



## **DSB Bank N.V.**

*(incorporated with limited liability in The Netherlands with its statutory seat in Wognum)*

**€300,000,000**

### **Programme for the Issuance of Debt Instruments**

Under the Programme described in this Base Prospectus (the “Programme”), DSB Bank N.V. (the “Issuer”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Capital Securities (the “Securities”). The aggregate nominal amount of Securities outstanding will not at any time exceed €300,000,000 (or the equivalent in other currencies).

This Base Prospectus was approved by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*; the “AFM”) for the purposes of Directive 2003/71/EC of the European Parliament and of the Council (the “Prospectus Directive”) on 28 July 2008.

Application has been made for Securities to be issued under the Programme for the period of 12 months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. (“Euronext Amsterdam”). Securities may be listed on such other or further stock exchange or stock exchanges as may be determined by the Issuer, and may be offered to the public in other jurisdictions also, in each case subject to applicable laws. The Issuer may also issue unlisted and/or privately placed Securities. References in this Programme to Securities being “listed” (and all related references) shall mean that such Securities have been admitted to trading and have been listed on Euronext Amsterdam or an other regulated market.

The Securities may be issued in bearer form only. Each Series (as defined in “Summary of the Programme - Method of Issue”) of Securities will be represented on issue by a temporary global Security in bearer form (each a “temporary Global Security”) or a permanent global instrument in bearer form (each a “permanent Global Security”). Global Securities may (or in the case of Securities listed on the regulated market of Euronext Amsterdam, will) be deposited on the issue date of the relevant Tranche with (i) a common depositary on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) (the “Common Depositary”) or (ii) Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Nederland”).

Tranches of Securities (as defined in “Summary of the Programme – Method of Issue”) to be issued under the Programme will be rated or unrated. Where a Tranche of Securities is to be rated, such rating will not necessarily be the same as the ratings assigned to the Securities already issued. 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.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.

This Base Prospectus is dated 28 July 2008.

#### **Dealers**

**ABN AMRO**

**Rabobank International**

#### **Arranger for the Programme**

**ABN AMRO**

## TABLE OF CONTENTS

	Page
SUMMARY OF THE PROGRAMME .....	3
RISK FACTORS .....	7
IMPORTANT INFORMATION .....	19
DOCUMENTS INCORPORATED BY REFERENCE .....	22
TERMS AND CONDITIONS OF THE SECURITIES .....	23
APPLICABLE FINAL TERMS FOR ISSUES WITH A DENOMINATION OF LESS THAN €50,000 .....	45
APPLICABLE FINAL TERMS FOR ISSUES WITH A DENOMINATION OF AT LEAST €50,000 .....	58
USE OF PROCEEDS .....	69
BUSINESS DESCRIPTION OF THE ISSUER .....	70
TAXATION .....	83
SUBSCRIPTION AND SALE .....	86
GENERAL INFORMATION .....	89

## SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Base Prospectus and is qualified in its entirety by the remainder of this Base Prospectus. Any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an “EEA State”), no civil liability will attach to the responsible person(s) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

<b>Issuer:</b>	DSB Bank N.V. was incorporated by deed of incorporation on 4 January 2000. DSB Bank N.V. is a company with limited liability ( <i>naamloze vennootschap</i> ) incorporated and operating under the laws of The Netherlands with its corporate seat in Wognum. The registered office of DSB Bank N.V. is Dick Ketlaan 6-10, 1687 CD Wognum, The Netherlands, telephone number +31 (0)229 577444. DSB Bank N.V. is registered with the Trade Register at the Chamber of Commerce and Industry of Noordwest-Holland under registration number 37088128.
<b>Description:</b>	Programme for the Issuance of Debt Instruments
<b>Instruments:</b>	Securities, unless the context requires otherwise.
<b>Size:</b>	Up to €300,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Securities outstanding at any one time.
<b>Arranger:</b>	ABN AMRO Bank N.V.
<b>Dealers:</b>	<p>ABN AMRO Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Trustee:</b>	Amsterdamsch Trustee’s Kantoor B.V.
<b>Agent:</b>	ABN AMRO Bank N.V.

<b>Method of Issue:</b>	The Securities will be issued on a syndicated or non-syndicated basis. The Securities will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Securities of each Series being intended to be interchangeable with all other Securities of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “Final Terms”).
<b>Issue Price:</b>	Securities may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Form of Securities:</b>	The Securities may be issued in bearer form only. Each Tranche of Securities will be represented on issue by a permanent Global Security or by a temporary Global Security which is exchangeable for a permanent Global Security. Unless specified otherwise in the Final Terms the permanent Global Security will not be exchangeable for definitive Securities.
<b>Clearing Systems:</b>	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Agent and the relevant Dealer, which may include Euroclear Nederland.
<b>Initial Delivery of Securities:</b>	On or before the issue date for each Tranche, the Global Security representing Securities may (or, in the case of Securities listed on Euronext Amsterdam, shall) be deposited with (i) a common depositary for Euroclear and Clearstream, Luxembourg or (ii) Euroclear Nederland. Global Securities relating to Securities that are not listed on Euronext Amsterdam may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Agent and the relevant Dealer.
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency agreed between the Issuer and the relevant Dealers.
<b>Maturities:</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity.
<b>Specified Denomination:</b>	Definitive Securities (if any) will be in such denominations as may be specified in the relevant Final Terms save that (i) the minimum denomination of each Security admitted to trading on a European Economic Area exchange and/or offered to the public in an EEA State in circumstances which require the

publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount 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.

<b>Interest:</b>	Details on interest rates, periods, dates and calculations will be specified in the relevant Final Terms. Also see the Terms and Conditions of the Securities.
<b>Redemption:</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
<b>Other Securities:</b>	Terms applicable to any other type of Securities that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and the supplementary base prospectus.
<b>Optional Redemption:</b>	The Final Terms issued in respect of each issue of Securities will state whether such Securities may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
<b>Status of Securities:</b>	The Securities will constitute subordinated obligations of the Issuer, all as described in “Terms and Conditions of the Securities – Status”.
<b>Interest Deferral:</b>	See “Terms and Conditions of the Securities – Deferrals”.
<b>Ratings:</b>	<p>Tranches of Securities will be rated or unrated. Where a Tranche of Securities is to be rated, such rating will be specified in the relevant Final Terms.</p> <p>A 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.</p>
<b>Early Redemption:</b>	See “Terms and Conditions of the Securities – Redemption”.
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Securities will be made free and clear of withholding taxes of The Netherlands, subject to customary exceptions (including the ICMA Standard EU Tax exemption Tax Language), all as described in “Terms and Conditions of the Securities – Taxation”.

**Governing Law:**

Dutch.

**Listing and Admission to Trading:**

Application has been made to Euronext Amsterdam for Securities issued under the Programme to be listed and admitted to trading on Euronext Amsterdam or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Securities may be unlisted.

**Selling Restrictions:**

The United States, the European Economic Area (in respect of Securities having a denomination of less than €50,000 or its equivalent in any other currency as at the date of issue of the Securities), the United Kingdom, The Netherlands, Japan, See “Subscription and Sale”.

The Issuer is Category 1 for the purposes of Regulation S under the Securities Act, as amended.

The Securities will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Final Terms states that Securities are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Securities are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Securities will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

**Risk Factors:**

There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Securities, including, without limitation, credit risk, interest rate risk, equity market risk and currency exchange risk. In addition there are certain factors which are material for the purpose of assessing the market risks associated with Securities, including, without limitation, limited liquidity of the Securities, the perpetual and subordinated nature of the Securities, and risks related to the interest and potential deferral thereof. See “Risk Factors” below.

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.*

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

### **Risk Factors Relating to the Issuer**

#### ***The Issuer's business is primarily concentrated in The Netherlands***

The Issuer generates most of its income in The Netherlands and therefore is particularly exposed to the economic conditions in The Netherlands. Any deterioration in the Dutch economy may negatively affect the demand for the Issuer's products and services.

As a consequence of activities in Germany and Belgium through DSB International B.V. and DSB Belgium N.V. the Issuer also has a limited exposure to economic developments in those countries.

#### ***The Issuer faces substantial competitive pressures which could adversely affect the Issuer's results of operations***

There is substantial competition in The Netherlands for the types of insurance, banking and other products and services that the Issuer provides. Competition in the financial services industry is strong, also because of consolidation in the markets where the Issuer operates. If the Issuer is unable to offer competing attractive products and services which are profitable, the Issuer may lose market share or incur losses on some or all of its activities.

Consumer demand, technological changes, regulatory actions, lack of effective competition policies and other factors also affect competition. Competitive pressures could result in increasing pricing pressures, particularly as competitors seek to win market share, and may harm the Issuer's ability to maintain or increase profitability.

#### ***A significant portion of the Issuer's results relates to the Issuer's mortgage loan products***

Mortgage loans constitute approximately 43% of the Issuer's total loan portfolio at year-end 2007. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans, or 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 the Issuer 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 related insurances.

***The Issuer has a network of intermediaries, which are important to the Issuer for distributing its products and services***

The Issuer uses a variety of distribution channels in The Netherlands for the marketing and offering of its products and services, including its network of branches, the Internet, call centres and intermediaries.

