,718
Equity attributable to securityholders	979	999
Minority interests	1	2
Total equity	5,428	4,719
Participation certificates and subordinated debt	2,129	2,396
Debt certificates	27,429	31,460
Insurance contracts	38,827	38,814
Provision for employee benefits	440	404
Other provisions	86	83
Securities lending liabilities	120	182
Derivatives	3,618	2,968
Deferred tax liabilities	1,038	813
Savings	30,341	27,397
Other amounts due to customers	12,142	9,267
Amounts due to banks	7,245	6,528
Corporate income tax	177	--
Other liabilities	3,154	2,682
Total equity and liabilities	132,174	127,713

Consolidated Profit and Loss Account

In € millions	2011	2010
Income		
Interest income	2,753	2,477
Interest expense	1,866	1,541
Net interest income	887	936
Premium income	3,696	3,728
Reinsurance premiums	246	154
Net premium income	3,450	3,574
Fee and commission income	217	222
Fee and commission expense	58	48
Net fee and commission income	159	174
Share in result of associates	(2)	(5)

Investment income	1,375	1,457
Investment income for account of policyholders	(40)	815
Result on financial instruments	275	73
Income invested collateral securities lending	4	3
Other operating income	(3)	41
Result assets and liabilities held for sale	14	--
Total income	6,119	7,068
Expenses		
Technical claims and benefits	2,624	3,222
Charges for account of policyholders	1,090	1,553
Acquisition costs for insurance operations	302	323
Impairment charges/ (reversals)	615	996
Staff costs	715	713
Depreciation and amortisation of fixed assets	121	121
Other operating expenses	279	306
Interest expense securities lending	1	1
Other interest expenses	243	146
Other expenses	--	3
Total expenses	5,990	7,384
Result before tax	129	(316)
Taxation	41	(57)
Net result continued operations	88	(259)
Net result discontinued operations	--	--
Net result for the financial year	88	(259)
Attribution:		
Net result attributable to shareholders	80	(239)
Net result attributable to securityholders	7	(21)
Net result attributable to shareholders and securityholders	87	(260)
Net result attributable to minority interests	1	1
Net result for the financial year	88	(259)
Earnings per share / security	2011	2010
Earnings per ordinary share from continued operations €	0.28	(0.83)
Earnings per ordinary share from discontinued operations €	--	--
Earnings per ordinary share €	0.28	(0.83)
Earnings per B share from continued operations €	--	--
Earnings per B share from discontinued operations €	--	--
Earnings per B share €	--	--
Earnings per security issued to the Stichting Beheer SNS REAAL from continued operations €	1.74	(4,81)
Earnings per security issued to the Stichting Beheer SNS REAAL from discontinued operations €	--	--
Earnings per security issued to the Stichting Beheer SNS REAAL €	1.74	(4,81)
Earnings per security issued to the Dutch State from continued operations €	--	--

Earnings per security issued to the Dutch State from discontinued operations €	--	--
Earnings per security issued to the Dutch State €	--	--
Diluted earnings per ordinary share from continued operations €	0.20	(0.83)
Diluted earnings per ordinary share from discontinued operations €	--	--
Diluted earnings per ordinary share €	0.20	(0.83)
Diluted earnings per B share from continued operations €	--	--
Diluted earnings per B share from discontinued operations €	--	--
Diluted earnings per B share €	--	--

Consolidated Cash Flow Statement

Cash flow from operating activities

Result before taxation	129	(316)
Adjustments for:		
Depreciation and amortisation of fixed assets	270	312
Changes in technical provisions own risk	(2,880)	111
Changes in other provisions	203	(13)
Impairment charges / (reversals)	615	996
Unrealised results on investments through profit or loss	(8)	(330)
Retained share in the result of associates	2	23
Tax paid/(received)	(1)	17

Change in operating assets and liabilities

Change in loans and advances to customers	4,458	2,553
Change in loans and advances to banks	575	(2,347)
Change in savings	2,944	2,962
Change in trading portfolio	51	26
Change in other operating activities	(1,458)	(1,576)

Net cash flow from operating activities	4,900	2,418
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Cash flow from investing activities

Proceeds from the sale of intangible assets	--	--
Proceeds from the sale of property and equipment	19	12
Proceeds from the sale of subsidiaries	121	--
Proceeds from the sale of investment property	195	7
Proceeds from the sale and redemption of investments and derivatives	20,621	17,014
Purchase of intangible fixed assets	(107)	(103)
Purchase of property and equipment	(63)	(37)
Purchase of subsidiaries	(6)	(11)
Purchase of investment property	--	(31)
Purchase of investments and derivatives	(19,942)	(16,373)

Net cash flow from investment activities	838	478
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Cash flow from financing activities

Proceeds from issue of shares	--	--
Proceeds from issue of securities capital	--	--
Proceeds from issue of subordinated loans	540	638
Proceeds from issue of debt certificates	1,556	6,191
Repurchase of securities	--	--
Redemption of subordinated loans	(934)	(260)
Redemption of debt certificates	(6,055)	(8,271)

Dividends paid	--	--
Coupon paid on securities capital	--	--
Net cash flow from financing activities	(4,893)	(1,702)
Cash and cash equivalents as at 1 January	4,671	3,472
Effect of exchange rate fluctuations on cash held	(7)	5
Change in cash and cash equivalents	845	1,194
Cash and cash equivalents as at 31 December	5,509	4,671
Additional disclosure with regard to cash flows from operating activities		
Interest income received	3,885	3,578
Dividends received	163	188
Interest paid	1,998	1,534

Outlook

The outlook for SNS REAAL is included in the chapter 'Outlook 2011' on pages 44 up to and including 48 of the annual report of SNS REAAL for the year ended 31 December 2011, which chapter is included by reference in this Prospectus.

Changes in accounting principles

SNS REAAL has implemented shadow accounting as of 1 January 2011. This accounting change reduces the existing asymmetry in the liability adequacy test of the Insurance activities, and ensures that SNS REAAL's financial statements better reflect the economic relationship of insurance assets and liabilities. Shadow accounting is applied on gains and losses on (derivative) assets that match insurance liabilities, regardless of whether these have or have not been realised and regardless of whether the unrealised gains and losses are recognised in the income statement or directly in the fair value reserve (OCI). A gain and loss on assets recognised in OCI has a mirrored movement in the insurance liabilities. A gain and loss on assets recognised in the income statement has a mirrored change in the gains and losses presented in the technical claims and benefits. As a consequence, the volatility in the income statement and OCI will be mitigated. This change in principle will not materially impact regulatory solvency of the Insurance activities. As a result of the change, the restated SNS REAAL Group net result for the year 2010 decreases by € 35 million and the restated SNS REAAL Group equity end of 2010 decreases by € 114 million. For the purpose of calculating the earnings per share for the year 2010, the decrease of the net result has been attributed in full to the ordinary shareholders.

As a result of the changed economic and social circumstances, the prudence in the current accounting treatment of deferred acquisition costs (DAC) has declined. New legislation prohibits payment of commission to intermediaries as of 1 January 2013. Demand for unit-linked products has declined and products with low cost structures are being introduced to the market. SNS REAAL's view is that by taking the acquisition costs directly to the result prudence will be restored and transparency of the financial statements enhanced. SNS REAAL has therefore decided on a change in accounting treatment. With effect from 1 January 2012, internal and external acquisition costs will no longer be deferred, but instead charged directly to the results. This change in accounting treatment will be applied in the annual accounts of 2012. The book value of the DAC, taking into account the corporate tax effect, will be charged directly to Shareholder's equity. The effect on solvency will be marginal.

FORM OF THE NOTES

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

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

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

Pursuant to the Agency Agreement (as defined under the relevant 'Terms and Conditions of the Medium Term Notes') the Agent shall arrange that, where a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg which are different from the ISIN and common code assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche. In case of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of € 100,000 (or the equivalent thereof) that are not integral multiples of € 100,000 (or the equivalent thereof). So long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, these Notes will be tradeable only

in the minimum authorised denomination of € 100,000 increased with integral multiples of € 1,000, notwithstanding that no Definitive Notes will be issued with a denomination over € 199,000.

Definitive Notes will be in the standard euromarket form. Definitive Notes and global Notes will be bearer.

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, unless otherwise indicated in the applicable Final Terms, be exchangeable (free of charge), in whole in accordance with the applicable Final Terms for security printed Definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of any Exchange Event. An "**Exchange Event**" means (1) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (2) any of the circumstances described in Condition 10 of the applicable Terms and Conditions of the Medium Term Notes occur or (3) the relevant Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 of applicable Terms and Conditions of the Medium Term Notes which would not be required were the Notes represented in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of applicable Terms and Conditions of the Medium Term Notes upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event as described in (1) above, Euroclear and/or Clearstream, Luxembourg, acting on the instructions of any holder of an interest in the global Note, may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date of receipt of the relevant notice by the Agent.

Global Notes and Definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Delivery (*utitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Wge (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time).

The following legend will appear on all Global Notes, Definitive Notes, Receipts and interest Coupons (including Talons) which are subject to TEFRA D selling restrictions:

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

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

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

Pursuant to the Agency Agreement the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche

shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

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

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

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

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

USE OF PROCEEDS

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

TAXATION

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

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

- (a) No Dutch withholding tax will be due on payments of principal and/or interest, or on any other amounts payable under the Notes that may be issued pursuant to the Programme, unless the Notes qualify as debt that is regarded as equity for tax purposes as referred to in Section 10 (1)(d) of the Dutch Corporate Income Tax Act (Wet op de vennootschapsbelasting 1969) or the Notes can be reclassified, partly or wholly, as equity for Dutch tax purposes.
- (b) A holder of a Note who derives income from a Note or who realizes a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gains unless:
 - (i) the holder is, or is deemed to be, resident in The Netherlands or has opted to be treated as a resident of The Netherlands; or
 - (ii) such holder has an enterprise or an interest in an enterprise which, in whole or in part, is carried on through a permanent establishment or a permanent representative in The Netherlands and the Notes are attributable to this permanent establishment or permanent representative; or
 - (iii) such holder is a legal person, an open limited partnership ("open commanditaire vennootschap"), another company with a capital divided into shares or a special purpose fund ("doelvermogen") and has a substantial interest¹ in the relevant Issuer and such interest does not form part of the assets of an enterprise; or
 - (iv) such holder is a legal person, an open limited partnership ("open commanditaire vennootschap"), another company with a capital divided into shares or a special purpose fund ("doelvermogen") 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 interest¹ in the relevant Issuer.

¹ Generally speaking an interest in an Issuer should not be considered as a substantial interest if the holder of such interest, and if the holder is a natural person, his or her spouse, registered partner, certain other relatives or certain persons sharing the holder's household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five percent or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer.

- (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) the holder dies within 180 days of making the gift, and at the time of the death is a resident or a deemed resident of The Netherlands.
 - (iv) the notes are held by a Note holder which qualifies as a separate private estate ("afgezonderd particulier vermogen") for Dutch tax purposes and the assets of the separate private estate for Dutch tax purposes are allocated to a holder as referred to in section c, subsection (i), (ii) or (iii) above;
- (d) There will be no registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty due in The Netherlands other than court fees payable in respect of or in connection with the issue, transfer, execution, delivery and/or enforcement by legal proceedings of the Notes or the performance of the Issuer's obligations under the Notes.
- (e) There will be no value added tax due in The Netherlands in respect of payments made in consideration for the issue of the Notes, whether in respect of the payment of interest and principal or in respect of the transfer of Notes, other than value added tax that could be due with regard to services such as management, administrative and similar services and the handling of verifying documents.
- (f) A holder of Notes will not become, and will not be deemed to be, resident in The Netherlands by the sole virtue of holding such Note or the execution, performance, delivery and/or enforcement of the Notes.
- (g) If the Issuers pay interest directly to, or secure the payment for the immediate benefit of, a Holder that is (i) an individual, (ii) a resident of another EU Member State or designated jurisdiction and (iii) the beneficial owner of that interest, they must verify the Holder's identity and place of residence and provide information regarding that Holder and the interest payments concerned to the Dutch tax authorities. This obligation does not apply if the interest is paid to, or secured for the benefit of, a Holder via a bank or other paying agent as defined in Dutch tax law.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated dealership agreement dated on or about 14 June 2012 (the "**Dealership Agreement**") (as supplemented from time to time) agreed with each Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under 'Form of the Notes' and 'Terms and Conditions of the Notes' above. In the Dealership Agreement, each Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms 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 or Final Terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

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

- (a) in relation to any Notes having a maturity of less than one year:
 - 1. it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - 2. it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated, and will only communicate or cause to communicate, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of Notes in circumstances in which Section 21(1) of the FSMA does not, or in the case of the relevant Issuer would not, if it was not an authorised person, apply to that Issuer; and
- (c) 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.

The Netherlands

To the extent article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) will be applied, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in The Netherlands (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in The Netherlands which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in The Netherlands:

- a) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in The Netherlands or, where appropriate, approved in another Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") and notified to the competent authority in The Netherlands in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive,

provided that no such offer of Notes referred to in (b) above shall require the relevant 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 The Netherlands in relation to any Notes 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 The Netherlands by any measure implementing the Prospectus Directive in The Netherlands, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments

thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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 or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S. Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder. Each Dealer has represented and agreed 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 ("**Regulation S**"). Accordingly, each Dealer has further represented and agreed that it, its affiliates and any person 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 has also agreed 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, sold or delivered 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 to the [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 have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

2. In addition (but only in relation to Notes with an initial maturity in excess of 365 days that are treated as issued in bearer form for US federal income tax purposes):
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 Act of Japan (Law No. 25 of 1948, as amended from time to time, the "**FIEA**") 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 the FIEA and other relevant laws, regulations and guidelines of Japan in effect at the relevant time.

Zero Coupon Notes

In addition and without prejudice to the relevant restrictions set out above, Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with

the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended from time to time) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

General

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or deliveries and neither of the Issuers shall have any responsibility therefore. Neither of the Issuers nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with any other additional restrictions set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The update of the Programme and each future issue under the Programme were duly authorized by a resolution of the Management Board of SNS Bank dated 16 May 2012 and by a resolution of the Executive Board of SNS REAAL dated 16 May 2012 approved by a resolution of the Supervisory Board of SNS REAAL dated 21 May 2012. All consents, approvals, authorizations or other orders of all regulatory authorities required by each Issuer under the laws of The Netherlands have been or will be obtained for the issue of Notes and for the relevant Issuer to undertake and perform their respective obligations under the Dealership Agreement, Agency Agreement and the relevant Notes.