A part of the Issuer's distribution depends on distribution of its products and services by intermediaries which may also offer competitors' products and services. As a result, the success of the Issuer through a particular distribution channel also depends on the preferences of these intermediaries for the products and services of the Issuer.

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

A decline in or disruption of the securities markets may have a negative impact on investments made by the Issuer and would also lower the value of collateral pledged as security for share financing contracts, which in turn would increase the risk that these contracts would default as well as impact recovery in the event of a default.

If the Issuer is unable to recover the full amount owed to it on the Issuer's loans to customers, the Issuer would be forced to recognise loan losses, which may adversely affect the Issuer's profitability.

***Market conditions can adversely affect the results of the Issuer***

The Issuer's business is affected by market conditions, which can cause results to fluctuate in the short run as well as on a long-term basis. These market conditions include, without limitation, fluctuations in interest rates, monetary policy, consumer and business spending, demographics, competition policy and insurance industry cycles. Also, the international credit crisis that started in July 2007 has made the securitisation market extremely volatile and less accessible.

The results of the banking operations of the Issuer may be affected by its management of interest rates sensitivity.

The composition of the Issuer's assets and liabilities, and any gap position resulting from that composition, might cause the banking operations' net interest income to vary with changes in interest rates. Though the Issuer manages its interest rate risks pro-actively through swap agreements there can be no assurance that the Issuer will be able to successfully manage interest rate spreads or the potential negative impact of risks associated with sustained high or low interest rates.

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 operations of the Issuer.

***While the Issuer manages its operational risks, these risks remain an inherent part of all of its businesses***

The operational risks that the Issuer faces include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, employee misconduct or external events such as fraud. These events may result in financial loss and may harm the Issuer's reputation. Additionally, the loss of key personnel could adversely affect its operations and results. Even with strong control measures mitigating operational risks, these risks cannot be entirely eliminated.

***The Issuer is exposed to financial risks***

The Issuer is subject to financial risks. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations to the Issuer. These parties include borrowers under loans granted, customers, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges



and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

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

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

- Interruptions in the services offered or information provided to customers, or inability to serve customers' needs in a timely manner;
- Interruptions or errors in the Issuer's management information and/or information reported to supervisory authorities;
- The Issuer 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, fraudulent, negligent and/or unauthorised dealings by the Issuer's employees or third parties, or telecommunication connections failure or hacking of the Issuer's website portal; and
- Considerable costs for example in relation to information retrieval and verification.

The Issuer's business operations are also vulnerable to interruption from fire, flood, bomb threats, explosions or other forms of terrorist activity and natural and man-made disasters. The same may apply for third parties on which the Issuer depends.

Furthermore, the Issuer cannot ensure that interruptions, failures or breaches of the Issuer's systems and processes including communication and information systems as a result of external fraud will not occur or, if they do occur, that they can be adequately addressed.

The Issuer is currently implementing new core software systems. The process of implementation may result in interruptions of the Issuer's operational systems and processes.

***The Issuer operates in an industry that is highly regulated. There could be an adverse change or increase in the financial services laws and/or regulations governing the Issuer's business. The supervisory authorities frequently investigate the industry in which the Issuer operates. Investigations might result in governmental enforcement actions***

The Issuer's business is regulated and supervised by several Dutch supervisory authorities. Laws and regulations applied at national level generally grant supervisory authorities broad administrative discretion over the Issuer's activities, including the power to limit or restrict business activities. It is possible that laws and regulations governing the Issuer's business or particular products and services could be amended or interpreted in a manner that is adverse to the Issuer, for example, to the extent that existing laws and regulations are amended or future laws and regulations are adopted that (i) limit or forbid advertisement for (certain of) its products (ii) reduce or restrict the sale of the products and services which the Issuer offers, whether existing or new, or (iii) negatively affect the performance of the products and services the Issuer offers, whether existing or new.

The Issuer's revenues and costs, profitability and available or required regulatory capital could also be affected by an increase or change in the degree of regulation in any of the markets in which the Issuer operates, whether existing or new. Due to the complexity of the regulatory environment in which the Issuer operates, it may entail more costs to ensure that the Issuer is and will continue to be in compliance with all applicable laws and regulations at all times, to the extent that the volume of regulation increases and the scope of the activities changes.

Furthermore, laws and regulations grant supervisory authorities the authority to perform investigations into, among other things, the compliance with specific regulations by the industry and/or the Issuer. Such investigations into financial services groups, including the Issuer, are on-going. Current and future investigations by supervisory authorities, in particular in the context of, but not limited to market conduct supervision could result in sanctions in the event of it being concluded that the Issuer does not (fully) comply with applicable laws and regulations. The outcome of such investigations could necessitate the Issuer 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 the business of the Issuer, which could, as indicated above, among other things, reduce or restrict the sale of the products and services the Issuer offers, whether existing or new, or negatively affect the performance of the products and services the Issuer offers, whether existing or new.

If the Issuer were in breach of any existing or new laws or regulations now or in the future, the Issuer would be exposed to the risk of intervention by regulatory authorities, and judicial or administrative proceedings.

In addition, the Issuer's reputation could suffer and the Issuer could be fined or prohibited from engaging in some of its business activities or be sued by customers.

***The Issuer's results of operations can be affected by significant changes in law including changes in tax law***

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

Currently, there is some debate in Dutch Parliament regarding the banning of television advertising for consumer credit products. The outcome of this debate is unpredictable and beyond the control of the Issuer. If such a ban is introduced, this could materially adversely affect the Issuer's business.

Also, the Dutch Minister of Finance has informed the Dutch parliament of his intention to further regulate as of 1 January 2009 the remuneration and cost structure of financial products and services that are distributed by intermediaries. In particular, the Dutch Minister of Finance's intention is to increase the level of transparency of this remuneration and cost structure, thus improving the quality of information that is given to potential customers. These changes could result in a quantification of profit margins for all financial products and services thus distributed as a result of which the Issuer's business could be materially adversely affected.

***The Issuer is exposed to risks of damage to its reputation***

The Issuer is exposed to the risk that, among other things, litigation, employee misconduct, operational failures, outcome of current and future investigations by supervisory authorities and press speculation and the possible negative publicity resulting therefrom, whether or not founded, may harm the Issuer's reputation. The Issuer's reputation could also be harmed if products or services recommended by the Issuer do not perform as expected.

Negative publicity could, for example, be based on allegations that the Issuer 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 the Issuer (such as an intermediary or a business relation) or about politically exposed persons in the Issuer's organisation or customer base. Furthermore, negative publicity could result from failures in the Issuer's information technology systems, loss of customer data or confidential information, or failure in the Issuer's risk management procedures. Negative publicity could also, but not exclusively, result from any misconduct or malpractice relating to intermediaries, business promoters or third party managers linked to the Issuer.

Any resulting damage to the Issuer's reputation, in particular with a view to the Issuer's focus on retail customers and the concentration of its business in The Netherlands, could cause disproportionate damage to the Issuer's business, regardless of whether the negative publicity is factually accurate. Negative publicity could also be repeated by third parties, which may damage the Issuer's reputation further. Any damage to the Issuer's reputation could cause existing customers to withdraw their business from the Issuer and potential customers to be reluctant or elect not to do business with the Issuer.

Negative publicity could result in greater supervisory scrutiny and influence market or rating agency perception of the Issuer.

***The performance of the Issuer depends on its ability to accurately price its products and services***

The results of operations and financial condition of the Issuer depend, among other things, on its 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 Issuer's ability to price its products and services accurately is subject to a number of uncertainties. 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 the Issuer fails to establish adequate rates and prices for its products and services, its revenues could decline without compensating decreases in costs.

***The business of the Issuer is subject to risks concerning the adequacy of its provisions***

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

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

The Issuer has provided on its balance sheet a provision for commission refunds (*provisierestitutie*). It cannot be determined yet whether this provision will be adequate.

***A significant portion of the Issuer's business relates to the Issuer's dealings with third parties***

A significant portion of the Issuer's business relates to products and services which are offered in co-operation with third parties or in relation to which the Issuer depends on third parties.

The Issuer cannot ensure that these third parties will continue their co-operation with the Issuer or vice versa, that the relationships with these third parties will continue to be mutually beneficial or that the Issuer will be able to sustain its ability to successfully develop and market the products and services which are developed together with third parties.

Negative publicity about these third parties, whether or not founded, could also harm the Issuer's reputation, either directly or indirectly.

#### ***The Issuer may be exposed to failures in its risk management***

The Issuer invests substantial time and effort in its strategies and procedures for managing not only credit risk, but also other risks, such as interest rate risks, strategic risks, market risks, liquidity risks, operational risks, legal risks and conduct of business risk. These strategies and procedures could fail or not be fully effective, and the Issuer may be confronted with risks that it has not fully or adequately identified or anticipated. Some of the Issuer's methods for managing risk are based upon observations of historical market behaviour. Statistical techniques are in early stages of being applied to these observations in order to arrive at quantifications of some of the Issuer's risk exposures. These statistical methods may not accurately quantify the Issuer's risk exposure if circumstances arise which were not taken into account in the Issuer's historical data.

For example, as the Issuer offers new products or services, the historical data may be incomplete or not accurate for such new products or services.

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

#### ***The Issuer is exposed to risks resulting from litigation***

##### *Lawsuits and arbitration proceedings arising from ordinary operations and acquisitions*

The Issuer is involved in various lawsuits and arbitration proceedings. The larger part of these actions relate to claims instituted by the Issuer and its subsidiaries arising from ordinary operations as well as from acquisitions. The actions arising from ordinary operations (NB not those arising from acquisitions) should be classified as an integral element of banking business operations.

##### *Share-financing contracts*

In the past, the Issuer, like various other banks in The Netherlands, has entered into share-financing contracts with clients. The Issuer's share-financing contracts are called *Hollands Welvaren Select I* and *Hollands Welvaren Select II* contracts. These contracts are no longer originated. Currently, approximately 2,400 share-financing contracts with an aggregate principal loan amount of almost €12,500,000 are outstanding. In the Issuer's view, its share-financing contracts are not to be interpreted as share-leasing contracts, which have drawn and continue to draw a lot of public attention in The Netherlands and which are the subject of many proceedings between some banks and their clients. Instead, the share-financing contracts of the Issuer are contracts under which the Issuer has extended loans to its clients, which loans were directly invested by these clients in shares. Currently, 110 actions with an aggregated principal amount of approximately €2,000,000 are ongoing against the Issuer by clients. In general terms, these clients state that the Issuer has violated its duty of care (*zorgplicht*) vis-à-vis these clients and they claim monetary compensation. After careful analysis and obtaining legal advice, the Issuer has rejected these claims. The Issuer is confident of a positive result of these lawsuits and, consequently, the Issuer has not taken provisions in its financial statements for these claims.

##### *Former business partner*

Since 2005, the Issuer has been involved in an ongoing lawsuit against a former business partner who claims the Issuer is in default under a payment obligation of around € 3,600,000. The Issuer's legal advisers have

advised that there are sound legal reasons not to pay any sum to this individual and consequently, the Issuer has rejected any obligation to pay any amount.

#### *Dutch Tax Authorities Claim 1*

The Issuer is involved in a lawsuit with the Dutch Tax Authorities (*Belastingdienst*) regarding a value added tax (“VAT”) claim. The Dutch Tax Authorities claim an amount of € 25,000,000, including accrued interest, stating that DSB Bank is liable for VAT not charged by third parties to the Issuer’s former Swiss subsidiary for services rendered by these third parties to the Swiss subsidiary. After careful analysis and obtaining both legal and tax advice in The Netherlands and in Switzerland, the Issuer has rejected the Dutch Tax Authorities’ claim, upon which administrative proceedings were started. These proceedings are ongoing. The Issuer is confident of a positive result of these proceedings and, consequently, the Issuer has not taken provisions in its financial statements for this claim.

#### *Dutch Tax Authorities Claim 2*

Until 2006, the Issuer had an employee share participation programme. Following a decision by the Issuer’s Executive Board, this programme was ended with a share buy-back programme. The Dutch Tax Authorities claim that as a result of this share buy-back programme, the Issuer had to withhold Dutch Wages Tax (*loonbelasting*). The Dutch Tax Authorities have claimed an amount of € 6,600,000. After careful analysis and obtaining both legal and tax advice, the Issuer has rejected the Dutch Tax Authorities’ claim, upon which administrative proceedings were started. These proceedings are ongoing. The Issuer is confident of a positive result of these proceedings and, consequently, the Issuer has not taken provisions in its financial statements for this claim.

If the larger part of the lawsuits and arbitration proceedings arising from ordinary operations and acquisitions or any of the other abovementioned cases is resolved negatively for the Issuer, this could have a significant effect on the Issuer’s financial position or profitability.

### **Risk Factors Relating to the Securities**

#### ***The Securities may not be a suitable investment for all investors***

Each potential investor in the Securities 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 Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus, any applicable supplement or Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities 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 Securities, including Securities 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 Securities and be familiar with the behaviour of any relevant indices, securities, assets and/or 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.

The Securities are generally complex financial instruments. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

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

The Trust Deed contains provisions for calling meetings of Holders of Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders of Securities including Holders of Securities who did not attend and vote at the relevant meeting and holders of Securities who voted in a manner contrary to the majority.

The Terms and Conditions of the Securities also provide that the Trustee may, without the consent of the Holders of Securities, agree to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders of Securities, and (iii) the substitution of another company as principal debtor under any Securities in place of the Issuer, in the circumstances described in the Terms and Conditions of the Securities under 12, "Meetings of Holders, Modification, Waiver and Substitution".

#### ***Change of law***

The Terms and Conditions of the Securities are based on Dutch law in effect as at the date of issue of the relevant Securities. 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 issue of the relevant Securities.

#### ***Integral multiples of less than €50,000***

In relation to any issue of Securities which have a denomination consisting of the minimum Specified Denomination of €50,000 plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Specified Denominations.

#### ***Limited liquidity of the Securities***

Even if application is made to list Securities on a stock exchange, there can be no assurance that a secondary market for any of the Securities will develop, or, if a secondary market does develop, that it will provide the holders of the Securities with liquidity or that it will continue for the life of the Securities. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities. Any investor in the Securities must be prepared to hold such Securities for an indefinite period of time or until redemption of the Securities. If any person begins making a market for the Securities, it is under no obligation to continue to do so and may stop making a market at any time. Illiquidity may have a severely adverse effect on the market value of Securities.

### ***Potential conflicts of interest; Information and past performance***

The Issuer and its affiliates may engage in trading activities (including hedging activities) related to the interests underlying any Securities and other instruments or derivative products based on or related to the interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of the interests underlying any Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

### ***Tax risk***

This Base Prospectus includes a general summary of the Dutch tax considerations relating to an investment in the Securities issued by the Issuer (see “Taxation”). Such summaries may not apply to a particular holder of Securities or to a particular issue. In addition, the tax treatment may change before the redemption or termination date of Securities. Any potential investor should consult his own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Securities in his particular circumstances.

### ***Exchange rates and exchange controls***

The Issuer will pay principal and interest on the Securities in a 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 Securities, (2) the Investor’s Currency equivalent value of the principal payable on the Securities and (3) the Investor’s Currency equivalent market value of the Securities.

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 Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Securities.

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

One or more independent credit rating agencies may assign credit ratings to the Securities or the Issuer. 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 Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating assigned to the Securities or the Issuer is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Securities and the market value of the Securities is likely to be adversely affected.

### ***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) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

### ***Variable rate Securities with a multiplier or other leverage factor***

Securities 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 Securities***

Inverse Floating Rate Securities have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR or LIBOR. The market values of those Securities 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 Securities are more volatile because an increase in the reference rate not only decreases the interest rate of the Securities, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Securities.

### ***Fixed/Floating Rate Securities***

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

### ***Conditions to payment***

Payments on the Securities will be payable only if the Issuer is not subject to a Regulatory Event at the time of payment and as a result of such payments will not become subject to a Regulatory Event immediately thereafter. See more particularly described in "Terms and Conditions of the Securities" under 2, Status - (b) "Condition to Payment by the Issuer".

### ***Deferral – Mandatory deferral***

If the Mandatory Deferral Condition is met, the Issuer will defer relevant Payments (such term does not include principal) on the Securities. If any Payment is so deferred, no amount will be payable by way of interest on such deferred Payment, except that interest shall accrue on any such deferred payment or part thereof for any period during which no Mandatory Deferral Condition exists. See more particularly described in "Terms and Conditions of the Securities" under 4, Deferrals - (a) "Mandatory Deferral of Payments".

### ***Deferral – Optional deferral***

The Issuer may at its discretion elect to defer any Payment (such term does not include principal) on the Securities for any period of time (subject to limited exceptions). Any payment deferred pursuant to the



Issuer's optional right to defer will bear interest at the Coupon Rate, except that interest shall not accrue on any such deferred payment or part thereof for any period during which a Mandatory Deferral Condition exists. See more particularly described in "Terms and Conditions of the Securities" under 4, Deferrals - (b) "Optional Deferral of Payments".

#### ***No obligation to satisfy deferred Payments***

The Issuer is under no obligation to satisfy deferred Payments (other than as described in the Terms and Conditions of the Securities) but may elect to satisfy mandatorily or optionally deferred Payments or part thereof. The Issuer may only satisfy deferred Payments on the Securities and any interest thereon with the proceeds from the issue of Payment Securities. See more particularly described in "Terms and Conditions of the Securities" under 4, Deferrals - (e) "Satisfaction of deferred Payments".

#### ***Satisfaction of deferred Payments***

Furthermore, should a Mandatory Payment Event or a Mandatory Partial Payment Event occur, the Issuer will have no obligation to satisfy any deferred Payments, and will only be prevented from deferring a number of subsequent Payments. As a result, the Issuer may in some circumstances pay dividends or make other payments on securities ranking junior to or *pari passu* with the Securities without incurring any obligation to satisfy Payments that it has previously deferred. This could result in an increased likelihood that the Issuer will defer Payments, or decrease the amount of any distribution Holders would otherwise receive upon any winding up of the Issuer. See more particularly described in "Terms and Conditions of the Securities" under 4, Deferrals - (e) "Satisfaction of deferred Payments".