403-guarantee

SNS REAAL has provided 403-guarantees for SNS Bank, SNS Asset Management N.V., SNS Beleggingsfondsen Beheer B.V., SNS Global Custody N.V., SNS REAAL Invest N.V., and for some of the subsidiaries of SNS Bank. SNS REAAL also provided 403-guarantees for SNS Verzekeringen B.V. and Foresta Investerings Maatschappij N.V., both subsidiaries of REAAL N.V.

REAAL N.V. has provided 403-guarantees for some of its subsidiaries.

SNS Bank has issued 403-guarantees for ASN Groenbank N.V., Pettelaar Effectenbewaarbedrijf N.V., SNSPF Interim Finance B.V., SNS Property Finance B.V. and SNS Securities N.V.

SNS REAAL has provided a 403-guarantee for SNS Bank. In this guarantee SNS REAAL declares itself to be jointly and severally liable for legal acts executed by SNS Bank. A copy of this guarantee can be obtained at the Commercial Register of the Utrecht Chamber of Commerce ("*Handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht*").

Significant or material adverse change

There has been no significant change in the financial or trading position of SNS REAAL and its subsidiaries and there has been no material adverse change in the prospects of SNS REAAL since 31 December 2011, the last day of the financial period in respect of which audited financial statements of SNS REAAL have been prepared.

There has been no significant change in the financial or trading position of SNS Bank and its subsidiaries and there has been no material adverse change in the prospects of SNS Bank since 31 December 2011, the last day of the financial period in respect of which audited financial statements of SNS Bank have been prepared.

Legal proceedings

Save as disclosed under 'Legal Proceedings' on pages 51-52, there have not been any governmental, legal and arbitration proceedings (including any such proceedings which are pending or threatened of which SNS REAAL or SNS Bank is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in such period a significant effect on the financial position or profitability of SNS REAAL or SNS Bank.

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 NYSE Euronext in Amsterdam. In addition, Notes issued under the Programme may be listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange and on any other stock exchange or market specified in the applicable Final Terms. The Issuers may also issue unlisted Notes under the Programme.

Documents Available

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

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

Clearing and Settlement Systems

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

Clearing systems addresses

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

Ratings

Description of the ratings

The description below is based on the explanation of the meaning of the ratings as this has previously been published by the respective rating providers themselves.

Rating definitions Fitch:

Long-Term Ratings

- A: High credit quality. A ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
- BBB: Good credit quality. BBB ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.

Short-Term Ratings

F1: Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2: Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of higher ratings.

Rating definitions Moody's

Long-Term Ratings

Baa: Obligations rated Baa are subject to moderate credit risk. They are considered mediumgrade and as such may possess certain speculative characteristics.

Ba: Obligations rated Ba are judged to have speculative elements and are subject to substantial 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.

Short-Term Ratings

Prime-1 (P-1): Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

Prime-2 (P-2): Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Prime-3 (P-3): Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term debt obligations.

Rating definitions Standard & Poor's

Long-Term Ratings

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.

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

BB: An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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.

Short-Term Ratings

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.

A-2: A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

A-3: A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Ratings of the Notes

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Senior Notes issued under the Programme and will be specified in the relevant Final Terms. 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. Ratings and expected ratings in relation to SNS REAAL and SNS Bank and certain notes are stated in the chapter headed 'SNS REAAL N.V. and SNS Bank N.V.', section 'Rating Agencies'.

Ratings of the Issuers

Ratings and expected ratings in relation to SNS REAAL and SNS Bank and certain notes are stated in the chapter headed 'SNS REAAL N.V. and SNS Bank N.V.', section 'Rating Agencies'.

CRA Regulation

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 Senior 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.

As of the date of this Prospectus, each of Fitch, Standard & Poor's and Moody's is established in the European Union and is registered under the CRA Regulation. Each credit rating applied for in relation to a tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

The rating of a certain Series or Tranche of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether a credit rating applied for in relation to a relevant Series or Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed clearly and prominently in the applicable Final Terms.

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 2011 (set forth on pages 66 up to and including 189 and pages 192 and 193 of its 2011 annual report) and 31 December 2010 (set forth on pages 47 up to and including 140 and page 144 of its 2010 annual report);
- (b) The transparency statement in respect of the consolidated and company financial statements of SNS Bank issued by the Management Board of SNS Bank set forth on page 65 of the annual report 2011.
- (c) 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);
- (d) In respect of SNS Bank, the terms and conditions set forth on pages 116 up to and including 133 (for Medium Term Notes), 180 up to and including 193 (for Index Linked Notes), 214 up to and including 224 (for Inflation Linked Notes), 243 up to and including 266 (for Share Linked Notes) and 287 up to and including 294 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank and SNS REAAL dated 11 July 2011 the terms and conditions set forth on pages 86 up to and including 116 (for Medium Term Notes), 180 up to and including 193 (for Index Linked Notes), 213 up to and including 223 (for Inflation Linked Notes), 242 up to and including 265 (for Share Linked Notes) and 286 up to and including 294 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank and SNS REAAL dated 9 July 2010, the terms and conditions set forth on pages 78 up to and including 107 (for Medium Term Notes), 172 up to and including 184 (for Index Linked Notes), 204 up to and including 213 (for Inflation Linked Notes), 232 up to and including 255 (for Share Linked Notes) and 276 up to and including 283 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank and SNS REAAL dated 8 June 2009, and the terms and conditions set forth on pages 62 up to and including 91, 109 up to and including 120 (for Index Linked Notes), 139 up to and including 148 (for Inflation Linked Notes), 167 up to and including 189 (for Share Linked Notes) and 210 up to and including 217 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank dated 18 April 2008 and the terms and conditions set forth on pages 58 up to and including 85, 102 up to and including 113 (for Index Linked Notes), 132 up to and including 141 (for Inflation Linked Notes), 159 up to and including 181 (for Share Linked Notes) and 201 up to and including 208 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank dated 19 April 2007;
- (e) The Chapter 'Outlook 2012' on pages 21, 22 and 23 of SNS Bank's annual report 2011;
- (f) SNS REAAL N.V.'s publicly available financial statements and auditors report for the years ended 31 December 2011 (set forth on pages 139 up to and including 340 and pages 344 and 345 of its 2011 annual report) and 31 December 2010 (set forth on pages 114 up to and including 302 and pages 304 and 305 of its 2010 annual report);
- (g) The transparency statement in respect of the consolidated and company financial statements of SNS REAAL issued by the Management Board of SNS REAAL set forth on page 138 of the annual report 2011 and on page 110 of the annual report 2010 respectively;
- (h) SNS REAAL N.V.'s articles of association as per the Publication Date of this Prospectus (in the original Dutch language version as well as in English translation);
- (i) In respect of SNS REAAL, the terms and conditions set forth on pages 134 up to and including 161 (for Medium Term Notes), 180 up to and including 193 (for Index Linked Notes), 214 up to and including 224 (for Inflation Linked Notes), 243 up to and including 266 (for Share Linked Notes) and 287 up to and including 294 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank and SNS REAAL dated 11 July 2011 the terms and conditions set forth on pages 134 up to and including 162 (for Medium Term Notes), 180 up to and including 193 (for Index Linked Notes), 213 up to and including 223

(for Inflation Linked Notes), 242 up to and including 265 (for Share Linked Notes) and 286 up to and including 294 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank and SNS REAAL dated 9 July 2010, the terms and conditions set forth on pages 125 up to and including 154 (for Medium Term Notes), 172 up to and including 184 (for Index Linked Notes), 204 up to and including 213 (for Inflation Linked Notes), 232 up to and including 255 (for Share Linked Notes), 276 up to and including 283 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank and SNS REAAL dated 8 June 2009, and the terms and conditions set forth on pages 80 up to and including 112 (for Medium Term Notes) of the prospectus relating to the Programme of SNS REAAL dated 16 July 2008 and the terms and conditions set forth on pages 71 up to and including 101 (for Medium Term Notes) of the prospectus relating to the Programme of SNS REAAL dated 25 June 2007;

- (j) The Chapter 'Outlook 2012' on pages 44 through 48 of SNS REAAL's annual report 2011; and
- (k) The Trading Update for the first quarter of 2012 published by SNS REAAL on 15 May 2012.

These documents can be obtained without charge at the offices of the Issuers (SNS REAAL N.V. and SNS Bank N.V., Croeselaan 1, 3521 BJ Utrecht, The Netherlands, SNS REAAL Investor relations, tel: +31 30 291 42 46, investorrelations@snsreaal.nl) and the Agent (Banque Internationale à Luxembourg SA, 69 Route d'Esch, L-2953 Luxembourg, Luxembourg, Transaction Execution Group, tel: +352 4590 1), each as set out at the end of this Prospectus. In addition all these documents and the Prospectus are available on the Issuers' website at www.snsreaal.com, under the heading 'investor relations' - 'funding programmes'.

The non-incorporated parts of the documents mentioned above are either not relevant for the investor or covered elsewhere in this Prospectus.

CHAPTER 2: MEDIUM TERM NOTES ISSUED BY SNS BANK

PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES

The following are the Terms and Conditions of Notes to be issued by SNS Bank which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed between SNS Bank and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form. 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. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.

This Note is one of a series of Notes issued by SNS Bank N.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated on or about 14 June 2012 (as supplemented from time to time, the "**Agency Agreement**") and made between the SNS Bank N.V., SNS REAAL N.V., Banque Internationale à Luxembourg SA ("**BIL**") 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.

References in these Terms and Conditions to "**Coupons**" will include references to Coupon sheets where applicable.

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

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

which such consolidation is expressed to take effect.

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

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

1. Form, Denomination and Title

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

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

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

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

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

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

of Notes" and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary for Euroclear or Clearstream, Luxembourg or by a common safekeeper will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

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

2. Status of the Senior Notes and Negative Pledge

(a) Status of the Senior Notes

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

(b) Negative Pledge

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

In this Condition:

"Relevant Indebtedness" means:

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

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

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

"Material Subsidiary" means any subsidiary, direct or indirect, of the Issuer which is a bank or an insurer within the meaning of the Wft and is supervised by the Dutch Central Bank.

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

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

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

In accordance with the regulatory capital rules applicable to Issuer from time to time, the Subordinated Notes may qualify as, tier 2 capital, ("**Tier 2 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.

Variation or substitution for regulatory purposes

If the Issuer is notified in writing by the Dutch Central Bank that the Subordinated Notes can no longer be included in full in the consolidated total regulatory capital of the Issuer by reason of their non-compliance with CRD IV, the Subordinated Notes may, as further specified in the applicable Final Terms and with the consent of the Dutch Central Bank, be exchanged or their terms may be varied so that they continue to qualify as tier 2 capital in accordance with CRD IV. Substitution/Variation should not lead to terms materially less favourable to the holders of the Subordinated Notes except where these changes are required by reference to CRD IV.

Non-viability

If CRD IV requires that Subordinated Notes shall be written down if a non-viability event occurs, in order to qualify as Tier 2 Notes under CRD IV, such irrevocable write-down (without the need for the consent of the holders of the Subordinated Notes) is further specified in the Final Terms. Such non-viability event may be (i) a decision of the Relevant Authority that a write-down, without which the Issuer would become non-viable, is necessary, (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Relevant Authority, or (iii) another event as mandatorily prescribed in CRD IV. Any written-down amount shall be irrevocably lost and holders of such Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write-down.

"**CRD IV**" means (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

"CRD IV Directive" means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a first draft of which was published on 20 July 2011;

"CRD IV Regulation" means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a first draft of which was published on 20 July 2011; and

"Future Capital Instruments Regulations" means regulatory capital rules which may in the future be introduced by the Dutch Central Bank or the European Banking Authority and which are applicable to the Issuer (on a solo or consolidated basis) as applied and construed by the Dutch Central Bank, which lay down the requirements to be fulfilled in financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

"Relevant Authority" means the Dutch Central Bank or any other regulatory authority that is competent to exercise prudential supervision over the Issuer.

4. Redenomination

(a) Redenomination

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

The election will have effect as follows:

- (i) the Notes, the Receipts and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of euro 0.01, or its equivalent in another currency, with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into the New Currency at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into the New Currency of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01 or its equivalent in another currency;

- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01, or any of its equivalents in another currency, and such other denominations as the Agent shall, in consultation with the Issuer, determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") to the Noteholders in accordance with Condition 14 that replacement of Old Currency denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New Currency denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent, in consultation with the Issuer, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) on or after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in the New Currency as though references in the Notes to the Specified Currency were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;
- (vi) if the Notes are Fixed Rate Interest Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(a)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Interest Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding; and
- (vii) if the Notes are Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) the applicable Final Terms will specify the exact date on which the redenomination will occur in case the Notes were issued in a currency other than euro and in a currency in which the TARGET2 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 140 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 and as defined in article 2 of Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time;

"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 on the functioning of the European Union, as amended from time to time.

5. Interest

(a) Interest on Fixed Rate Notes

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

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

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

- (1) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

(i) Interest Payment Dates

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

(A) the Specified Interest Payment Date(s) in each year; or

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

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

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

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

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

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

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) 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 and any Additional Business Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereof.

(ii) Rate of Interest

The rate of interest ("**Rate of Interest**") payable from time to time in respect of the Floating Rate

Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(a) *ISDA Determination For Floating Rate Notes*

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

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

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

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

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

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

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

quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

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

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

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

- (i) if "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling

in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Fund Linked Interest Notes or Share Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the

Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) **Certificates to be Final**

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

(c) Interest on Dual Currency Notes

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

(d) Interest on Partly Paid Notes

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

(e) Accrual of Interest

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

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

6. Payments

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, in 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*

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 outside the United States but for certain limited circumstances described below.

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

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

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note, Fund Linked Note, Inflation Linked Note or Share Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Receipts, Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in

respect thereof. Where any such Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

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

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

(c) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place

and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), "Payment Day" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency and any Additional Financial Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) Interpretation of Principal and Interest

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

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

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

7. Redemption and Purchase

(a) At Maturity

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

(b) Redemption for Tax Reasons

- (i) Subject as provided in paragraph (e) below and subject, in the case of Subordinated Notes of any Series qualifying as Tier 2 Notes, to the consent of the Dutch Central Bank having first been obtained and only if so specified in the applicable Final Terms, Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating

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

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

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

(c) Redemption at the Option of the Issuer

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

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

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

Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or Higher Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor of a reduction in principal amount at their discretion) and/or Euroclear Nederland, in the case of Redeemed Notes represented by a global Note, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for

redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

Redemption of Subordinated Notes of any Series qualifying as Tier 2 Notes at the option of the Issuer will be subject to the permission of the Dutch Central Bank.