#### ***Perpetual securities***

The Issuer is under no obligation to redeem the Securities at any time and the Holders of Securities have no right to call for their redemption. The Issuer may from time to time, in connection with the issue of a series of Securities, enter into a replacement capital covenant for the benefit of one or more designated series of debt securities. A replacement capital covenant would permit the Issuer to redeem such series of Securities only to the extent it has raised sufficient net proceeds from the issuance of qualifying securities. See Condition 6(a) in the Terms and Conditions of the Securities for a summary of the terms of such a replacement capital covenant.

#### ***Status, Subordination and Ranking***

The Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Securities are subordinated to the claims of Senior Creditors. On a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer, the Securities will rank in priority to distributions on ordinary share capital of the Issuer and will rank *pari passu* with each other and among themselves as well as any preference shares of the Issuer outstanding at any relevant time which rank on a winding-up *pari passu* with the Securities, but will be subordinated in right of payment to the claims of Senior Creditors.

"Senior Creditors" means present and future creditors of the Issuer:

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

Although the Securities may pay a higher rate of interest than comparable securities which are not subordinated, there is a real risk that an investor in the Securities will lose all or some of his investment should the Issuer become insolvent.

#### ***Redemption risk***

Upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call, the Securities may be redeemed at their principal amount together with any Outstanding Payments (as defined in “Terms and Conditions of the Securities” under 19, “Definitions”), subject as provided in “Terms and Conditions of the Securities” under 6, “Redemption, Conversion, Exchange, Purchases and Cancellation”.

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

Upon the occurrence of a Regulatory Event, the terms of the Securities will be automatically altered so to reflect that they have become Altered Securities which for International Financial Reporting Standards (IFRS) purposes are classified as equity applying the current IFRS standards. See “Terms and Conditions of the Securities” under 7, “Alteration of Terms”.

If the terms of the Securities are so altered, the Altered Securities that a Holder will then hold will have different rights than those applicable to the Securities and such rights are less favourable to Holders than those that apply to the Securities.

#### ***No limitation on issuing debt***

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

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

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

#### ***Set-off***

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

## IMPORTANT INFORMATION

*This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and implementing legislation and for the purpose of giving information with regard to the Issuer and its subsidiaries taken as a whole (the “Group”) and the Securities which, according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

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

*This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.*

*This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).*

**No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “Summary of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Securities have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”) or with any securities regulatory authority of any State or other jurisdiction of the United States, and the Securities may include Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the benefit of, U.S. persons (as defined in the U.S. International Revenue Code of 1986, as amended and regulations thereunder). For a description of certain restrictions on offers and sales of Securities and on distribution of this Base Prospectus, see “Subscription and Sale”.**

**This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Securities.**

**The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Securities. Each potential purchaser of Securities should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Securities should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Dealers or the Arranger.**

**In connection with the issue of any Tranche (as defined in “Summary of the Programme – Method of Issue”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made 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 Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action 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.**

**In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to U.S.\$, USD and U.S. dollars are to the currency of the United States of America and to €, EUR and euro are to the single currency of the European Union as introduced at the start of the third stage of the European Economic and Monetary Union.**

**The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.**

**If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to the Prospectus Directive and implementing legislation, the Issuer will prepare and make available an appropriate amendment**

or supplement to this Base Prospectus or a further prospectus which, in respect of any subsequent issue of Securities to be listed and admitted to trading on the regulated market of Euronext Amsterdam, shall constitute a supplementary prospectus as required by the Prospectus Directive and implementing legislation.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Securities and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Securities, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement prospectus for use in connection with any subsequent offering of the Securities and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Base Prospectus should be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2006 and 31 December 2007 contained in the relevant annual reports (the *jaarverslag 2006* and the *jaarverslag 2007*), together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Base Prospectus and which have been approved by the AFM or filed with it. Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from the registered office of the Issuer and [www.dsbbank.nl](http://www.dsbbank.nl).

## TERMS AND CONDITIONS OF THE SECURITIES

*The following are the Terms and Conditions of the Securities which (subject to completion and minor amendment) will be applicable to each Series of Securities, provided that the relevant Final Terms in relation to any Securities may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Securities:*

The Securities are issued in accordance with an agency agreement dated 28 July 2008 (as amended and restated and/or supplemented from time to time, the “**Agency Agreement**”) and made between, inter alia, DSB Bank N.V. (the “**Issuer**”), ABN AMRO Bank N.V. (the “**Agent**”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents). Copies of the Agency Agreement are available for inspection at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement and the Final Terms (as defined below) insofar as they relate to the relevant Securities.

The Securities are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Securities. Each Tranche will be the subject of the Final Terms (each, the Final Terms), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. (Euronext Amsterdam) be lodged with Euronext Amsterdam and will be available for inspection at the specified office of the Paying Agents. The Securities are also issued in accordance with the Trust Deed. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours by the Holders at the registered office of the Trustee and at the specified office of each of the Paying Agents. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Final Terms applicable to them.

References in these Terms and Conditions to “**Securities**” are to Securities of the relevant Series.

### 1. Form, Denomination and Title

#### (a) Form and Denomination

The Securities are in bearer form and shall be in denominations as indicated in the applicable Final Terms. The Securities will be represented by a temporary Global Security which is exchangeable for a permanent Global Security (each a “**Global Security**”), each without interest coupons. As specified in the Final Terms, each Global Security will be deposited with (i) a common depositary for, Euroclear Bank SA/N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or (ii) *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* (“**Euroclear Nederland**”) and thereby become subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, “**WGE**”). Unless specified otherwise in the Final Terms, the Global Security will not be exchangeable for definitive bearer Securities. 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.

(b) *Transfer and Title*

Subject as set out below, title to the Securities, Receipts and Coupons will pass by delivery. For Securities held by Euroclear Nederland deliveries will be made in accordance with the provisions of the WGE and the rules and procedures for the time being of Euroclear Nederland and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) such Securities, in the open market or otherwise must be effected through participants of Euroclear Nederland. Any reference to “**Holders**” in relation to any Securities shall mean the holders of the Securities and shall, in relation to any Securities represented by a Global Security, be construed as provided below. In respect of the Securities of any Series, for so long as the Securities or any part of them are represented by a Global Security held on behalf of the relevant clearing system each person who is for the time being shown in the records of the relevant clearing system as the holder of a particular nominal amount of such Securities of the Series (in which regard any certificate or other document issued by the relevant clearing system as to the nominal amount of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Securities (and the bearer of the relevant Global Security shall be deemed not to be the holder) for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of the relevant Global Security shall be treated by the Issuer and the Paying Agents as the holder of such Securities in accordance with and subject to the terms of the relevant Global Security and the expression “**holder of Securities**” and related expressions shall be construed accordingly.

**2. Status**

(a) *Status and Subordination of the Securities*

The Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Securities are subordinated to the claims of Senior Creditors, rank, whether legally or effectively from a financial point of view, *pari passu* with the claims of holders of Parity Securities and creditors under Parity Guarantees, and rank senior to holders of Ordinary Shares and any other Junior Securities and creditors under Junior Guarantees, in each case whether present or future.

(b) *Condition to Payment by the Issuer*

Payments in respect of the Securities are conditional upon the Issuer not being subject to a Regulatory Event at the time of payment and no principal or Payments shall be due and payable in respect of the Securities except to the extent that the Issuer is not subject to a Regulatory Event and could make such payment and still not be subject to a Regulatory Event.

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

(c) *Winding-Up Claims of the Issuer*

Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b) are not satisfied on the date upon which the same would otherwise be due and payable and have since not been paid will (other than Payments which have been mandatorily deferred in accordance with Condition 4(a)) be payable by the Issuer in a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer as provided in Condition 3 (“**Winding-Up Claims**”) or on any redemption pursuant to Condition 6(b), 6(c) or 6(d). A Winding-Up Claim shall not bear interest.



(d) *Set-off*

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

### 3. Winding-up

If at any time an order is made, or an effective resolution is passed, for the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed)), there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer) a winding-up amount. The Securities will rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer in priority to distributions and payments on Ordinary Shares, other Junior Securities and Junior Guarantees and will rank *pari passu* with each other and among themselves and with the Parity Securities and the Parity Guarantees, but will be subordinated in right of payment to the claims of Senior Creditors.

In a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer, the Holders will have only a claim for payment in full or part of principal and Outstanding Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Outstanding Payments.

### 4. Deferrals

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. Without prejudice to the generality of Condition 2 and subject to Condition 4(c) as specified below, the Issuer must or may, as applicable, defer a Coupon Payment and any other Payment in the following circumstances:

(a) *Mandatory Deferral of Payments*

- (i) If the Issuer determines on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would, in the absence of deferral in accordance with this Condition 4, be due and payable that the Mandatory Deferral Condition is met, the Issuer must defer such Payment or such part thereof, as the case may be, by giving a notice (a “**Deferral Notice**”) to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to such date.
- (ii) If any Payment is deferred pursuant to Condition 4(a)(i) then no amount will be payable by way of interest on any such deferred Payment or part thereof, prior to the Accruing Coupon Date for the deferred Payment. The “**Accruing Coupon Date**” for any Payment or part thereof that has been mandatorily deferred as described above will be the next succeeding Coupon Payment Date with respect to which the Issuer determines, on the 20th Business Day preceding such Coupon Payment Date, that no Mandatory Deferral Condition exists. From (and including) the Accruing Coupon Date for any mandatorily deferred Payment or part thereof, that deferred Payment or part thereof will itself bear interest at the applicable Coupon Rate to (but excluding) the date on which that deferred Payment or part thereof and accrued and unpaid interest thereon shall have been paid in full, except that interest shall not accrue on any such deferred Payment or part thereof for any period during which a Mandatory Deferral Condition exists. The Issuer will give notice of the Accruing Coupon Date, if any, with respect to any Payment or part thereof that has been mandatorily deferred as described above to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Accruing Coupon Date.

*(b) Optional Deferral of Payments*

- (i) Subject to Condition 4(c), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving a notice (also a “**Deferral Notice**”) to the Trustee, the Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date.
- (ii) If any Payment is deferred pursuant to this Condition 4(b) then such deferred Payment shall bear interest at the applicable Coupon Rate from (and including) the date on which (but for such optional deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date, except that interest shall not accrue on any such deferred Payment or part thereof for any period during which a Mandatory Deferral Condition exists.
- (iii) Subject to Condition 4(b)(iv), the Issuer may give a Deferral Notice under this Condition 4(b) in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i) or (ii) under (c) below shall have no force or effect.
- (iv) Notwithstanding the foregoing, if the Final Terms indicate that a Capital Disqualification Event is applicable to the Securities, then on any Coupon Payment Date with respect to which (A) a Capital Disqualification Event has occurred and is continuing and (B) the Issuer is in compliance with the applicable Capital Adequacy Regulations, the Issuer shall be obliged to make the Coupon Payment on such Coupon Payment Date and may not exercise its discretion to defer a Coupon Payment.

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

The Issuer will be required to make payments on the Securities in the following circumstances:

- (i) If a Mandatory Payment Event occurs, then the Coupon Payments payable on the next number of consecutive Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on the relevant consecutive Coupon Payment Dates, provided that in the case of a Distributable Profits Mandatory Payment Event, the Issuer may fund those Coupon Payments by an issue of Payment Securities, conditional, in each case, upon the Issuer not being subject to a Regulatory Event and the Issuer being able to make such payments and still not be subject to a Regulatory Event on the relevant Coupon Payment Dates.
- (ii) If a Mandatory Partial Payment Event occurs, then Mandatory Partial Payments will be mandatorily due and payable in respect of each Security on the next number of consecutive Coupon Payment Dates as specified in the Final Terms, conditional upon the Issuer not being subject to a Regulatory Event and the Issuer being able to make such payments and still not be subject to a Regulatory Event on the relevant Coupon Payment Dates.

*(d) Dividend Stopper*

The Issuer agrees that, beginning on the day the Issuer gives a Deferral Notice until all Deferred Coupon Payments are paid or satisfied in full, the Issuer will not recommend to its shareholders, and to the fullest extent permitted by applicable law will otherwise act to prevent, any action which would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

*(e) Satisfaction of deferred Payments*

- (i) The Issuer shall not be required to satisfy any deferred Payment or part thereof or accrued and unpaid interest thereon upon a Mandatory Payment Event or a Mandatory Partial Payment Event.

- (ii) Without prejudice to the generality of Condition 2 and subject to Condition 4(c) and the conditions described below in this Condition 4(e), the Issuer may (with the approval of the Dutch Central Bank if that is required) satisfy any mandatorily or optionally deferred Payment or part thereof (together with any accrued and unpaid interest that may be due thereon) on any Business Day the Issuer selects for such payment (the “**Deferred Coupon Satisfaction Date**”) upon delivery of a notice to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment or part thereof and specifying the relevant Deferred Coupon Satisfaction Date.
- (iii) The Issuer may only satisfy such Payment or part thereof as provided in Condition 4(e)(ii) above subject to the condition that it also pays with it the accrued and unpaid interest thereon, and that on the 20th Business Day preceding the relevant Deferred Coupon Satisfaction Date, the Issuer determines that:
  - (1) it is Solvent;
  - (2) it would be Solvent following the payment of the deferred Payment or relevant part thereof and any accrued and unpaid interest thereon;
  - (3) also otherwise no Mandatory Deferral Condition exists or would occur following payment; and
  - (4) the deferred Payment or relevant part thereof and any accrued and unpaid interest thereon is funded by an issue of Payment Securities.

## 5. Coupon Payments

### (a) *Interest on Fixed Rate Securities*

Each Fixed Rate Security bears interest from and including the Interest Commencement Date (as specified in the Final Terms) at the rate(s) per annum equal to the Coupon Rate(s) specified in the Final Terms. Interest will be payable in arrear on the Coupon Payment Date(s) in each year up to (and including) the redemption date.

If interest is required to be calculated for a period other than a Coupon Period or if, in the case of Securities in definitive form, no Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Coupon Rate to:

- (A) in the case of Fixed Rate Securities which are represented by a Global Security, the aggregate outstanding nominal amount of the Fixed Rate Securities represented by such Global Security; or
- (B) in the case of Fixed Rate Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

‘Day Count Fraction’ means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if ‘Actual/Actual (ICMA)’ is specified in the applicable Final Terms:
- (A) in the case of Securities where the number of days in the relevant period from (and including) the most recent Coupon Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the ‘Accrual Period’) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (B) in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if ‘30/360’ is specified in the applicable Final Terms, the number of days in the period from and including the most recent Coupon Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Terms and Conditions:

“**Determination Period**” means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Coupon Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**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.

*(b) Interest on Floating Rate Securities*

*(i) Coupon Payment Dates*

Each Floating Rate Security bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the Coupon Rate payable in arrear on either:

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

Such interest will be payable in respect of each Coupon Period.

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 Coupon Payment Date should occur or (y) if any Coupon Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Coupon Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Coupon Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Coupon Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Coupon Payment Date occurred; or
- (2) the Following Business Day Convention, such Coupon Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Coupon Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Coupon Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day.

(ii) Coupon Rate

The Coupon Rate payable from time to time in respect of the Floating Rate Securities will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Securities

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Coupon Rate is to be determined, the Coupon Rate for each Coupon 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 Coupon Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of 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 Securities (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') for a currency, the first day of that Coupon Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), 'Floating Rate', 'Calculation Agent', 'Floating Rate Option', 'Designated Maturity' and 'Reset Date' have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Securities

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Coupon Rate is to be determined, the Coupon Rate for each Coupon 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) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question 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 Principal Paying 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 Coupon Rate 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 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 Securities is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Coupon Rate in respect of such Securities will be determined as provided in the applicable Final Terms.

(iii) Determination of Coupon Rate and Calculation of Coupon Amount

The Calculation Agent, in the case of Floating Rate Securities, will, at or as soon as practicable after each time at which the Coupon Rate is to be determined, determine the Coupon Rate for the relevant Coupon Period.

The Calculation Agent will calculate the Coupon Amount payable on the Floating Rate Securities in respect of each Specified Denomination for the relevant Coupon Period. Each Coupon Amount shall be calculated by applying the Coupon Rate to:

- (A) in the case of Floating Rate Securities which are represented by a Global Security, the aggregate outstanding nominal amount of the Securities represented by such Global Security; or
- (B) in the case of Floating Rate Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Security in definitive form is a multiple of the Calculation Amount, the Coupon Amount payable in respect of such Security shall be the product of the amount (determined in the manner provided

above) for the Calculation Amount the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

‘Day Count Fraction’ means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

- (1) if ‘Actual/Actual (ISDA)’ or ‘Actual/Actual’ is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365 (or, if any portion of that Coupon Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Coupon Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Coupon Period falling in a non-leap year divided by 365);
- (2) if ‘Actual/365 (Fixed)’ is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365;
- (3) if ‘Actual/365 (Sterling)’ is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365 or, in the case of an Coupon Payment Date falling in a leap year, 366;
- (4) if ‘Actual/360’ is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 360;
- (5) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Coupon Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

"D1" is the first calendar day, expressed as a number, of the Coupon Period, unless (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 Coupon Period, unless (i) that day is the last day of February but not the redemption date or (ii) such number would be 31, in which case D2 will be 30.

(iv) Notification of Coupon Rate and Coupon Amount

The Agent will cause the Coupon Rate and each Coupon Amount for each Coupon Period and the relevant Coupon Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Securities 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 Business Day following the commencement of the relevant Coupon Period. Each Coupon Amount and Coupon Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Coupon Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Securities are for the time being listed and to the Holders in accordance with Condition 14.