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

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

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

(e) Early Redemption Amounts

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

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

- (A) the Reference Price; and
- (B) the sum of the figure 1 and the Accrual Yield, raised to the power of x , where ' x ' is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Notes become due and repayable and the denominator of which is 360, or (in either case) such other calculation basis as may be specified in the applicable Final Terms.

(f) *Instalments*

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

(g) *Partly Paid Notes*

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

(h) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes, not being Subordinated Notes qualifying as Tier 2 Notes, (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. The Issuer may only purchase Subordinated Notes qualifying as Tier 2 Notes upon prior permission of the Dutch Central Bank.

(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.

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) 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
- (v) 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.

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) (b) and (v) (b) (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) (a) 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;
(b) the Issuer is declared bankrupt or a declaration in respect of the Issuer under Article 3:163(1)(b) of the Wft is made by a competent court; or
- (v) (a) 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,
(b) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation.

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 the Dutch Central Bank.

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 NYSE Euronext in Amsterdam in at least one daily newspaper of wide circulation in The Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made or on the date of publication on the website of the Luxembourg Stock Exchange.

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

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

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

15. Meetings of Noteholders, Modification and Waiver

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

Resolution is one or more persons holding or representing not less than 50 % in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payments on 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;
- (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; or
- (iii) substitution of the Subordinated Notes or variation of the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV, in accordance with the terms of the Subordinated Notes.

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

16. Further Issues

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

17. Substitution of the Issuer

- (a) The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal of or interest on any of the Notes is in default and after written approval of the Dutch Central Bank, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the 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 the Dutch Central Bank 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 inure for the benefit of Noteholders and Couponholders.
- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.
- (g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

18. *Governing Law and Submission to Jurisdiction*

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

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

PART 2: FORM OF FINAL TERMS FOR MEDIUM TERM NOTES

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

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

Final Terms

SNS Bank N.V.

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

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**") and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC, the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant host Member State of the European Economic Area to which is referred or in The Netherlands. It must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

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

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. ("**Issuer**") and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC, the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant host Member State of the European Economic Area to which is referred or in The Netherlands. It must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June

2012 (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 11 July 2011, 9 July 2010, 8 June 2009, 18 April 2008 or 19 April 2007 (each as supplemented by the relevant supplements thereto) and which are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus published by SNS Bank dated [●], as supplemented by [● – *specify relevant supplements, if any*]. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

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

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

- (6) (i) Specified Denominations: []
[Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: '[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].']
- (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.)*
- Form of Definitive Notes [Standard Euromarket]
- (7) (i) Issue Date: []
- (ii) Interest Commencement Date(if different from the Issue Date): []
- (8) Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
- (9) Interest Basis: [[] per cent. Fixed Rate] [[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
 [Dual Currency Interest]
 [Zero Coupon]
 [Index Linked Interest]
 [Inflation Linked Interest]
 [Share Linked Interest]
 [Fund Linked Interest]
 [Non Interest Bearing]
 [specify other]
 (further particulars specified below)
- (10) Redemption/Payment Basis: [Redemption at par] [Dual Currency Redemption]
 [Instalment]
 [Partly Paid]
 [specify other]
- (11) Change of interest Basis or Redemption/ Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
- (12) Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]

- (13) Status of the Notes: [Senior/Tier 2 Subordinated]
- (14) Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- (15) Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub- paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention/[specify other]]
- Adjustment or [Adjusted] or [Unadjusted]
Unadjustment for Interest Period
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
- (16) Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention:

- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ [specify other]]
 - Adjustment or [Adjusted] or [Unadjusted]
Unadjustment for Interest Period
- (iv) Additional Business []
Centre(s):
- (v) Manner in which the Rate of [Screen Rate Determination/ISDA Determination/specify
Interest and Interest Amount other]
is to be determined:
- (vi) Party responsible for []
calculating the Rate of
Interest and interest Amount
(if not the Agent):
- (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-
paragraphs of this paragraph)
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional
information is required if other – including fallback
provisions in the Agency Agreement)
 - Interest Determination []
Date(s): (Second London business day prior to the start of each
Interest Period if LIBOR (other than sterling or euro
LIBOR), first day of each Interest Period if sterling LIBOR
and the second day on which the TARGET2 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 TARGET2
System does not apply)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR 01
ensure it is a page which shows a composite rate or
amend the fallback provisions appropriately)
 - Relevant Time: [] (For example, 11.00 a.m. London time/Brussels
time)
- (viii) ISDA Determination: [Yes/No]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum

- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: []
- (17) Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (18) Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by []

reference to index and/or
formula is impossible or
impracticable:

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

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

due:

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

the principal and/or interest due:

- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
 - (iv) Specified Period(s)/Specified Interest Payment Dates: []
 - (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (vi) Additional Business Centre(s): []
 - (vii) Minimum Rate of Interest: [] per cent. per annum
 - (viii) Maximum Rate of Interest: [] per cent. per annum
 - (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
 - (x) Description of any market disruption or settlement disruption events that affect the underlying: []
- (22) Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Rate of Exchange/ method of calculating Rate of Exchange: [Give details]

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

PROVISIONS RELATING TO REDEMPTION

- (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 [] per Calculation Amount
Amount(s) and method, if
any, of calculation of such
amount(s):
 - (iii) If redeemable in part:
 - (a) Minimum Redemption [] per Calculation Amount
Amount:
 - (b) Maximum Redemption [] per Calculation Amount
Amount:
 - (iv) Notice period (if other than [] (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 [] per Calculation Amount

Amount(s) and method, if any, of calculation of such amount(s):

- (iii) Notice period (if other than as set out in the Conditions): ☐ (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- (25) Final Redemption Amount ☐ per Calculation Amount /specify other/see Appendix
- (26) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): ☐
- (27) Additional provisions applicable in case of redemption of Dual Currency Notes: ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon ☐

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- (28) Form of Notes: ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes 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 and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]

[Permanent Global Note not exchangeable for Definitive Notes]****

- | | | |
|------|---|---|
| (29) | New Global Note form: | [Applicable/Not Applicable] <i>[Please refer to item 51(v) if applicable]</i> |
| (30) | Additional Financial Centre(s) or other special provisions relating to payment Dates: | [Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate |
| (31) | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| (32) | Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] |
| (33) | Redenomination: | [Redenomination [not] applicable (if Redenomination is applicable, include
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and
(ii) the New Currency] |
| (34) | Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): | [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies] |
| (35) | Other terms or special conditions (including, where applicable, non- | [Not Applicable/give details]
(when adding any other final terms consideration should |

viability event clause and variation / substitution clause): be given as to whether such terms constitute 'significant new factors' and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

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

OTHER PROVISIONS

- (39) Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
- (40) Additional selling restrictions: [Not Applicable/give details]
- (41) Listing
- (i) Listing [NYSE Euronext in Amsterdam /other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on NYSE Euronext in Amsterdam with effect from [____], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)
[____]]
- (42) Ratings:
[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]
The Notes to be issued have [not] been rated:
[]
[]
[]
[]
[[Insert the full legal name of credit rating agency] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[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 as implemented in The Netherlands.]
- (44) Interests of Natural and Legal Persons Involved in the Issue
- [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
- (45) Reasons for the Offer (if different from making a profit and/or hedging certain risks)
- []
- (46) Estimated net proceeds and total expenses
- (i) Estimated net proceeds
- [] (Also see 'Use of Proceeds' wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (ii) Estimated total expenses:
- [] [Include breakdown of expenses]
- (47) Yield (Fixed Rate Notes only)
Indication of yield:
- [] The yield is calculated at the Issue Date on the basis of the Issue Price.
It is not an indication of future yield.
[Calculated as [include details of method of calculation in summary form] on the Issue Date.]*
- (48) Historic Interest Rates (Floating Rate Notes only)*
- Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
- (49) Performance of index/formula,

inflation/ formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked 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 [disclosure of relevant weightings of each underlying in
underlyings: the basket]

- (50) Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only) [Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(51) Operational Information

(i) ISIN Code: []

(ii) Common Code: []

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

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

(v) New Global Note intended to [Not Applicable/Yes/No]

be held in a manner which would allow Eurosystem eligibility:	[Note that the designation 'Yes' simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if 'Yes' selected in which case the Notes must be issued in NGN form]
(vi) Offer Period:	[The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] [Not Applicable]
(vii) Delivery:	Delivery [against/free of] payment
(viii) Payment:	Method and time limits of paying up the Notes – <i>to be included if any agreement in this respect is entered into between Issuer and Manager(s)</i>
(ix) Settlement Procedure:	[Method of settlement procedure]
(x) Clearing System:	[Euroclear / Clearstream Luxembourg/ Euroclear Nederland / other alternative clearing system]
(52) Additional paying agent (if any)	[Name:][Address:] / Not Applicable]
(53) Additional information [The following information should be consulted in connection with the offer of the Notes:	- insert relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].
(54) Listing Application	[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme for the issuance of Notes of SNS Bank N.V./ Not Applicable]

Responsibility

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

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Notes:

- * If the securities have a denomination per unit of at least € 100,000 or can only be acquired for at least that amount per security, then the information set out in item 4.1.2 of Annex XII should not be disclosed.
- ** Do not use for Temporary Global Note deposited with Euroclear Nederland.
- *** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- **** Do not use for Permanent Global Note deposited with Euroclear Nederland.

CHAPTER 3: MEDIUM TERM NOTES ISSUED BY SNS REAAL

PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES

The following are the Terms and Conditions of Notes to be issued by SNS REAAL which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed between SNS REAAL and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form. 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. Reference should be made to 'Form of the Notes' above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.

This Note is one of a series of Notes issued by SNS REAAL N.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated on or about 14 June 2012 (as supplemented from time to time, the "**Agency Agreement**") and made between the SNS Bank N.V., SNS REAAL N.V., Banque Internationale à Luxembourg SA ("**BIL**") 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.

References in these Terms and Conditions to 'Coupons' will include references to Coupon sheets where applicable.

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

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

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

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

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

1. Form, Denomination and Title

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

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

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

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

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

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance

with and subject to the terms of the relevant global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary for Euroclear or Clearstream, Luxembourg or by a common safekeeper will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

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

2. Status of the Senior Notes and Negative Pledge

(a) Status of the Senior Notes

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

(b) Negative Pledge

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

In this Condition:

"Relevant Indebtedness" means:

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

"Permitted Encumbrance" means (i) an Encumbrance over any asset in the form as specified under Relevant Indebtedness, whether arising under any plan of securitisation or repackaging of the Issuer or any subsidiary thereof and (ii) an Encumbrance created or permitted to subsist by SNS Bank N.V. or its subsidiaries over mortgage loans and mortgage receivables of the Issuer or its subsidiaries.

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

"**Material Subsidiary**" means any subsidiary, direct or indirect, of the Issuer which is a bank or an insurer within the meaning of the Wft and is supervised by the Dutch Central Bank.

3. Status and Characteristics relating to Subordinated Notes

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

The claims of the holders of the Subordinated Notes of each Series and the relative Receipts and Coupons (the "**Subordinated Holders**") against the Issuer are (i) in the event of the liquidation or bankruptcy of the Issuer or (ii) in the event that a competent court has declared that the Issuer is in a situation which requires emergency measures (*noodregeling*) in the interests of all creditors, as referred to in Part 3.5.5. of the Wft and for so long as such situation is in force (such situation being hereinafter referred to as a *Moratorium*), subordinated to (a) unsubordinated claims with respect to the repayment of borrowed money and (b) 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 unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated claims and subordinated claims not being claims or distributions under Subordinated Notes have been satisfied.

4. Redenomination

(a) Redenomination

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

The election will have effect as follows:

- (i) the Notes, the Receipts and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of euro 0.01, or its equivalent in another currency, with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into the New Currency at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into the New Currency of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01 or its equivalent in another currency;
- (iii) if definitive Notes are required to be issued after the Redenomination Date they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 or any of its equivalents in another currency, and such other denominations as the Agent shall, in consultation with the Issuer, determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") to the Noteholders in accordance with Condition 14 that replacements of Old Currency denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New Currency denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent, in consultation with the Issuer, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) on or after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in the New Currency as though references in the Notes to the Specified Currency were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;
- (vi) if the Notes are Fixed Rate Interest Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(a)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding; and
- (vii) if the Notes are Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

- (viii) the applicable Final Terms will specify the exact date on which the redenominations will occur in case the Notes were issued in a currency other than euro and in a currency in which the TARGET2 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 140 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 and as defined in article 2 of Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time;

"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 on the functioning of the European Union, as amended from time to time.

5. Interest

(a) Interest on Fixed Rate Notes

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (b) *Interest on Floating Rate Notes, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes and Fund Linked Interest Notes*
- (i) Interest Payment Dates
Each Floating Rate Note, Index Linked Interest Note, Share Linked Interest Note, Inflation Linked Interest Note and Fund Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:
 - (A) the Specified Interest Payment Date(s) in each year; or
 - (B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

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

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

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

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) 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 and any Additional Business Centre, which if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo

or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereof;

(ii) Rate of Interest

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

(a) *ISDA Determination For Floating Rate Notes*

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

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

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

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

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

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

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or, if the relevant Screen Rate is EURIBOR, to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations, (expressed as a percentage

rate per annum) for the Reference Rates which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

(vi) *Certificates to be Final*

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

(c) *Interest on Dual Currency Notes*

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

(d) *Interest on Partly Paid Notes*

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

(e) *Accrual of Interest*

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

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

6. **Payments**

(a) Method of Payment

Subject as provided below:

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

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

(b) Presentation of Notes, Receipts and Coupons

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 outside the United States but for certain limited circumstances described below.

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

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the date on which such principal first became due (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any)

appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

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

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

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

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(c) *Payment Day*

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency and any Additional Financial Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) *Interpretation of Principal and Interest*

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

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

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

7. *Redemption and Purchase*

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the

applicable Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments, an "**Instalment Note**").

(b) Redemption for Tax Reasons

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

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

(c) Redemption at the Option of the Issuer

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

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

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

Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or Higher Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor of a reduction in principal amount at their discretion) and/or Euroclear Nederland, in the case of Redeemed Notes represented by a global Note, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

Redemption of the Subordinated Notes will be subject to the approval of the Dutch Central Bank.

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

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

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

(e) Early Redemption Amounts

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

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated at the amount specified in, or determined in the manner specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;
- (iii) in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") equal to the product of:
 - (A) the Reference Price; and
 - (B) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where "x" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Notes become due and repayable and the denominator of which is 360, or (in either case) such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

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

(g) Partly Paid Notes

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

(h) Purchases

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

(i) Cancellation

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

(j) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero

Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

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

8. Taxation

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

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction;
except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:
 - (i) by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
 - (ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
 - (iv) in The Netherlands; or

- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. Prescription

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

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

10. Events of Default

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

- (i) default is made for more than 14 days in the payment of interest or principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 30 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) (a) any indebtedness for money borrowed or raised (in an aggregate principal amount equal to or greater than euro 20,000,000 or its equivalent in other currencies) of the Issuer or any Material Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period, (b) any such indebtedness of the Issuer or any Material Subsidiary in an aggregate principal amount as aforesaid becomes, or becomes capable of being declared, due and payable prior to its stated maturity other than at the option of the Issuer or any such Material Subsidiary or (c) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any guarantee or indemnity given by it in respect of any indebtedness for money borrowed or raised in an aggregate principal amount as aforesaid; or
- (iv) (a) 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;

- (b) the Issuer is declared bankrupt or declaration in respect of the Issuer under Article 3:163(1)(b) of the Wft is made by a competent court; or
- (v) (a) 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,
(b) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation.

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 the Dutch Central Bank.

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 NYSE Euronext in Amsterdam in at least one daily newspaper of wide circulation in The Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made or on the date of publication on the website of the Luxembourg Stock Exchange.

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

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

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

15. Meetings of Noteholders, Modification and Waiver

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

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

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

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

16. Further Issues

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

17. *Substitution of the Issuer*

- (a) The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal of or interest on any of the Notes is in default and after written approval of the Dutch Central Bank be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the 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 the Dutch Central Bank 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 inure for the benefit of Noteholders and Couponholders.

- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.
- (g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

18. *Governing Law and Submission to Jurisdiction*

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

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

PART 2: FORM OF FINAL TERMS FOR MEDIUM TERM NOTES

FORM OF FINAL TERMS

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

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

Final Terms

SNS REAAL N.V.

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

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC, (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant Member State of the European Economic Area to which is referred) as implemented in The Netherlands. It must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

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

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC, (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant host Member State of the European Economic Area to which is referred or in The

Netherlands. It must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (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 11 July 2011, 9 July 2010, 8 June 2009, 18 April 2008 or 25 June 2007 (each as supplemented by the relevant supplements thereto) and which are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus published by SNS REAAL dated [●], as supplemented by [● – *specify relevant supplements, if any*]. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.]

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

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

- | | | |
|-----|-----------------------------------|---|
| (1) | Issuer: | SNS REAAL N.V. |
| (2) | (i) Series Number: | [] |
| | (ii) Tranche Number: | []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible) |
| (3) | Specified Currency or Currencies: | [] |
| (4) | Aggregate Nominal Amount | [of Notes admitted to trading]: |
| | (i) Tranche: | [Up to] |
| | (ii) Series: | [Up to] |
| (5) | Issue Price of Tranche: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| (6) | (i) Specified Denominations: | [] |

		<p>[Note - where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."]</p>
	(ii) Calculation Amount	<p>[] (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).</p>
	(iii) Form of Definitive Notes	<p>[Standard Euromarket]</p>
(7)	(i) Issue Date:	<p>[]</p>
	(ii) Interest Commencement Date (if different from the Issue Date):	<p>[]</p>
(8)	Maturity Date:	<p>[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]</p> <p>[If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]</p>
(9)	Interest Basis:	<p>[[] per cent. Fixed Rate] [[LIBOR/EURIBOR/other] +/- [] %. Floating Rate] [Dual Currency Interest] [Zero Coupon] [Index Linked Interest] [Inflation Linked Interest] [Share Linked Interest] [Fund Linked Interest] Non Interest Bearing] [specify other] (further particulars specified below)</p>
(10)	Redemption/Payment Basis:	<p>[Redemption at par] [Dual Currency Redemption]</p>

- | | | |
|------|--|--|
| | | [Instalment]
[Partly Paid]
[specify other] |
| (11) | Change of interest Basis or Redemption/ Payment Basis: | [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis] |
| (12) | Put/Call Options: | [Investor Put]
[Issuer Call]
[(further particulars specified below)] |
| (13) | Status of the Notes: | [Senior/ Subordinated] |
| (14) | Method of distribution: | [Syndicated/Non-syndicated/Not applicable] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|------|--|--|
| (15) | Fixed Rate Note Provisions | [Applicable/Not Applicable] [(If not applicable, delete the remaining sub-paragraphs of this paragraph)] |
| | (i) Rate(s) of Interest: | [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear] |
| | (ii) Interest Payment Date(s): | [] in each year [(NB: This will need to be amended in the case of long or short coupons)] |
| | (iii) Interest Period | [Please specify in case of step-up note/Not Applicable] |
| | (iv) Fixed Coupon Amount(s): | [] per Calculation Amount |
| | (v) Broken Amount(s): | [per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] |
| | (vi) Business Day Convention | |
| | - Business Day Convention | [Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention/[specify other]] |
| | - Adjustment or Unadjustment for Interest Period | [Adjusted] or [Unadjusted] |
| | (vii) Fixed Day Count Fraction: | [30/360 or Actual/Actual (ICMA) or specify other] |
| | (viii) Other terms relating to the method of calculating interest for Fixed Rate Interest Notes: | [None/give details] |
| (16) | Floating Rate Note Provisions | [Applicable/Not Applicable]
[(If not applicable, delete the remaining sub-paragraphs of |

this paragraph)]

- (i) Specified Period(s): ☐ ☐
[only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: ☐ ☐
- (iii) Business Day Convention
- Business Day Convention Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention/[specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): ☐ ☐
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/ specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): ☐ ☐
- (vii) Screen Rate Determination: [Yes/No]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: ☐ ☐
[(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback provisions in the Agency Agreement)]
 - Interest Determination Date(s): ☐ ☐
(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, euro LIBOR or any other inter-bank offered rate prevailing in a country which the TARGET2 System does not apply))
 - Relevant Screen Page: ☐ ☐ (In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
 - Relevant Time: ☐ ☐ (For example, 11.00 a.m. London time/Brussels time)

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

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

manner of determining coupon]

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

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

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

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

(iii) Provisions applicable where []
calculation by reference to
Rate of Exchange impossible
or impracticable:

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

PROVISIONS RELATING TO REDEMPTION

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

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [] per Calculation Amount

(b) Maximum Redemption Amount: [] per Calculation Amount

(iv) Notice period (if other than as [] [(N.B. If setting notice periods which are different to
set out in the Conditions): 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 [] per Calculation Amount
Amount(s) and method, if any,
of calculation of such
amount(s):

- (iii) Notice period (if other than as set out in the Conditions): ☐ [(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)]
- (25) Final Redemption Amount ☐ [per Calculation Amount/specify other/see Appendix]
- (26) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): ☐
- (27) Additional provisions applicable in case of redemption of Dual Currency Notes: ☐ [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon ☐

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- (28) Form of Notes: ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes 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 and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet*

giraal effectenverkeer) (as amended from time to time)]

[Permanent Global Note not exchangeable for Definitive Notes]****

- | | | |
|------|---|---|
| (29) | New Global Note | [Applicable/Not Applicable] [Please refer to item 51(v) if applicable] |
| (30) | Additional Financial Centre(s) or other special provisions relating to payment Dates: | [Not Applicable/give details] [Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate] |
| (31) | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| (32) | Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] |
| (33) | Redenomination: | <p>[Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count</p> <p>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]</p> |
| (34) | Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): | [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies] |
| (35) | Other terms or special conditions: | [Not Applicable/give details] [(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)] |

DISTRIBUTION

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

OTHER PROVISIONS

- (39) Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
- (40) Additional selling restrictions: [Not Applicable/give details]
- (41) Listing
 (i) Listing [NYSE Euronext in Amsterdam/ other (specify)/ None]
 (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on NYSE Euronext in Amsterdam with effect from [___], [Not Applicable]. [(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.) [___]]
- (42) Ratings:
 [S & P: []]
 [Moody's: []]
 [Fitch: []]
 [[Other]: []]
 [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.]*
 The Notes to be issued have [not] been rated:
 []
 []
 []
 []
 [[Insert the full legal name of credit rating agency] is 170

established in the European Union and registered under Regulation (EC) No 1060/2009.]

- (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 as implemented in The Netherlands.]
- (44) Interests of Natural and Legal Persons Involved in the Issue
- [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
- (45) Reasons for the Offer (if different from making a profit and/or hedging certain risks):[]
- (46) Estimated net proceeds and total expenses
- (i) Estimated net proceeds [] [(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]
- (ii) Estimated total expenses: [] [Include breakdown of expenses]
- (47) Yield (Fixed Rate Interest Notes only)
- (i) Indication of yield: []
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. [Calculated as [include details of method of calculation in summary form] on the Issue Date.]*
- (48) Historic Interest Rates (Floating Rate Notes only)*
- Details of historic [LIBOR/EURIBOR/other] rates can be obtained from Reuters system or Reuters EURIBOR 01]

- (49) Performance of index/formula, inflation/formula, share/formula or fund/formula explanation of effect on value of investment and associated risks (Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked Notes only)*
- [Name of index/inflation/share/fund] []
- [Description of index/inflation/share/fund if composed by Issuer:] []
- [Information on index/inflation/share/fund if not composed by Issuer:] []
- [Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security] [ISIN Code or other identification code]
- The underlying is a basket of underlyings: [disclosure of relevant weightings of each underlying in the basket]
- (50) Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)
- [Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- (51) Operational Information
- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) WKN Code: [] [Not Applicable]
- (iv) Other relevant code: [] [Not Applicable/give name(s) and numbers(s)]
- (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]
- [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common

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

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

Responsibility

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

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Notes:

- * If the securities have a denomination per unit of at least € 100,000 or can only be acquired for at least that amount per security, then the information set out in item 4.1.2 of Annex XII should not be disclosed.
- ** Do not use for Temporary Global Note deposited with Euroclear Nederland.
- *** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- **** Do not use for Permanent Global Note deposited with Euroclear Nederland.

CHAPTER 4: INDEX LINKED NOTES

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

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

1. **Final Redemption**

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

2. **Definitions**

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

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

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

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

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

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

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

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

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

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

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

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

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

"Index Cancellation" means the Index Sponsor cancels the Index and no Successor Index exists.

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

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

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

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

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

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

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

"Related Exchange" means each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for

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

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

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

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

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

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

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

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

3. *Disrupted Days*

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

"(m) Disrupted Days

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

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

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

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

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

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

"(n) Adjustments and Currency

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

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

shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(ii) Change of Exchange

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

(iii) Price Correction

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

(iv) Currency

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

(v) Additional Disruption Event

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

5. Index Disclaimer

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in

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

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

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

1. Final Redemption

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

2. Definitions

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

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

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

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

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

"Disrupted Day" means, in respect of an Index, any Scheduled Trading Day on which (i) if Multi-Exchange Index is specified in the Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if Non Multi-Exchange Index is specified in relation to that Index in the Final Terms, the relevant

Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

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

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

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

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

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

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

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the

Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

"Index" means one of the indices specified in the definition of Basket or any Successor Index, and **"Indices"** means all such indices together.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. *Disrupted Days*

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

"(m) Disrupted Days

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

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

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

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

4. Adjustments, Consequences of Certain Events and Currency

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

"(n) Adjustments and Currency

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

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

(ii) Change of Exchange

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

(iii) Price Correction

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

(iv) Currency

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

(v) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the Issuer of

unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions."

5. *Index Disclaimer*

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

PART 2: FORM OF FINAL TERMS FOR INDEX LINKED NOTES

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

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

Final Terms

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

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

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant Member State of the European Economic Area to which is referred) as implemented in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

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

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a

relevant host Member State of the European Economic Area to which is referred or in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of SNS Bank N.V. and SNS REAAL dated 11 July 2011, 9 July 2010 and 8 June 2009, SNS Bank N.V. dated 18 April 2008 and 19 April 2007, SNS REAAL dated 16 July 2008 or 25 June 2007 (each as supplemented by the relevant supplements thereto) and which are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of SNS Bank N.V. and SNS REAAL dated [●], as supplemented by [● – *specify relevant supplements, if any*]. 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 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

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

- case of fungible issues only, if applicable)]
- (6) (i) Specified Denominations: [] [Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."]
- (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 [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]]
- [Applicable if SNS REAAL N.V. is the Issuer: "If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.".]
- (9) Interest Basis: [[] per cent. Fixed Rate]
 [[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
 [Dual Currency Interest]
 [Zero Coupon]
 [Index Linked Interest]
 [Inflation Linked Interest]
 [Share Linked Interest]

- [Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
- (10) Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]
[specify other]
- (11) Change of interest Basis or [Specify details of any provision for change of
Redemption/Payment Basis: 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 /Tier 2 Subordinated]
- (14) Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- (15) Fixed Rate Note Provisions [Applicable/Not Applicable] (If not applicable,
delete the remaining sub-paragraphs of this
paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-
annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year (NB: This will need to be
amended in the case of long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the
Interest Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day Convention/Modified
Following Business Day Convention/No
adjustment/Preceding Business Day

- Convention/[specify other]]
[Adjusted] or [Unadjusted]
- Adjustment or Unadjustment for Interest Period
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
- (16) Floating Rate Note Provisions [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
 - (ii) Specified Interest Payment Dates: []
 - (iii) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (iv) Additional Business Centre(s): []
 - (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
 - (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
 - (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
 - Reference Rate: [] (Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): [] (Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 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 TARGET2 System does not apply)
- Relevant Screen Page: ☐ (In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
 - Relevant Time: ☐ (For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: ☐ [Yes/No]
- Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐
- (ix) Margin(s): ☐ [+/-] ☐ per cent. per annum
- (x) Minimum Rate of Interest: ☐ per cent. per annum
- (xi) Maximum Rate of Interest: ☐ per cent. per annum
- (xii) Floating Day Count Fraction: ☐ [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: ☐ ☐
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐
- (17) Zero Coupon Note Provisions ☐ [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: ☐ per cent. per annum
 - (ii) Reference Price: ☐ ☐

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

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

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

and manner of determining coupon]

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

interest payable:

(iii) Provisions applicable where ☐ calculation by reference to Rate of Exchange impossible or impracticable:

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

PROVISIONS RELATING TO REDEMPTION

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

(i) Optional Redemption Date(s): ☐

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

(iii) If redeemable in part:

(a) Minimum Redemption Amount: ☐ per Calculation Amount

(b) Maximum Redemption Amount: ☐ per Calculation Amount

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

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

(i) Optional Redemption Date(s): ☐

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

(iii) Notice period (if other than as set out in the Conditions): ☐ (N.B. If setting notice periods which are different to

those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

- (25) Final Redemption Amount ☐ per Calculation Amount /specify other/see Appendix]
- (26) Early Redemption Amount(s) per ☐ Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):
- (27) Additional provisions applicable in case of redemption of Dual Currency Notes ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon ☐

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- (28) Form of Notes: ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes 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 and in case of a Permanent Global Note deposited with Euroclear Nederland

only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]

[Permanent Global Note not exchangeable for Definitive Notes]****

- | | | |
|------|---|---|
| (29) | New Global Note form: | [Applicable/Not Applicable] [Please refer to item 52(v) if applicable] |
| (30) | Additional Financial Centre(s) or other special provisions relating to payment Dates: | [Not Applicable/give details] Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii) and 18(iv) relate |
| (31) | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| (32) | Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] |
| (33) | Redenomination: | [Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency] |
| (34) | Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): | [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies] |
| (35) | Other terms or special conditions: | [Not Applicable/give details] (when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive) |

DISTRIBUTION

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

INDEX LINKED PROVISIONS

- (39) [The following apply to Notes linked to a single index only:
- Averaging Dates: [specify dates or delete if N/A]
- Barrier Level: [specify as [[●] per. cent of Initial Index Level] Or delete if N/A]
- Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET2 Business Day]]
- Exchange(s): [specify if Non-Multi Exchange Index, otherwise no need to complete]
- Expiration Date: [specify or delete if N/A]
- Index: [specify]
- Index Sponsors: [specify or delete if fallback provisions in Chapter 4, Part 1 to apply]
- Initial Index Levels: [specify as [the Index Level on the Strike Date] Or

	delete if N/A]
Multi-Exchange Index:	[Yes/No]
Non Multi-Exchange Index:	[Yes/No]
Observation Date(s):	[specify or delete if N/A]
Observation Period:	[specify as [the period from and including the Issue Date, Strike Date or [●] to and including the Expiration Date or [●]] or delete if N/A]
Strike Date:	[specify or delete if N/A]
Strike Prices:	[specify or delete if N/A]
[Insert any other relevant terms]]	
[The following apply to Notes linked to a basket of indices only:	
Averaging Dates:	[specify dates or delete if N/A]
Barrier Level:	[specify as [●] per. cent of Initial Index Level] Or delete if N/A]
Basket:	[specify names of Indices and their weightings] [indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]
Business Day:	[specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET2 Business Day].
Exchange(s):	[specify if any Non Multi-Exchange Indices, otherwise no need to complete]
Expiration Date:	[specify or delete if N/A]
Index Sponsor:	[specify or delete if fallback provisions in Chapter 3, Part 1 to apply]
Initial Index Level:	[specify as [the Index Level on the Strike Date] Or delete if N/A]
Observation Date(s):	[specify or delete if N/A]

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

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

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

[Insert any other relevant terms]]

OTHER PROVISIONS

(40) Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C] applicable

(41) Additional selling restrictions: [Not Applicable/give details]

(42) Listing

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

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

(43) Ratings: The Notes to be issued have [not] been rated:
 [S & P: []]
 [Moody's: []]
 [Fitch: []]
 [[Other]: []]

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

[[Insert the full legal name of credit rating agency] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

(44) Notification The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, "AFM") [has been requested to provide/has provided – include first alternative for an issue which is

		contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive as implemented in The Netherlands.]
(45)	Interests of Natural and Legal Persons Involved in the Issue	[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
(46)	Reasons for the Offer (if different from making a profit and/or hedging certain risks)	
(47)	Estimated net proceeds and total expenses	
	(i) Estimated net proceeds	[] (Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
	(ii) Estimated total expenses:	[] [Include breakdown of expenses]
(48)	Yield (Fixed Rate Notes only)	
	Indication of yield:	[]
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.	[Calculated as [include details of method of calculation in summary form] on the Issue Date.]*
(49)	Historic Interest Rates (Floating Rate Notes only)*	Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
(50)	Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked 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:]	<input type="checkbox"/> <input type="checkbox"/> [Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
The underlying is a security:	[Name of the issuer of the security] [ISIN Code or other identification code]
The underlying is a basket of underlyings:	[disclosure of relevant weightings of each underlying in the basket]
(51) Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)	[Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
(52) Operational Information	
(i) ISIN Code:	<input type="checkbox"/> <input type="checkbox"/>
(ii) Common Code:	<input type="checkbox"/> <input type="checkbox"/>
(iii) WKN Code:	<input type="checkbox"/> <input type="checkbox"/> [Not Applicable]
(iv) Other relevant code:	<input type="checkbox"/> <input type="checkbox"/> [Not Applicable/give name(s) and numbers(s)]
(v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility:	[Not Applicable/Yes/No] [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if "Yes" selected in which case the Notes must be issued in NGN form]
(vi) Offer Period:	[The offer of the Notes is expected to open at <input type="checkbox"/> <input type="checkbox"/> hours (<input type="checkbox"/> <input type="checkbox"/> time) on <input type="checkbox"/> <input type="checkbox"/> and close at <input type="checkbox"/> <input type="checkbox"/> hours]

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

Responsibility

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

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Notes:

- * If the securities have a denomination per unit of at least € 100,000 or can only be acquired for at least that amount per security, then the information set out in item 4.1.2 of Annex XII should not be disclosed.
- ** Do not use for Temporary Global Note deposited with Euroclear Nederland.
- *** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- **** Do not use for Permanent Global Note deposited with Euroclear Nederland.

CHAPTER 5: INFLATION LINKED NOTES

PART 1: TERMS AND CONDITIONS OF INFLATION LINKED NOTES

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

1. *Final Redemption*

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

2. *Definitions*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"ESP – Harmonised-Non-revised Consumer Price Index (HCPI)" means the "Non-revised Harmonised Index of Consumer Prices including Tobacco", or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

"ESP – Harmonised-Revised Consumer Price Index (HCPI)" means the Harmonised Index of Consumer Prices including Tobacco", or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

"ESP – National-Non-revised Consumer Price Index (CPI)" means the "Non-revised Index of Consumer Prices including Tobacco", or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

"ESP – National-Revised Consumer Price Index (CPI)" means the "Year on Year Revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Spain, expressed as an annual percentage and published by the relevant Index Sponsor.

"EUR – All Items-Non-revised Consumer Price Index" means the "Non-revised Harmonised Index of Consumer Prices All Items", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

"EUR – All Items-Revised Consumer Price Index" means the "Revised Harmonised Index of Consumer Prices All Items", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

"EUR – Excluding Tobacco-Non-revised Consumer Price Index" means the "Non-revised Index of Consumer Prices excluding Tobacco", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor.

"Expiration Date" means the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

"FRC – Excluding Tobacco-Non-Revised Consumer Price Index" means the "Non-revised Index of Consumer Prices excluding Tobacco", or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor.

"GBP – Non-revised Retail Price Index (UKRPI)" means the "Non-revised Retail Price Index in the United Kingdom", or relevant Successor Index, measuring the rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor.

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

"GRD – Non-revised Consumer Price Index (CPI)" means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

"Index" means the index specified in the relevant Final Terms, or any Successor Index.

"Index Cancellation" means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

"Index Level" means the level of the Index or any Substitute Index Level.

"Index Modification" means the Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

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

"IRL – Non-revised Consumer Price Index (CPI)" means the "Consumer Price Index-All Items", or relevant Successor Index, measuring the rate of inflation in Ireland, expressed as an index and published by the relevant Index Sponsor.

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

"ISK – Non-revised Consumer Price Index (CPI)" means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

"ITL – Inflation for Blue Collar Workers and Employees-Excluding Tobacco Consumer Price Index" means the "Indice dei prezzi al consume per famiglie di operai e impiegati (FOI) senza tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

"ITL – Inflation for Blue Collar Workers and Employees-Including Tobacco Consumer Price Index" means the "Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) con tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

"ITL – Whole Community – Excluding Tobacco Consumer Price Index" means the "Indice nazionale dei prezzi al consumo per l'intera collettività (NIC) senza tabacchi" or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

"ITL – Whole Community – Including Tobacco Consumer Price Index" means the "Indice nazionale dei prezzi al consume per l'intera collettività (NIC) con tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

"JPY – Non-revised Consumer Price Index Nationwide General Excluding Fresh Food (CPI)" means the "Non-revised Consumer Price Index Nationwide General Excluding Fresh Food", or relevant Successor Index, measuring the rate of inflation excluding fresh food in Japan, expressed as an index and published by the relevant Index Sponsor.

"KRW – Non-revised Consumer Price Index (CPI)" means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in South Korea, expressed as an index and published by the relevant Index Sponsor.

"Latest Level" means the latest Index Level (whether definitive or provisional) published or announced by the Index Sponsor prior to the Reference Month in respect of which the Substitute Index Level is being determined.

"MXN – Non-revised Consumer Price Index (CPI)" means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Mexico, expressed as an index and published by the relevant Index Sponsor.

"MXN – Unidad de Inversion Index (UDI)" means the "Unidad de Inversion Index", or relevant Successor Index, reporting the daily peso value of an Unidad de Inversion (an "UDI"), expressed as an index and published by the relevant Index Sponsor.

"NLG – Harmonised-Non-revised Consumer Price Index (HICP)" means the "Non-revised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in The Netherlands, expressed as an index and published by the relevant Index Sponsor.

"NZD – Non-revised Consumer Price Index (CPI)" means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in New Zealand, expressed as an index and published by the relevant Index Sponsor.

"Observation Date" means, if specified as applicable in the relevant Final Terms, each date, if any, set forth in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

"Observation Period" has the meaning ascribed to it in the relevant Final Terms.

"PLN – Non-revised Consumer Price Index (CPI)" means the "Non-revised Price Indices of Consumer Goods and Services", or relevant Successor Index, measuring the rate of inflation in Poland, expressed as an index and published by the relevant Index Sponsor.

"Rebased Index" has the meaning given to it in Condition 7(o)(v) of the Inflation Linked Conditions.

"Reference Level" means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the Reference Month that is 12 calendar months prior to the Reference Month in respect of the Latest Level.

"Reference Month" means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Index Level was reported is a period other than a month, the Reference Month shall be the period for which the Index Level was reported.

"Related Bond" means, if specified as applicable in the relevant Final Terms, means the bond specified as such in the relevant Final Terms.

"Related Bond Redemption Event" means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

"Relevant Level" has the meaning given to it in the definition of Delayed Index Level Event.

"SEK – Non-revised Consumer Price Index (CPI)" means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Sweden, expressed as an index and published by the relevant Index Sponsor.

"Successor Index" has the meaning given to it in Condition 7(o) of the Inflation Linked Conditions.

"Substitute Index Level" means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Condition 7(m) of the Inflation Linked Conditions.

"USA – Non-revised Consumer Price Index – Urban (CPI-U)" means the "Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment", or relevant Successor Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Index Sponsor.

"ZAR – Non-revised Consumer Price Index (CPI)" means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in South Africa, expressed as an index and published by the relevant Index Sponsor.

"ZAR – Non-revised Consumer Price Index Excluding Mortgages (CPIX)" means the "Nonrevised Index of Consumer Prices excluding Mortgage", or relevant Successor Index, measuring the rate of inflation excluding mortgages in South Africa, expressed as an index and published by the relevant Index Sponsor.

3. Delay in Publication

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

"(m) Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event has occurred with respect to any Determination Date, then the Index Level with respect to any Reference Month which is to be utilized in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the **"Substitute Index Level"**) shall be determined by the Calculation Agent (subject to Condition 7(n)(ii)) of the Inflation Linked Conditions as follows:

- (i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

- (ii) if (I) Related Bond is specified as not applicable in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

- (iii) in accordance with any formula specified in the applicable Final Terms.

The Issuer shall promptly give notice to the holders of any Substitute Index Level of the Notes in accordance with Condition 14 of the General Conditions."

4. Successor Index

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

"(o) Successor Index

If the Calculation Agent determines that the level of an Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (i) if the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a "Successor Index";
- (ii) if (i) above does not apply and if Related Bond is specified as applicable in the Final Terms, the successor index (if any) designated pursuant to the terms and conditions of the Related Bond and such successor index shall be designated a "Successor Index"; or
- (iii) if (i) above does apply and if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent shall determine an appropriate alternative index and such index will be deemed a "Successor Index"; or
- (iv) if the Calculation Agent determines that neither (i), (ii) nor (iii) above apply, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to holders of the Notes by the Issuer in accordance with Condition 14 of the General Conditions."

5. Adjustments

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

"(n) Adjustments and Currency

(i) Successor Index

If a Successor Index is determined in accordance with Condition 7(n) of the Inflation Linked Conditions, the Issuer may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(ii) Substitute Index Level If the Calculation Agent determines a Substitute Index Level in accordance with Condition 7(m) of the Inflation Linked Conditions, the Issuer may make any adjustment or adjustments (without limitation) to (I) the Substitute Index Level determined in accordance with Condition 7(m) of the Inflation Linked Conditions and/or (II) the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(iii) Index Level Adjustment Correction

(I) The first publication or announcement of the Index Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Condition 7(n)(iii)(II) of the Inflation Linked Conditions, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National- Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Index Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Index Level for the relevant Reference Month will be deemed to be the final and conclusive Index Level for such Reference Month. The Issuer shall give notice to the holders of the Notes of any valid revision in accordance with Condition 14 of the General Conditions.

(II) If, within thirty days of publication or at any time prior to a Determination Date in respect of which an Index Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Index Level to correct an error which the Calculation Agent determines is material, the Issuer may make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with Condition 14 of the General Conditions.

(III) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Index Level shall be deemed to be the definitive Index Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give

notice to the holders of the Notes of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 14 of the General Conditions.

- (iv) **Currency** If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.
- (v) **Rebasing** If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Index Level from the date of such rebasing; provided, however, that the Issuer may make (A) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as the Index before it was rebased, and in each case the Issuer may make any adjustment(s) to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Condition 14 of the General Conditions at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the relevant Final Terms) as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.
- (vi) **Index Modification**
 - (I) If, on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Issuer may (A) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the Index, any Index Level and/or any other relevant term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the Index, any Index Level and/or any other term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

- (II) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Issuer may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of (I) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with (I) above.
- (vii) **Change in Law** If the Calculation Agent determines that a Change in Law has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 14 of the General Conditions at its fair economic value as determined by the Calculation Agent) as at the date of redemption taking into account the Change in Law, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Notes shall be given to Noteholders in accordance with Condition 14 of the General Conditions.
- (viii) **Index Cancellation** If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 14 of the General Conditions at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions."