(v) *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 paragraph (b) 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 Agents and all Holders and (in the absence as aforesaid) no liability to the Issuer, the Holders shall attach to the Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *No Determination or Calculation by Calculation Agent*

If the Calculation Agent does not at any time for any reason determine the Coupon Rate or calculate a Coupon Amount in accordance with Condition 5(b), the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(c) by or on behalf of the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Agents and all Holders, and (in the absence of wilful default or bad faith) no liability to the Issuer or the Holders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**6. Redemption, Conversion, Exchange, Purchases and Cancellations**

(a) *No Fixed Redemption Date*

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 11) only have the right to repay them in accordance with the following provisions of this Condition 6. The Issuer may from time to time, in connection with an issue of Securities, enter into a replacement capital covenant for the benefit of one or more series of the Issuer's debt securities as specified in the Final Terms. If the Final Terms specify that such replacement capital covenant applies, the Issuer will not redeem or repurchase any such Securities, and will not permit any Subsidiary to purchase any such Securities, unless and to the extent the aggregate redemption, repurchase or purchase price (which, for the avoidance of doubt, shall include any Deferred Coupon Payments then outstanding) is equal to or less than the net proceeds (or in certain circumstances a percentage of such net proceeds specified in the Final Terms) received by the Issuer or its Subsidiaries, during the six months prior to such redemption, repurchase or purchase date (or such other period as may be specified in the terms of the replacement capital covenant and the Final Terms), from one or more new issues of qualifying securities and that the covenant will terminate on the redemption of the Securities if not terminated earlier in accordance with its terms. The replacement capital covenant will continue to be effective following any substitution or variation of the Securities in accordance with these Terms and Conditions.

(b) *Issuer's Call Option*

Subject to Condition 2(b) and prior consent of the Dutch Central Bank, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 14 and to the Agent and the Trustee, which notice shall be irrevocable, elect to redeem all, but not some only, of the Securities on the Coupon Payment Date falling on the date specified as such in the Final Terms and any Coupon

Payment Date thereafter at the Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments.

(c) *Redemption or Conversion due to Taxation*

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

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 10; or
- (ii) payments of amounts in respect of interest on the Securities including, for the avoidance of doubt, from the proceeds of the issue of Payment Securities, may be treated as 'distributions' within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or
- (iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of The Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by an act (*wet*) or made by subordinate legislation on or after the Issue Date of the relevant Securities, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied from the proceeds of the issue of Payment Securities,

then

- (x) the Issuer may (and subject to Condition 2(b) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 14, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments or
- (y) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank, the Issuer may convert or exchange the Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Securities and which are no less favourable to an investor than the current terms of the Securities. Any conversion of the Securities into another series of capital securities under this paragraph (c)(iii)(y) shall be made on not less than 30 nor more than 60 days' notice to the Trustee and the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only by funding through an issue of Payment Securities.

*(d) Redemption or Conversion for Regulatory Purposes*

If securities of the nature of the Securities cease to qualify as own funds and core capital (Tier 1 capital or equivalent), for the purposes of determination of its capital adequacy ratios or comparable margins or ratios under any applicable Capital Adequacy Regulations, then

- (i) the Issuer may (subject to Condition 2(b) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 14, the Holders (which notice shall be irrevocable) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments; or
- (ii) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank, the Issuer may at any time convert or exchange the Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Securities and which are no less favourable to an investor than the current terms of the Securities. Any conversion of the Securities into another series of capital securities under this paragraph (d)(ii) shall be made on not less than 30 nor more than 60 days' notice to the Trustee and the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only by funding through an issue of Payment Securities.

*(e) Purchases*

The Issuer may (subject to Condition 2(b) and prior consent of the Dutch Central Bank) at any time purchase Securities in any manner and at any price.

*(f) Cancellation*

Cancellation of any Securities will be effected by reduction in the principal amount of the Global Security and such cancelled Securities may not be reissued or resold. Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of Securities represented by the Global Security by an equal number. The obligations of the Issuer in respect of any such Securities shall be discharged.

**7. Alteration of Terms**

Upon the occurrence of a Regulatory Event, Condition 4(c) will no longer apply to the Securities to the extent such Condition refers to Mandatory Partial Payments and Mandatory Partial Payment Events. The Securities thus altered will be referred to as the Altered Securities so to reflect that for International Financial Reporting Standards (IFRS) purposes they are classified as equity applying the current IFRS standards. After the alteration date the Issuer will be allowed to defer Coupon Payments on the Altered Securities, subject to the suspension of payments on its Ordinary Shares and/or other instruments which are classified as equity for IFRS purposes. Subject to the above, following a Regulatory Event the Altered Securities will remain outstanding on the Conditions applicable to the Securities as of the Alteration Date.

**8. Payments**

*(a) Method of Payment*

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Securities will be in the applicable currency and will be calculated by the Calculation Agent and effected through the Paying Agents. Payments of redemption amounts and interest in respect of the Securities will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security

to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Securities.

- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in The Netherlands (bb) for so long as the Securities are listed on Euronext Amsterdam, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 14.

*(b) Payments subject to fiscal laws*

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

*(c) Payments on Payment Business Days*

A Global Security may only be presented for payment on a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for general business in Amsterdam and, if different, in the place of the specified office of the relevant Paying Agent to whom such Global Security is presented for payment and in any Additional Financial Centre specified in the Final Terms and (ii) the Trans-European Real-time Gross settlement Express Transfer (TARGET2) System is operating.

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

**9. Non-Payment when Due**

*Notwithstanding any of the provisions below in this Condition 9, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not Solvent or would not be Solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4(a) or 4(b). The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.*

- (a) If the Issuer shall not make a payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities, and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 9, institute proceedings in its own name but on behalf of the Holders in The Netherlands (but not elsewhere) for the winding-up (*faillissementsprocedure*) of the Issuer.

- (b) Subject as provided in this Condition 9, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Securities provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Securities unless (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) or in writing by the holders of at least one-fifth in principal amount of the Securities then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (d) No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the bankruptcy (*faillissement*) of the Issuer or to prove (*indienen ter verificatie*) in such bankruptcy unless the Trustee, having become so bound to proceed or being able to prove in such bankruptcy, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Holder (i) for the recovery of amounts owing in respect of the Securities (including any payment under clause 2.4 of the Trust Deed), other than the institution of proceedings in The Netherlands (but not elsewhere) for the bankruptcy (*faillissement*) of the Issuer and/or proving (*indienen ter verificatie*) in such bankruptcy (*faillissement*) and (ii) for the breach of any other term under the Trust Deed or the Securities other than as provided in paragraph (b) above.

## 10. Taxation

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

- (i) to or to a third party on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of such Holder or, as the case may be, having some connection with The Netherlands other than the mere holding of such Security; or
- (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Security or which holds the Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or

- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Terms and Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions.

In the event that any payment is satisfied by using the proceeds of an issue of Payment Securities, then any additional amounts which are payable shall also be satisfied through the issue of Payment Securities.

## **11. Prescription**

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

## **12. Meetings of Holders, Modification, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests including the modification by Extraordinary Resolution of any of these Terms and Conditions or any of the provisions of the Securities or the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on all Holders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification, authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 14.

As provided in the Trust Deed, the Trustee may agree with the Issuer, without any further consent of the Holders being required, to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Subsidiary, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the “**Substituted Issuer**”) in place of the Issuer (or any previous Substituted Issuer under this Condition 12) as a new issuing party under the Trust Deed and the Securities. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the Trustee shall have regard to the interests of the Holders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Holders resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the

Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 10 and/or any undertaking given in addition thereto or in substitution therefor under the Trust Deed.

### **13. Replacement of the Securities**

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent (or such other place of which notice shall have been given in accordance with Condition 14) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global Security will be issued.

### **14. Notices**

Notices to Holders may be given by the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or to Euroclear Nederland, as the case may be, except for so long as the Securities are listed on Euronext Amsterdam and the rules of Euronext Amsterdam so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in a newspaper having general circulation in The Netherlands. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Any Notice delivered to Euroclear Nederland shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

### **15. Further Issues**

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

### **16. The Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, without accounting for any profit resulting therefrom.

### **17. Agents**

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

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

None of the Issuer, the Trustee and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

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

- (a) The Trust Deed, the Agency Agreement and the Securities, are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) The courts of The Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement and the Securities, and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Agency Agreement or the Securities may only be brought in such courts.

## **19. Definitions**

In these Terms and Conditions:

**“Accrued Coupon Payment”** means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Security the amount of interest accrued thereon in accordance with Conditions 4(b) and 5;

**“Accruing Coupon Date”** has the meaning ascribed to it in Condition 4(a)(ii);

**“Agency Agreement”** means the Agency Agreement dated 28 July 2008 between the Issuer, the Trustee and the Paying Agents relating to the Securities under which each Paying Agent agrees to perform the duties required of it under these Terms and Conditions;

**“Agent”** means the Agent appointed pursuant to the Agency Agreement;

**“Agents”** means the agents appointed pursuant to the Agency Agreement and such term shall unless the context otherwise requires, include the Agent.