6. *Index Disclaimer*

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

7. *Related Bond Disclaimer*

The Notes are not sponsored, endorsed, sold or promoted by the issuer of the Related Bond and the issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the

performance of the Related Bond and/or any amendments, adjustments or modifications to the terms and conditions of the Related Bond, and/or as to the results to be obtained from the use of any value or index level determined or derived with respect to the Related Bond or otherwise. The issuer of the Related Bond shall not be liable (whether in negligence or otherwise) to any person for any error in the index level or any value determined or derived with respect to the Related Bond and such issuer is under no obligation to advise any person of any error with respect thereto. The issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the issuer of the Related Bond nor any calculation agent in respect thereof shall have any liability to any person for any act or failure to act in connection with the Related Bond.

PART 2: FORM OF FINAL TERMS FOR INFLATION LINKED NOTES

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

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

Final Terms

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

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

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant Member State of the European Economic Area to which is referred) as implemented in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 5, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 5, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant host

Member State of the European Economic Area to which is referred or in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of SNS Bank N.V. and SNS REAAL dated 11 July 2011, 9 July 2010 and 8 June 2009, SNS Bank N.V. dated 18 April 2008 and 19 April 2007, SNS REAAL dated 16 July 2008 or 25 June 2007 (each as supplemented by the relevant supplements thereto) and which are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of SNS Bank N.V. and SNS REAAL dated [●], as supplemented by [● – *specify relevant supplements, if any*]. 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 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

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

case of fungible issues only, if applicable)]

6. (i) Specified Denominations: ☐ [Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."]
- (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 [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]].
- [Applicable if SNS REAAL N.V. is the Issuer: "If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.".]
9. Interest Basis: ☐ [] per cent. Fixed Rate]
☐ [[LIBOR/EURIBOR/other] +/- ☐] per cent. Floating Rate]
☐ [Dual Currency Interest]
☐ [Zero Coupon]
☐ [Index Linked Interest]
☐ [Inflation Linked Interest]

- [Share Linked Interest]
[Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Inflation Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]
[specify other]
11. Change of interest Basis or Redemption/
Payment Basis: [Specify details of any provision for change of
Notes into another Interest Basis or
Redemption/Payment Basis]
12. Put/Call Options: [Investor Put] [Issuer Call] [(further particulars
specified below)]
13. Status of the Notes: [Senior /Tier 2 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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

- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
 - (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (ix) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
 - (x) Specified Interest Payment Dates: []
 - (xi) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (xii) Additional Business Centre(s): []
 - (xiii) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
 - (xiv) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
 - (xv) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
 - Reference Rate: [] (Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): [] (Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 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 TARGET2 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)
- (xvi) ISDA Determination: ☐ [Yes/No]
- Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐
- (xvii) Margin(s): ☐ [+/–] ☐ per cent. per annum
- (xviii) Minimum Rate of Interest: ☐ ☐ per cent. per annum
- (xix) Maximum Rate of Interest: ☐ ☐ per cent. per annum
- (xx) 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)]
- (xxi) 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:
- (xxii) Description of any market disruption ☐ ☐ or settlement disruption events that affect the underlying:
17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (xxiii) Accrual Yield: ☐ ☐ per cent. per annum
- (xxiv) Reference Price: ☐ ☐
- (xxv) 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)
- (xxvi) Index/Formula: [Give or annex details, name index and description and manner of determining coupon]
- (xxvii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (xxviii) Provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: []
- (xxix) Specified Period(s)/Specified Interest Payment Dates: []
- (xxx) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (xxxi) Additional Business Centre(s): []
- (xxxii) Minimum Rate of Interest: [] per cent. per annum
- (xxxiii) Maximum Rate of Interest: [] per cent. per annum
- (xxxiv) 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)]
- (xxxv) 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)

(xxxvi) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]

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

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

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

(xl) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]

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

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

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

(xliv) 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)]

(xlv) 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)

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

- (xlvii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (xlviii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []
- (xlix) Specified Period(s)/Specified Interest Payment Dates: []
- (l) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (li) Additional Business Centre(s): []
- (lii) Minimum Rate of Interest: [] per cent. per annum
- (liii) Maximum Rate of Interest: [] per cent. per annum
- (liv) 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)]
- (lv) 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)
- (lvi) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]
- (lvii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]

- (lviii) Provisions for determining coupon []
where calculation by reference to fund
and/or formula is impossible or
impracticable:
- (lix) Specified Period(s)/Specified Interest []
Payment Dates:
- (Ix) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business
Day Convention/Modified Following Business Day
Convention/ Preceding Business Day Convention/
No adjustment/ specify other]
- Adjustment or Unadjustment for [Adjusted] or [Unadjusted]
Interest Period
- (Ixi) Additional Business Centre(s): []
- (Ixii) Minimum Rate of Interest: [] per cent. per annum
- (Ixiii) Maximum Rate of Interest: [] per cent. per annum
- (Ixiv) 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)]
- (Ixv) 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)
- (Ixvi) Rate of Exchange/method of [Give details]
calculating Rate of Exchange:
- (Ixvii) Calculation Agent, if any, [please insert name + address + contact]
responsible for calculating the
principal and/or interest payable:
- (Ixviii) Provisions applicable where []
calculation by reference to Rate of
Exchange impossible or

impracticable:

(Ixi) 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)
- (Ixx) Optional Redemption Date(s): []
- (Ixxi) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (Ixxii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Higher Redemption Amount: [] per Calculation Amount
- (Ixxiii) 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)
- (Ixxiv) Optional Redemption Date(s): []
- (Ixxv) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (Ixxvi) Notice period (if other than as set out in the Conditions): [] (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount ☐ per Calculation Amount/specify other/see Appendix]
26. Early Redemption Amount(s) per ☐
Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):
27. Additional provisions in case of redemption of Dual Currency Notes ☐ [Applicable/Not Applicable] (if not applicable, delete the remaining wording of this paragraph)
- (lxxvii) Provisions in case business days ☐
Final redemption differs from Interest
Payment Date final coupon

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Form of Notes:
- ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- ☐ [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes 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 and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- ☐ [Permanent Global Note not exchangeable for Definitive Notes]****

29. New Global Note form; [Applicable/Not Applicable] Please refer to item 52(v), if applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details] Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate
31. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details] (when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

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

potential investors]

(ii) Date of Syndication Agreement: [] *

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

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

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

INFLATION LINKED PROVISIONS

39. Index: [•]

Index Sponsor: [•]

Related Bond: [Applicable/N/A] [if applicable, specify]

Issuer of Related Bond: [Applicable/N/A] [if applicable, specify]

Related Bond Redemption Event: [Applicable/N/A] [if applicable, specify]

Averaging Date: [Applicable/N/A] [if applicable, specify]

Observation Date: [Applicable/N/A] [if applicable, specify]

Expiration Date: [•]

Strike Date: [•]

Strike Price: [•]

Observation Period: [Applicable/Not Applicable] [if applicable, specify]

First Publication: [Applicable/Not Applicable]

Substitute Index Level: [As determined in accordance with Condition 7(m)][•]

Cut-Off Date: In respect of a Determination Date, the day that is [•] Business Days prior to such Determination Date.

Business Day Convention: [•]

OTHER PROVISIONS

40. Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C] applicable
41. Additional selling restrictions: [Not Applicable/give details]
42. Listing
 (i) Listing [NYSE Euronext in Amsterdam /other (specify)/ None]
 (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on NYSE Euronext in Amsterdam with effect from [____], [Not Applicable]. (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.) [____]]
43. Ratings:
 [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.]*
 The Notes to be issued have [not] been rated:
 [[Insert the full legal name of credit rating agency] is established in the European Union and registered under Regulation (EC) No 1060/2009.]
44. Notification
 The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, "AFM") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive as implemented in The Netherlands.]
45. Interests of Natural and Legal Persons Involved in the Issue [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other

interests]

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

- The underlying is a security: [Name of the issuer of the security] [ISIN Code or other identification code]
- The underlying is a basket of underlyings: [disclosure of relevant weightings of each underlying in the basket]
51. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only) [Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
52. Operational Information
- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) WKN Code: [] [Not Applicable]
- (iv) Other relevant code: [] [Not Applicable/give name(s) and numbers(s)]
- (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]
[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]
- (vi) Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical.] (and announce)] [Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – to be included if any agreement in this respect is entered into between Issuer and Manager(s)]

- | | | |
|------|-----------------------|--|
| (ix) | Settlement Procedure: | [Method of settlement procedure] |
| (x) | Clearing System: | [Euroclear/Clearstream Luxembourg/Euroclear
Nederland/other alternative clearing system] |
53. Additional paying agent (if any) [Name:][Address:] / Not Applicable]
54. Additional information
[The following information should be consulted in connection with the offer of the Notes:
- insert relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].
55. Listing Application [These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

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

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

Notes:

- * If the securities have a denomination per unit of at least € 100,000 or can only be acquired for at least that amount per security, then the information set out in item 4.1.2 of Annex XII should not be disclosed.
- ** Do not use for Temporary Global Note deposited with Euroclear Nederland.
- *** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- **** Do not use for Permanent Global Note deposited with Euroclear Nederland.

CHAPTER 6: SHARE LINKED NOTES

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

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

1. **Final Redemption**

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n) of the Single Share Linked Conditions) the Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if "Share Delivery" is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 7(o) of the Single Share Linked Conditions), all as further specified in the Final Terms.

2. **Definitions**

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

"Additional Disruption Event" means Change in Law, an Insolvency Filing, a Hedging Disruption or Increased Cost of Hedging.

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

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

"De-listing" means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or requoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

"Delivery Day" means, if "Share Delivery" is specified as being applicable in the Final Terms, a day, if any, on which the Shares comprised in the Share Amount(s) may be delivered to the Noteholders in a manner which the Issuer determines to be appropriate.

"Disrupted Day" means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

"Disruption Cash Settlement Price" means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the Share Amount, as determined by the Calculation Agent in its sole discretion.

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

"Exchange" means the Exchange specified in the Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

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

"Exchange Disruption" means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange.

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

"Extraordinary Dividend" means, in respect of the Shares, the characterization of a dividend or portion thereof as an extraordinary dividend by the Issuer.

"Final Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Fractional Amount" means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 7(o)(iii) of the Single Share Linked Conditions.

"Fractional Cash Amount" means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent: $\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount})$.

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

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

"Initial Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Insolvency" means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is

material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger"), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

"Nationalization" means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

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

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

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following:

- (i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;

- (ii) a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by the Share Issuer in respect of Shares that are not fully paid;
- (v) a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares.

"Price" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **"Constant Monitoring"** is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if **"Valuation Time Only"** is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

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

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

"Scheduled Trading Day" means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Settlement Disruption Event" means, if **"Share Delivery"** is specified as being applicable in the Final Terms, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

"Share Amount" has the meaning ascribed to it in the Final Terms.

"Share Currency" has the meaning ascribed to it in the Final Terms.

"Share Delivery Date" has the meaning ascribed to it in the Final Terms.

"Share Issuer" has the meaning ascribed to it in the Final Terms.

"Shares" has the meaning ascribed to it in the Final Terms.

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

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

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"Trading Disruption" means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange.

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

3. *Disrupted Days*

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

"(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled

Trading Days immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

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

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

4. Adjustments

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

"(n) Adjustments, Consequences of Certain Events and Currency

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred, the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the "Shares" and the "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14 of the General Conditions.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14 of the General Conditions.

(iv) Nationalisation, Insolvency or De-listing

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(v) Change of Exchange

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

(vi) Price Correction

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

(vii) Currency

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

(viii) Additional Disruption Events

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

this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(ix) Change in currency

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes."

5. Delivery of Share Amount

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, Condition 7 of the General Conditions shall be amended by the addition of a new Single Share Linked Condition 7(o) as follows:

"(o) Delivery of Share Amounts:

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may

however result in an adjustment being made pursuant to Condition 7(n) of the Single Share Linked Conditions.

Neither the Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount in respect of any Note by the Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 14 of the General Conditions, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14 of the General Conditions. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 of the General Conditions.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 of the General Conditions if a Settlement Disruption Event has occurred.

(iii) Aggregate Share Amount

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to

account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares."

6. *Prescription*

For the avoidance of doubt, Condition 9 of the General Conditions shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

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

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

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n) of the Basket Share Linked Conditions) the Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if "Share Delivery" is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 7(o) of the Basket Share Linked Conditions), all as further specified in the Final Terms.

2. Definitions

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

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

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

"Basket" means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Final Terms.

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

"De-listing" means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

"Delivery Day" means, if "Share Delivery" is specified as being applicable in the Final Terms, a day, if any, on which Shares comprised in any Share Amount(s) may be delivered to the Noteholders in a manner which the Calculation Agent determines to be appropriate.

"Disrupted Day" means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

"Disruption Cash Settlement Price" means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the relevant Share Amount, as determined by the Calculation Agent in its sole discretion.

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

"Exchange" means, in respect of a Share, the Exchange specified for such Share in the Final Terms or otherwise the stock exchange on which such Share is, in the determination of the Issuer, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

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

"Extraordinary Dividend" means, in respect of a Share, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

"Final Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Fractional Amount" means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 7(o)(iii) of the Basket Share Linked Conditions.

"Fractional Cash Amount" means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent: $\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount})$.

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

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

"Initial Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Insolvency" means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger"), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

"Nationalisation" means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

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

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

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket.

"Price" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **"Constant Monitoring"** is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if **"Valuation Time Only"** is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

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

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

"Scheduled Trading Day" means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Settlement Disruption Event" means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of a Share, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

"Share Amount" has the meaning ascribed to it in the Final Terms.

"Share Currency" has the meaning ascribed to it in the Final Terms.

"Share Delivery Date" has the meaning ascribed to it in the Final Terms.

"Share Issuer" has the meaning ascribed to it in the Final Terms.

"Shares" has the meaning ascribed to it in the Final Terms.

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

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

"Tender Offer" means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange.

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

3. *Disrupted Days*

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

"(m) Disrupted Days

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

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

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

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

4. Adjustments

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

"(n) Adjustments, Consequences of Certain Events and Currency

- (i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount

and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "Shares" and the relevant "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14 of the General Conditions.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or

- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14 of the General Conditions.