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

**“Business Day”** means a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets are open in Amsterdam (and/or such other days as specified in the Final Terms);

**“Calculation Agent”** means the calculation agent in relation to the Securities, or its successor or successors for the time being appointed under the Agency Agreement;

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

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

**“Coupon Amount”** means (i) in respect of a Coupon Payment, the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 6(c)



and 6(d), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(a);

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

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

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

**“Coupon Rate”** has the meaning ascribed to it in Condition 5(b) and 5(c);

**“Deferred Coupon Payment”** means any Payment, or part thereof, which has been deferred in accordance with Condition 4(a) or 4(b) and has not subsequently been satisfied;

**“Deferred Coupon Satisfaction Date”** has the meaning ascribed to it in Condition 4(e);

**“Distributable Profits”** means for any financial year the reported net profit for the Issuer, determined in each case after tax and extraordinary items for that financial year, as derived from the audited consolidated profit and loss account of the Issuer as established by the general meeting of shareholders of the Issuer in accordance with the Issuer’s articles of association;

**“Distributable Profits Mandatory Payment Event”** has the meaning ascribed to it in the first paragraph of the definition of Mandatory Payment Event;

**“Dutch Central Bank”** means De Nederlandsche Bank N.V.;

**“Holder”** has the meaning ascribed to it in Condition 1(b);

**“Interest”** shall, where appropriate, include Coupon Amounts, Deferred Coupon Payments and Accrued Coupon Payments;

**“Interest Determination Date”** means the date specified as such in the Final Terms;

**“Issue Date”** means the date of initial issue of the Securities as specified in the Final Terms;

**“Issuer”** means DSB Bank N.V.;

**“Junior Guarantee”** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payment thereon, after the Securities;

**“Junior Securities”** means the Ordinary Shares, or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Securities;

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

the **“Mandatory Deferral Condition”** will be met if, in the determination of the Issuer, on the 20th Business Day preceding the date on which a Payment will be due and payable, the Issuer is subject to a Regulatory

Event or that payment of the relevant Payment, or part thereof, would result in the Issuer becoming subject to a Regulatory Event;

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

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

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee; or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

A **“Mandatory Payment Event”** shall occur if any of the following occurs:

- (i) if the Issuer’s audited consolidated annual accounts as established by the general meeting of shareholders of the Issuer in accordance with the Issuer’s articles of association for the financial year preceding the financial year in which the first following Coupon Payment Date falls, reflect that the Issuer has earned Distributable Profits in an amount at least equal to the Coupon Payments payable in aggregate on the next number of Coupon Payment Dates as specified in the Final Terms (the **“Distributable Profits Mandatory Payment Event”**);
- (ii) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (iii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefiting from a Junior Guarantee; or
- (iv) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer’s Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee;

**“Ordinary Shares”** means ordinary shares of the Issuer;

**“Outstanding Payment”** means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment or amount (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b) or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a) or 4(b) and (b) in any such case has not been satisfied; and
- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

provided that in a winding up (*faillissement of vereffening na ontbinding*) of the Issuer, holders of the Securities will be deemed to have waived the right to have to receive any Payment or part thereof that shall have been mandatorily deferred in accordance with these Conditions and any accrued and unpaid interest thereon, and the Issuer shall have no obligation at any time, whether before or on its winding up (*faillissement of vereffening na ontbinding*), to pay such deferred Payment or part thereof or any accrued and unpaid interest thereon;

“**Parity Guarantee**” means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking or other securities (regardless of name or designation) of the Issuer or such Subsidiary or Undertaking which rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payments thereon *pari passu* with the Securities;

“**Parity Securities**” means, in respect of the Issuer, any preference shares or any securities which rank *pari passu* with the Securities as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distribution or payment of any amounts thereunder by the Issuer;

“**Paying Agents**” means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Agent;

“**Payment**” means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

“**Payment Securities**” means Parity Securities and Junior Securities or any combination thereof which, in each case, are eligible as Tier 1 capital under the Capital Adequacy Regulations as applied and enforced by the relevant regulator and therefore are non-cumulative, non-callable and non-redeemable;

“**Regulatory Event**” means that the Issuer’s capital adequacy ratios or comparable ratios under the Capital Adequacy Regulations are or as a result of a Payment would become less than the relevant minimum requirements as to be applied and enforced by the relevant regulator pursuant to the Capital Adequacy Regulations;

“**Relevant Date**” means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such date, the ‘Relevant Date’ means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 14, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up (*faillissement of vereffening na ontbinding*);

“**Securities**” means the Securities specified in the relevant Final Terms and, unless the context otherwise requires, any further Securities issued pursuant to Condition 15 and forming a single series with the Securities, and “**Security**” means any one of these;

**“Senior Creditors”** means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer, but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders; it being understood that holders of instruments that qualify as Tier 2 capital under any applicable Capital Adequacy Regulations shall be included in Senior Creditors;

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

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

**“TARGET Settlement Day”** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007, or any successor thereof, is open;

**“Trust Deed”** means the trust deed dated 28 July 2008 between the Issuer and the Trustee;

**“Trustee”** means Amsterdamsch Trustee’s Kantoor B.V. or any successor trustee;

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

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

## APPLICABLE FINAL TERMS FOR ISSUES WITH A DENOMINATION OF LESS THAN €50,000

*Set out below is the form of Final Terms which will be completed for each Tranche of Securities issued under the Programme with a denomination of less than EUR 50,000.*

[Date]

**DSB Bank N.V.**

### **Issue of [Aggregate Nominal Amount of Tranche] [Title of Securities] under the €300,000,000 Programme for the Issuance of Debt Instruments**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 25 of Part A below, provided such person is one of the persons mentioned in Paragraph 25 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances].<sup>1</sup>

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances].<sup>2</sup>

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 28 July 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms

---

<sup>1</sup> Include this legend where a non-exempt offer of Securities is anticipated.

<sup>2</sup> Include this legend where only an exempt offer of Securities is anticipated.

of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at DSB Bank N.V., Dick Ketlaan 6-10, 1687 CD Wognum, The Netherlands and [www.dsbbank.com](http://www.dsbbank.com) and copies may also be obtained from such address.

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

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

1. Issuer: DSB Bank N.V.
2. (a) Series Number: [     ]  
 (b) Tranche Number: [     ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible)*
3. Specified Currency or Currencies: [     ]
4. Aggregate Nominal Amount:  
 (a) Series: [     ]  
 (b) Tranche: [     ]
5. Issue Price: [     ] per cent. of the Aggregate Nominal Amount  
*[plus accrued interest from [insert date] (if applicable)]*
6. (a) Specified Denominations: [     ]  
*(N.B. If an issue of Securities is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] minimum denomination is not required.)*  
 (b) Calculation Amount: [     ]  
*(If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations)*
7. (a) Issue Date: [     ]  
 (b) Interest Commencement Date: [     ]
8. Interest Basis: [[     ] per cent. Fixed Rate]

- [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Dual Currency Interest]  
 [*specify other*]  
 (further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]  
 [Dual Currency Redemption]  
 [*specify other*]  
*(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. In such event, the Issuer will prepare a supplement to the Base Prospectus simultaneously with the applicable Final Terms which sets out the relevant information in relation to such derivative securities.)*
10. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for change of Securities into another Interest Basis or Redemption/Payment Basis*]
11. Call Option: [Issuer Call]  
 [(further particulars specified below)]
12. [Date [Board] approval for issuance of Securities obtained: [ ] [and [ ]], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Securities)*
13. Method of distribution: [Syndicated/Non-syndicated]

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

14. Fixed Rate Security Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Coupon Rate(s): [ ] per cent. per annum [payable [annually/semi annually/quarterly/other (*specify*)] in arrear
- (b) Coupon Payment Date(s): [[ ] in each year up to and including the redemption date]/[*specify other*]  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount

- (d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Coupon Payment Date falling [in/on] [ ] [Not Applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [*specify other*]]
- (f) Determination Date(s): [ ] in each year  
*[Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Securities: [None/Give details]
15. Floating or Variable Rate Security Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Coupon Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Coupon Rate and Coupon Amount is to be determined: [Screen Rate Determination/ISDA Determination/Variable Rate/*specify other*]
- (e) Party responsible for calculating the Rate of Interest and Coupon Amount (if not the Fiscal Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: [ ].  
*(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)*
  - Interest Determination [ ].