(iv) Nationalisation, Insolvency or De-listing

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the costs to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(v) Change of Exchange

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

(vi) Price Correction

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

(vii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant

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

(viii) **Additional Disruption Events**

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

(ix) **Change in currencies**

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

5. Delivery of Share Amount

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, Condition 7 of the General Conditions shall be amended by the addition of a new Basket Share Linked Condition 7(o) as follows:

"(o) Delivery of Share Amounts:

(i) **Delivery of Share Amounts**

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the relevant Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 7(n) of the Basket Share Linked Conditions.

Neither the Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount (or part thereof) in respect of any Note by the Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount (or part thereof) shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 14 of the General Conditions, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount (or part thereof) using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount (or part thereof) in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount (or part thereof) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14 of the General Conditions.

Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 of the General Conditions.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 of the General Conditions if a Settlement Disruption Event has occurred.

(iii) Aggregate Share Amount

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares."

6. Prescription

For the avoidance of doubt, Condition 9 of the General Conditions shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

PART 2: FORM OF FINAL TERMS FOR SHARE LINKED NOTES

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

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

Final Terms

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

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant Member State of the European Economic Area to which is referred) as implemented in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1] [include if SNS REAAL is Issuer]] and Chapter 6, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1] [include if SNS REAAL is Issuer]] and Chapter 6, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date:] This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC, (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a

relevant host Member State of the European Economic Area to which is referred or in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of SNS Bank N.V. and SNS REAAL dated 11 July 2011, 9 July 2010 and 8 June 2009, SNS Bank N.V. dated 18 April 2008 and 19 April 2007, SNS REAAL dated 16 July 2008 or 25 June 2007 (each as supplemented by the relevant supplements thereto) and which are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of SNS Bank N.V. and SNS REAAL dated [●], as supplemented by [● – *specify relevant supplements, if any*]. 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 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: [SNS Bank N.V. / SNS REAAL N.V.]
2. (i) Series Number: []
(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount [of Notes admitted to trading]:
(i) Tranche: [Up to]
(ii) Series: [Up to]

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []
- [Note – where multiple denominations above [€ 100,000] or equivalent are being used the following sample wording should be followed:
 "[€ 100,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 199,000].
 No Notes in definitive form will be issued with a denomination above [€ 199,000]."]*
- (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 [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]]
- [Applicable if SNS REAAL N.V. is the Issuer: "If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.".]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
 [Dual Currency Interest]
 [Zero Coupon]
 [Index Linked Interest]
 [Inflation Linked Interest]
 [Share Linked Interest]

- [Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Share Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]
[specify other]
11. Change of interest Basis or Redemption/
Payment Basis: [Specify details of any provision
for change of Notes into another
Interest Basis or
Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Status of the Notes: [Senior /Tier 2 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of
long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day]

- Convention/Modified Following Business Day
Convention/No adjustment/Preceding Business Day
Convention/[specify other]]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
 - (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
 - (ii) Specified Interest Payment Dates: []
 - (iii) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ [specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (iv) Additional Business Centre(s): []
 - (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
 - (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
 - (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
 - Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []

(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 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 TARGET2 System does not apply)

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

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

(viii) ISDA Determination: ☐ [Yes/No]

- Floating Rate Option: ☐ ☐

- Designated Maturity: ☐ ☐

- Reset Date: ☐ ☐

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

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

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

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

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

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

17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-

paragraphs of this paragraph)

- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details, name index and description and manner of determining coupon]
- ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]

- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)]

Other]
 [(See Condition 5 for alternatives)]

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

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

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

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

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

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

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

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

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

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

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

- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360
 30/360 or 360/360 or Bond Basis
 30E/360 or Eurobond Basis
 30E/360 (ISDA)
 Other]

[(See Condition 5 for alternatives)]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)

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

PROVISIONS RELATING TO REDEMPTION

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

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
(a) Minimum Redemption Amount: [] per Calculation Amount
(b) Higher Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): []

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

other notice requirements which may apply, for example, as between the Issuer and the Agent)

24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
25. Final Redemption Amount [[] per Calculation Amount /specify other/see Appendix]
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): []
27. Additional provisions applicable in case of redemption of Dual Currency
Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Form of Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event. and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes 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 and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- [Permanent Global Note not exchangeable for Definitive Notes]****
29. New Global Note form: [Applicable/Not Applicable]
[Please refer to item 52(v), if applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21 (iv) relate
31. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable
(if Redenomination is applicable, include
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and
(ii) the New Currency]
34. Whether Condition 8 first paragraph

under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply):

[Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]

35. Other terms or special conditions: [Not Applicable/give details]

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

DISTRIBUTION

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

(ii) Date of Syndication Agreement: [] *

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

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

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

SHARE LINKED PROVISIONS

39. [The following apply to Notes linked to a single share only:

Averaging Dates: [specify dates or delete if N/A]

Barrier Level: [specify as [●] per. cent of Initial Share Price] or delete if N/A]

Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET2 Business Day].

Constant Monitoring	[specify as applicable and delete "Valuation Time Only" below or delete if N/A]
Exchange:	[specify]
Expiration Date:	[specify date or delete if N/A]
Final Share Price:	[specify if fallback provisions in Chapter 5, Part 1(A), not to apply or state if N/A]
Initial Share Price:	[specify if fallback provisions in Chapter 5, Part 1(A), not to apply or state if N/A]
Observation Date(s):	[specify or delete if N/A]
Observation Period:	[specify as [the period from and including the Issue Date, Strike Date or [●] to and including the Expiration Date or [●]] or delete if N/A]
Share Amount:	[specify formula or delete if N/A]
Share Currency	[specify]
Share Delivery:	[specify as applicable or delete if N/A; if applicable, specify in which circumstances share delivery may occur (at the option of the Issuer; if share price reaches certain level, etc.)]
Share Delivery Date:	[specify or delete if N/A], subject to Condition 7(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day.
Share Issuer:	[specify]
Shares:	[name and short description of type of shares] issued by the Share Issuer (ISIN: [●]).
Strike Date:	[specify or delete if N/A]
Strike Price:	[specify or delete if N/A]
Valuation Time Only:	[specify as applicable and delete " Constant Monitoring " above or delete if N/A] [Insert any other relevant terms]]

[The following apply to Notes linked to a Basket of Shares only:

Where:

Averaging Dates: [specify dates or delete if N/A]

Barrier Level: [specify as [☐] per. cent of Initial Share Price] or delete if N/A]

"Basket" means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:

[Insert details of:

* Share Issuer

* [Proportion/number of Shares]

* ISIN Code

* Exchange]

Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [☐] [and (ii) which is a TARGET2 Business Day].

Constant Monitoring [specify as applicable and delete "Valuation Time Only" below or delete if N/A]

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

Final Share Price: [specify if fallback provisions in Chapter 5, Part 1(B) not to apply or state if N/A]

Initial Share Price: [specify if fallback provisions in Chapter 5, Part 1(B) not to apply or state if N/A]

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

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

Share Amount: [specify formula or delete if N/A]

Share Currency [specify]

Share Delivery: [specify as applicable or delete if N/A; if applicable, specify in which circumstances share delivery may occur (at the option of the Issuer; if share price reaches certain level, etc.)]

Share Delivery Date: [specify or delete if N/A], subject to Condition

7(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day.

Share Issuer: [specify]

Shares: [name and short description of type of shares]
issued by the Share Issuer (ISIN: [●]).

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

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

Valuation Time Only [specify as applicable and delete "**Constant Monitoring**" above or delete if N/A]
[Insert any other relevant terms]]

OTHER PROVISIONS

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

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

42. Listing

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

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

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

[S & P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

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

[[Insert the full legal name of credit rating agency] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

44. Notification

[The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive as implemented in The Netherlands. / Not Applicable]

45. Interests of Natural and Legal Persons Involved in the Issue
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
46. Reasons for the Offer (if different from making a profit and/or hedging certain risks): []
47. Estimated net proceeds and total expenses
- (i) Estimated net proceeds []
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (ii) Estimated total expenses: [] [Include breakdown of expenses]
48. Yield (Fixed Rate Notes only)
- Indication of yield: []
The yield is calculated at the Issue [Calculated as [include details of method of
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]*
It is not an indication of future yield.
49. Historic Interest Rates (Floating Rate Notes only)*
Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
50. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked Notes only)*
[Name of index/inflation/share/fund] []
[Description of index/inflation/share/fund
if composed by Issuer:] []
[Information on index/inflation/share/fund
if not composed by Issuer:] []
[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security]
[ISIN Code or other identification code]
- The underlying is a basket of
underlyings: [disclosure of relevant weightings of each underlying in the basket]
51. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)

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

52. Operational Information

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

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

[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

[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]

- (vi) Offer Period:
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: [Method of settlement procedure]
- (x) Clearing System: [Euroclear/Clearstream Luxembourg/Euroclear Nederland/other alternative clearing system]

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

54. Additional information

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

- insert other relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].

55. Listing Application

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

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

Signed on behalf of the Issuer:

By: By:

Duly authorised

Duly authorised

Notes:

- * If the securities have a denomination per unit of at least € 100,000 or can only be acquired for at least that amount per security, then the information set out in item 4.1.2 of Annex XII should not be disclosed.
- ** Do not use for Temporary Global Note deposited with Euroclear Nederland.
- *** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- **** Do not use for Permanent Global Note deposited with Euroclear Nederland.

CHAPTER 7: FUND LINKED NOTES

PART 1: TERMS AND CONDITIONS OF FUND LINKED NOTES

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

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1. *Final Redemption*

Notwithstanding Condition 7(a) of the General Conditions, unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer (subject to the provisions of Conditions 7(m) and 7(n) of the Fund Linked Conditions, and this section 1 of these Fund Linked Conditions) as its Final Redemption Amount on the Maturity Date.

If the Final Redemption Receipt Date falls on or after the Latest Permissible Receipt Date, then the Issuer may, notwithstanding Condition 7(m) of the Fund Linked Conditions, postpone the payment of the Final Redemption Amount to the date that is that number of Business Days equal to the Settlement Period following the Final Redemption Receipt Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

For the purposes of this section 1 of these Fund Linked Conditions:

"**Averaging Dates**" means, in respect of the Calculation Determination Date, each of the dates specified as such in the applicable Final Terms, in each case subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m) of the Fund Linked Conditions.

"**Final Redemption Amount**" means an amount in the Specified Currency determined by the Calculation Agent as specified in the applicable Final Terms.

"**Final Price**" means: (a) if Single Price is specified as the Final Price in the applicable Final Terms, the Price on the Observation Date; or (b) if Average Price is specified as the Final Price in the applicable Final Terms, the arithmetic mean of the Prices for each Averaging Date.

"**Final Redemption Receipt Date**" means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been submitted for redemption on or as soon as reasonably practicable after the Observation Date or final Averaging Date, as the case may be, all as determined by the Calculation Agent.

"**Fund**" means the entity, collective investment scheme, fund, trust, partnership or similar arrangement or undertaking specified as such in the applicable Final Terms, or any Replacement Fund.

"Fund Interest" means a unit, share, partnership interest, or other similar direct interests in a Fund that entitles the holder of such interest to a share in the net assets of that Fund, as specified as such in the applicable Final Terms, or such relevant interests in any Replacement Fund as determined by the Calculation Agent in accordance with section 6 of these Fund Linked Conditions below.

"Initial Price" means: (a) if a particular amount is specified as the Initial Price in the applicable Final Terms, the amount specified as such; or (b) if "Strike Price" is specified as the Initial Price in the applicable Final Terms, the Price on the Strike Date as determined by the Calculation Agent.

"Latest Permissible Receipt Date" means, in respect of any payment, the date that falls the Settlement Period before the Maturity Date.

"Observation Date" means the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m) of the Fund Linked Conditions.

"Price" means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day (subject to the provisions of Condition 7(m) of the Fund Linked Conditions), which shall be equal to the available official net asset value of a Fund per Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Manager or published by or on behalf of such Fund, less any applicable costs, expenses or taxes that would be incurred by a holder of a Fund Interest in redeeming such Fund Interest, determined by the Calculation Agent; provided that if an Investing Entity either makes an investment in, or redeems, Fund Interests as of such Fund Business Day at a price per Fund Interest that is different from the one so notified or published, the net price per Fund Interest at which such investment or redemption is effected shall be treated as the Price.

"Settlement Period" means seven Business Days (or such other number of Business Days as specified in the applicable Final Terms).

"Strike Date" means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m) of the Fund Linked Conditions.

All other terms shall have the meanings given to them in section 2 of these Fund Linked Conditions below.

2. *Early Redemption Provisions*

Notwithstanding Conditions 7(e) and 10 of the General Conditions, if (a) the Calculation Agent determines that an Early Redemption Event has occurred or is continuing, the Calculation Agent shall forthwith give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 14 of the General Conditions, and each Note shall fall due for redemption on the Early Redemption Date at its Early Redemption Amount, or (b) for the purposes of Condition 10 of the General Conditions, an Event of Default occurs and is continuing and a Note held by a Noteholder is declared to be due and payable, the same shall become due and payable on the Early Redemption Date at its Early Redemption Amount.

Any notice to Noteholders in respect of such a payment shall specify the expected date of that payment, which date shall be confirmed by the Issuer in a later separate notice to Noteholders.

For the purposes of this section 2 of these Fund Linked Conditions:

"Associated Costs" means an amount per Note equal to the pro rata share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the date for early redemption) of the total amount of any and all costs associated or incurred by the Issuer in connection with such early redemption including, without limitation, any costs associated with unwinding any hedge positions relating to the Notes and any costs associated with any market disruption, all as determined by the Calculation Agent.

"Early Redemption Amount" means, in respect of each Note, an amount in euro equal to the fair economic value of such Note less the Associated Costs, with such fair economic value being determined on the Receipt Date (taking into account the occurrence of the Early Redemption Event or Event of Default, as the case may be), as determined by the Calculation Agent by reference to such factor(s) as it may deem appropriate.

"Early Redemption Date" means the Business Day falling that number of Business Days equal to the Settlement Period following the Early Redemption Receipt Date.

"Early Redemption Event" means: (a) an event as described in Condition 7(b) of the General Conditions; and (b) a determination by the Issuer pursuant to section 6 of these Fund Linked Conditions below.

"Early Redemption Receipt Date" means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been made on or as soon as reasonably practicable after the date, either (a) in the case of an Early Redemption Event, notice of redemption of the Notes given to the Noteholders or, if no such date is specified, on which such notice is given or (b) in the case of an Event of Default, on which the Notes are declared due and payable, all as determined by the Calculation Agent.

3. Definitions

For the purposes of the General Conditions and the Fund Linked Conditions, the following terms shall have the meanings set out below:

"Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Fund Centres" has the meaning set out in the applicable Final Terms.

"Calculation Determination Date" means the Business Day (or such number of Business Days as specified in the applicable Final Terms) following the date on which the Price for the Observation Date or final Averaging Date, as the case may be, is either notified, published or (if the proviso to the definition of Price applies) the Final Redemption Receipt Date.

"Disrupted Day" means any Fund Business Day on which a Market Disruption Event has occurred.

"Fund Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Applicable Fund Centres.

"Fund Business Day Convention" means as specified in the applicable Final Terms, where:

- (a) **"Following"** means if the relevant day is not a Fund Business Day such day shall be postponed to the next day which is a Fund Business Day;
- (b) **"Modified Following"** means if the relevant day is not a Fund Business Day such day shall be postponed to the next day which is a Fund Business Day unless it would thereby fall into the next calendar month, in which event such day shall be brought forward to the immediately preceding Fund Business Day; and
- (c) **"Preceding"** means if the relevant day is not a Fund Business Day such day shall be brought forward to the immediately preceding Fund Business Day.

"Fund Manager" means (a) the person specified as such in the applicable Final Terms, (b) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests, or (c) the relevant manager or person as described in (b) above in respect of any Replacement Fund as determined by the Calculation Agent in accordance with section 6 of these Fund Linked Conditions below.

"Fund Rules" means, with respect to a Fund, the terms of the bye-laws and other associated documentation relating to such Fund and any other rules or regulations relating to such Fund and the relevant Fund Interests (including any prospectus in respect of such) existing on the Issue Date of the Notes, including its investment guidelines and restrictions.

"Hedge Counterparty" means any party to a contract with the Issuer or any of its Affiliates under which the Issuer obtains a derivative exposure to Fund Interests and includes hedge counterparties of such hedge counterparties.

"Investing Entity" means the Issuer, any Affiliate of the Issuer or any Hedge Counterparty that holds, redeems or subscribes Fund Interests.

"Market Disruption Event" means, in respect of a Fund Business Day, the occurrence or continuation, as determined by the Calculation Agent, of: (a) a failure or postponement that is, in the determination of the Calculation Agent, material by a Fund Manager to publish the official net asset value of a Fund per Fund Interest in respect of that Fund Business Day (provided that such Fund Business Day is a day for which such official net asset value is scheduled to be published); or (b) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or (c) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules).

"Valid Date" means a Fund Business Day which the Calculation Agent determines is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

4. *Disrupted Days*

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

"(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, Observation Date or (subject as provided below) any Averaging Date, as the case may be, in respect of the Fund Interests is a Disrupted Day, then the Strike Date, Observation Date or such Averaging Date, as the case may be, shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the Fund Business Days falling in the Disrupted Period is a Disrupted Day. In that case:

- (a) that final Fund Business Day of the Disrupted Period shall be deemed to be the Strike Date, the Observation Date or such Averaging Date, as the case may be, in respect of the Fund Interests, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Fund Interest as its good faith estimate of the price of one Fund Interest that would have prevailed, but for the occurrence of a Disrupted Day, on that final Fund Business Day of the Disrupted Period.

If the Calculation Agent determines that any Averaging Date is a Disrupted Day, then if under Averaging Date Disruption in the Final Terms the consequence specified is:

- (i) **"Omission"**, then such Averaging Date shall be deemed not to be an Averaging Date for the purposes of determining the Final Price. If through the operation of this provision no Averaging Date would occur, then the provisions above will apply for the purposes of determining the relevant Price for the final Averaging Date as if such final Averaging Date were a Disrupted Day;
- (ii) **"Postponement"**, then the provisions above will apply for the purposes of determining the relevant Price for that Averaging Date as if such Averaging Date were a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (A) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant Price for that Averaging Date with its good faith estimate of the Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date.

Notwithstanding the provisions of Condition 7 of the General Conditions, if the Calculation Agent determines that the Calculation Determination Date for any payment falls after the Latest Permissible Determination Date, such payment shall be postponed to the date that is the number of Business Days equal to the Settlement Period, following the Calculation Determination Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14 of the General Conditions, of any delay that results in the postponement of any payment in respect of the Notes."

For the purpose of this Condition 7(m) of the Fund Linked Conditions:

"Cut-off Period" means the Disrupted Period or such different number of Fund Business Days as specified in the applicable Final Terms.

"Disrupted Period" means the period comprising the number of Fund Business Days specified as such in the applicable Final Terms, commencing on (and including) the day immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Observation Date or such Averaging Date, as the case may be.

"Latest Permissible Determination Date" means, in respect of any payment, the date that falls the number of Business Days equal to the Settlement Period before the relevant payment falls due.

5. Adjustments

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

"(n) Adjustments

If the Calculation Agent determines that, in respect of a Fund, a Corporate Event has occurred or is continuing, the Calculation Agent will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount, the Early Redemption Amount (if any) and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for the dilutive or concentrative effect on the value of Fund Interests and (b) determine the effective date(s) of the adjustment(s). The Issuer shall give notice of such adjustment to Noteholders in accordance with Condition 14 of the General Conditions."

6. Inclusion Conditions and Substitution

Events If at any time the Calculation Agent determines that an applicable Substitution Event has occurred or is continuing with respect to a Fund, the Calculation Agent may either (a) as soon as is practicable after such determination, replace such Fund for the purposes of the Notes with an appropriate alternative fund (a **"Replacement Fund"**), as determined by the Calculation Agent and following any such replacement, the Calculation Agent may make any adjustments to the terms and conditions of the Notes as it deems appropriate to reflect such replacement or (b) determines that the Notes shall become due for redemption in accordance with section 2 of these Fund Linked Conditions above.

A Substitution Event is applicable in respect of the Notes if it is so specified in the Final Terms, where such term so specified shall have the following meaning. If no Substitution Event is specified, then no Substitution Event will be deemed to have been specified. If one or more Substitution Events are specified, only the Substitution Events specified will apply:

"Audit Event" means the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;

"Charging Change" means the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;

"Corporate Event" means a declaration by or on behalf of a Fund of: (i) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests; (ii) a (1) dividend (including cash, and whether ordinary or extraordinary), (2) distribution or (3) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or (iii) a call by a Fund in respect of the relevant Fund Interests that are not fully paid;

"Cross-contamination" means any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;

"Currency Change" means the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules;

"Distribution In-kind" means a redemption of Fund Interests in the form of a distribution of non-cash assets;

"Fund Constitution Breach" means any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

"Fund Constitution Change" means any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

"Fund Rules Breach" means any failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund;

"Fund Strategy Breach" means any failure to observe any of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;

"Fund Strategy Change" means any modification of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;

"Fund Tax Event" means any changes in the regulatory, tax, accounting and/or any other treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

"Hedging Event" means the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;

"Investor Tax Event" means any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;

"Litigation Event" means the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;

"Management Change" means the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;

"Mandatory Disposal" means any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;

"Market Event" means any crisis in the major financial markets such that the holding, trading or managing of an investment in a Fund is impracticable, inadvisable or materially altered;

"NAV Suspension" means suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;

"Performance Failure" means any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;

"Potential Regulatory Event" means an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;

"Redemption Failure" means a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;

"Regulatory Event" means the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;

"Subscription/Redemption Alteration" means any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;

"Subscription/Redemption Restriction" means any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or

"Transfer Restriction" means suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules.

PART 2: FORM OF FINAL TERMS FOR FUND LINKED NOTES

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

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

Final Terms

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

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

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant Member State of the European Economic Area to which is referred) as implemented in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1]][include if SNS Bank is Issuer][Chapter 3, Part 1] [include if SNS REAAL is Issuer]] and Chapter 7, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1]][include if SNS Bank is Issuer][Chapter 3, Part 1] [include if SNS REAAL is Issuer]] and Chapter 7, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a

relevant host Member State of the European Economic Area to which is referred or in The Netherlands. This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 14 June 2012 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of SNS Bank N.V. and SNS REAAL dated 11 July 2011, 9 July 2010 and 8 June 2009, SNS Bank N.V. dated 18 April 2008 and 19 April 2007, SNS REAAL dated 16 July 2008 or 25 June 2007 (each as supplemented by the relevant supplements thereto) and which are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of SNS Bank N.V. and SNS REAAL dated [●], as supplemented by [● – *specify relevant supplements, if any*]. 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 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: [SNS Bank N.V. / SNS REAAL N.V.]
2. (i) Series Number: []
(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount [of Notes admitted to trading]:
(i) Tranche: [Up to]
(ii) Series: [Up to]

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []
- [Note – where multiple denominations above [€ 100,000] or equivalent are being used the following sample wording should be followed:
 "[€ 100,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 199,000].
 No Notes in definitive form will be issued with a denomination above [€ 199,000]."]*
- (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 [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]]
- [Applicable if SNS REAAL N.V. is the Issuer: "If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.".]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
 [Dual Currency Interest]
 [Zero Coupon]
 [Index Linked Interest]
 [Inflation Linked Interest]
 [Share Linked Interest]
 [Fund Linked Interest]

- [Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Fund Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]
[specify other]
11. Change of interest Basis or Redemption/
Payment Basis: [Specify details of any provision
for change of Notes into another
Interest Basis or
Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Status of the Notes: [Senior /Tier 2 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of
long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []
- (vi) Business Day Convention

- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention/[specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
 - (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
 - (ii) Specified Interest Payment Dates: []
 - (iii) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ [specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
 - (iv) Additional Business Centre(s): []
 - (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
 - (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
 - (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
 - Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []

(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 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 TARGET2 System does not apply)

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

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

(viii) ISDA Determination: ☐ [Yes/No]

- Floating Rate Option: ☐ ☐

- Designated Maturity: ☐ ☐

- Reset Date: ☐ ☐

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

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

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

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

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

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

17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to index and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]

[(See Condition 5 for alternatives)]

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

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]

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

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

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

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

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

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

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

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

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

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

- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]

[(See Condition 5 for alternatives)]

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

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

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

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

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

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

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

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

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

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

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

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

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

Other]
 [(See Condition 5 for alternatives)]

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

22. Dual Currency Note Provisions [Applicable/Not Applicable]
 (If not applicable, delete the remaining sub paragraphs of this paragraph)

- (i) Rate of exchange/method of calculating rate of exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [please insert name + address + contact]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

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

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
 (a) Minimum Redemption Amount: [] per Calculation Amount
 (b) Higher Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): []
 -(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any

other notice requirements which may apply, for example, as between the Issuer and the Agent)

24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
25. Final Redemption Amount [[] per Calculation Amount /specify other/see Appendix]
26. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): []
27. Additional provisions applicable in case of redemption of Dual Currency
Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon: []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Form of Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event.and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]

[Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes 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 and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]

[Permanent Global Note not exchangeable for Definitive Notes]****

- | | | |
|-----|---|--|
| 29. | New Global Note form; | [Applicable/Not Applicable]
[Please refer to item 52(v), if applicable] |
| 30. | Additional Financial Centre(s) or other special provisions relating to payment Dates: | [Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21 (iv) relate |
| 31. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| 32. | Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] |
| 33. | Redenomination: | [Redenomination [not] applicable
(if Redenomination is applicable, include
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and
(ii) the New Currency] |
| 34. | Whether Condition 8 first paragraph | |

under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply):

[Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]

35. Other terms or special conditions: [Not Applicable/give details]

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

DISTRIBUTION

36. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, addresses and underwriting commitments]

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

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

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

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

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

FUND LINKED PROVISIONS

39. Fund: [Specify]

Fund Interest(s): [Specify]

Fund Manager: [Specify]

Applicable Fund Centre: [Specify places for determining Fund Business Days]

Fund Business Day Convention: [Following/Modified Following/Preceding]

Market Disruption

Disrupted Period: [•] Fund Business Days
[Specify number of Fund Business Days before
Issuer may estimate values owing to Market
Disruption Events]

Final Disrupted Period: [•] Fund Business Days
[Specify number of Business Days
that Maturity Date is postponed owing to
Market Disruption Events]

Minimum Payment Interval: [[•] Business Days] [Not Applicable]
(two Business Days unless otherwise
specified)

Averaging Date Disruption: [Omission]
[Postponement]
[Modified Postponement]

Cut-off Period: [•] [Not Applicable]
(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 specified) [Business Days]

specified)

(number of Business Days following Receipt Date)

[Insert any other relevant terms]

OTHER PROVISIONS

40. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
41. Additional selling restrictions: [Not Applicable/give details]
42. Listing
- (i) Listing [NYSE Euronext in Amsterdam/ other (specify) / None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on NYSE Euronext in Amsterdam with effect from ____], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.) ____]
43. Ratings: The Notes to be issued have [not] been rated:
[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]*
- [[Insert the full legal name of credit rating agency] is established in the European Union and registered under Regulation (EC) No 1060/2009.]
44. Notification
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive as implemented in The Netherlands./ Not Applicable]
45. Interests of Natural and Legal Persons Involved in the Issue
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
46. Reasons for the Offer (if different from making a profit and/or hedging certain risks): []
47. Estimated net proceeds and total expenses
- (i) Estimated net proceeds []

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

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

48. Yield (Fixed Rate Notes only)

Indication of yield: []

The yield is calculated at the Issue [Calculated as [include details of method of
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]*

It is not an indication of future yield.

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

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

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

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

[Description of index/inflation/share/fund

if composed by Issuer:] []

[Information on index/inflation/share/fund

if not composed by Issuer:] []

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

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

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

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

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

52. Operational Information

(i) ISIN Code: []

(ii) Common Code: []

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

(iv) Other relevant code: []

[Not Applicable/give name(s) and numbers(s)]

(v) New Global Note intended to be

held in a manner which would
allow Eurosystem eligibility: [Not Applicable/Yes/No]

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

- (vi) Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] [Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: [Method of settlement procedure]
- (x) Clearing System: [Euroclear/Clearstream Luxembourg/Euroclear Nederland/other alternative clearing system]
53. Additional paying agent (if any): [Name:][Address:]/ Not Applicable]
54. Additional information
[The following information should be consulted in connection with the offer of the Notes:
- insert other relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].
55. Listing Application
[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

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

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

Notes:

- * If the securities have a denomination per unit of at least € 100,000 or can only be acquired for at least that amount per security, then the information set out in item 4.1.2 of Annex XII should not be disclosed.
- ** Do not use for Temporary Global Note deposited with Euroclear Nederland.
- *** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- **** Do not use for Permanent Global Note deposited with Euroclear Nederland.

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