- Date(s): *(Second London business day prior to the start of each Coupon Period if LIBOR (other than Sterling or euro LIBOR), first day of each Coupon Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Coupon Period if EURIBOR or euro LIBOR)*
- Relevant Screen Page: [      ]  
*(In the case of EURIBOR, if not EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination:
- Floating Rate Option: [      ]
  - Designated Maturity: [      ]
  - Reset Date: [      ]
- (h) Margin(s): [ +/- ] [      ] per cent. per annum
- (i) Minimum Coupon Rate: [      ] per cent. per annum
- (j) Maximum Coupon Rate: [      ] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions: [      ]
16. Required Coupon Payments following a Mandatory Payment Event and/or a Mandatory Partial Payment Event pursuant to Condition 4(c): [Applicable/Not Applicable]
17. Capital Disqualification Event: [Applicable/Not Applicable]

## PROVISIONS RELATING TO REDEMPTION

18. Issuer Call: [Applicable/Not Applicable]

- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [      ]
- (b) Optional Redemption Amount of each Security and method, if any, of calculation of such amount(s): [[      ] per Calculation Amount/specify other/see Appendix]  
[details of any make whole premium]
- (c) Notice period (if other than as set out in the Conditions): [      ]
19. Early Redemption Amount of each Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same [      ]  
[details of any make whole premium]
20. Replacement Capital Covenant: [Applicable/Not Applicable]  
*(If not applicable, delete paragraph 21)*
21. Other provisions relating to the Replacement Capital Covenant: *[Delete if not applicable]*

## GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

22. Form of Securities: [temporary Global Security exchangeable for a permanent Global Security]  
[other]
23. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Coupon Period end dates to which subparagraph 15(c) relates)*
24. Other final terms: [Not Applicable/give details]  
Number of Coupon Payments specified in Condition 4(c)(ii) and 4(c)(iii).]  
*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

25. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names and addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis)*

- and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (b) Date of [Subscription] Agreement: [ ]
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
26. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
27. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
28. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
29. Non exempt Offer: [Not Applicable] [An offer of the Securities may be made by the Managers [and [specify names [and addresses of other financial intermediaries involved in the offer, if applicable]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"] (**Offer Period**). See further Paragraph 9 of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*
30. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] public offer in the Public Offer Jurisdictions [and] [admission to trading on [specify relevant regulated market and, if relevant, to admission to an official list] of the Securities described herein] pursuant to the €300,000,000 Programme for the Issuance of Debt Instruments of DSB Bank N.V.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best knowledge of the Issuer (having taken all reasonable care that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. *[[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. 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 *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION<sup>3</sup>

### 1. LISTING

[Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on [specify relevant regulated market and, if relevant, to admission to an official list] with effect from [ ].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on [specify relevant regulated market and, if relevant, to admission to an official list] with effect from [ ].] [Not Applicable.]

### 2. RATINGS

Ratings:

The Securities to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]:[ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer [ ]

*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

---

<sup>3</sup> Please note that if an issue of Securities is **not** to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, i.e. where Securities are being privately placed, then only sections 1 and 8 of part B need to be completed and sections 2 to 7 and 9 should be deleted.

[(ii)] Estimated net proceeds: [ ]  
*(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.)*

[(iii)] Estimated total expenses: [ ]. *[Include breakdown of expenses]*  
*(N.B.: If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

**5. YIELD** *(Fixed Rate Securities only)*

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

**6. HISTORIC INTEREST RATES** *(Floating Rate Securities only)*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** *(Dual Currency Securities only)*

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

*[Need to include 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.]*

*(N.B. The above applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

**8. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and Euroclear Nederland and the relevant [Not Applicable/give name(s) and number(s)]

- identification number(s):
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of initial Paying Agent(s) (if any): [ ]
- (vi) Names and addresses of additional Paying Agent(s) (if any): [ ]

## 9. TERMS AND CONDITIONS OF THE OFFER

- (i) Offer Period: [[The offer of the Securities is expected to open at [●] hours([●] time) on [●] and close at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in [●].]
- [The Issuer reserves the right to withdraw the offer of the Securities until [●] at the latest. Such withdrawal will be announced in the forementioned publications.]
- [The aggregate principal amount of the Securities to be issued and allotted will be announced by the Issuer at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications.]
- [The Issuer reserves the right to increase or decrease the aggregate principal amount of the Securities to be issued. Such increase or decrease will be announced in the forementioned publications]
- [[No]/[D/d]ealing in the Securities will be possible before the aggregate principal amount of the Securities is announced as set out above.]
- [Not Applicable]]
- (ii) Reduction of subscriptions: [[Subscriptions in excess. If the Issuer determines to increase or decrease the aggregate principal amount of the Securities to be issued this will be announced by the Issuer at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications.]
- [in [ ]Not Applicable]
- (iii) Maximum and minimum subscription amount: [[●] and [●].]
- (iv) Details of the method and time limits for paying up and delivering the Securities: [Not applicable/*give details*].
- (v) Amount of any expenses and [Not applicable/*give details*].

taxes specifically charged to the  
subscriber or purchaser:



## **SCHEDULE [ ] TO THE FINAL TERMS**

*(In relation to a tranche of Securities which is being increased and was originally issued under a Base Prospectus or Prospectus with an earlier date than the current Base Prospectus, insert full terms and conditions which shall be in the form set out in the previous Base Prospectus or Prospectus which, in the case of a listed issue shall have been previously approved by the relevant competent authority)*

**APPLICABLE FINAL TERMS FOR ISSUES WITH A DENOMINATION  
OF AT LEAST €50,000**

*Set out below is the form of Final Terms which will be completed for each Tranche of Securities issued under the Programme with a denomination of at least EUR 50,000.*

[Date]

**DSB Bank N.V.**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Securities]**

**under the €300,000,000 Programme for the Issuance of Debt Instruments**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 28 July 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at DSB Bank N.V., Dick Ketlaan 6-10, 1687 CD Wognum, The Netherlands and [www.dsbbank.com](http://www.dsbbank.com) and copies may also be obtained from such address.

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

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

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Issuer:                           | DSB Bank N.V.  |
| 2. | (a) Series Number:                | [     ]  |
|    | (b) Tranche Number:               | [     ]  |
|    |                                   | <i>(If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible)</i> |
| 3. | Specified Currency or Currencies: | [     ]  |
| 4. | Aggregate Nominal Amount:         |  |
|    | (a) Series:                       | [     ]  |
|    | (b) Tranche:                      | [     ]  |
| 5. | Issue Price:                      | [   ] per cent. of the Aggregate Nominal Amount<br>[plus accrued interest from [insert date] (if applicable)]                    |

6. (a) Specified Denominations: [ ]

*(Note - where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:*

*“[€50,000] and integral multiples of [€1.000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”)*

*(N.B. If an issue of Securities is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[50,000] minimum denomination is not required.)*

(b) 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.)*

7. (a) Issue Date: [ ]

(b) Interest Commencement Date: [ ]

8. Interest Basis: [[ ] per cent. Fixed Rate]

[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]

[Zero Coupon]

[Dual Currency Interest]

[specify other]

(further particulars specified below)

9. Redemption/Payment Basis: [Redemption at par]

[Dual Currency Redemption]

[specify other]

*(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. In such event, the Issuer will prepare a supplement to the Base Prospectus simultaneously with the applicable Final Terms which sets out the relevant information in relation to such derivative*

- securities.)
10. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Securities into another Interest Basis or Redemption/Payment Basis]
11. Call Option: [Issuer Call]  
[(further particulars specified below)]
12. [Date [Board] approval for issuance of Securities obtained: [ ] [and [ ]], respectively]]  
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Securities)
13. Method of distribution: [Syndicated/Non-syndicated]

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

14. Fixed Rate Security Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Coupon Rate(s): [ ] per cent. per annum [payable [annually/semi annually/quarterly/other (specify)] in arrear]
- (b) Coupon Payment Date(s): [[ ] in each year up to and including the redemption date]/[specify other]  
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Coupon Payment Date falling [in/on] [ ]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) Determination Date(s): [ ] in each year  
[Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]  
  
N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration  
  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]
- (g) Other terms relating to the method of calculating interest for Fixed Rate Securities: [None/Give details]
15. Floating or Variable Rate Security [Applicable/Not Applicable]

Provisions	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a) Specified Period(s)/Specified Coupon Payment Dates:	[      ]
(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
(c) Additional Business Centre(s):	[      ]
(d) Manner in which the Coupon Rate and Coupon Amount is to be determined:	[Screen Rate Determination/ISDA Determination/Variable Rate/specify other]
(e) Party responsible for calculating the Coupon Rate and Coupon Amount (if not the Fiscal Agent):	[      ]
(f) Screen Rate Determination:	
• Reference Rate:	[      ] <i>(Either LIBOR, EURIBOR or other; although additional information is required if other - including fallback provisions in the Agency Agreement)</i>
• Interest Determination Date(s):	[      ] <i>(Second London business day prior to the start of each Coupon Period if LIBOR (other than Sterling or euro LIBOR), first day of each Coupon Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Coupon Period if EURIBOR or euro LIBOR)</i>
• Relevant Screen Page:	[      ] <i>(In the case of EURIBOR, if not EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)</i>
(g) ISDA Determination:	
• Floating Rate Option:	[      ]
• Designated Maturity:	[      ]
• Reset Date:	[      ]
(h) Margin(s):	[+/-] [      ] per cent. per annum
(i) Minimum Coupon Rate:	[      ] per cent. per annum
(j) Maximum Coupon Rate:	[      ] per cent. per annum

- (k) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360(ISDA)  
Other]
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions: [      ]
16. Required Coupon Payments following a Mandatory Payment Event and/or a Mandatory Partial Payment Event pursuant to Condition 4(c): [Applicable/Not Applicable]
17. Capital Disqualification Event: [Applicable/Not Applicable]

## PROVISIONS RELATING TO REDEMPTION

18. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [      ]
- (b) Optional Redemption Amount of each Security and method, if any, of calculation of such amount(s) [      ] per Calculation Amount/specify other/see Appendix  
[details of any make whole premium]
- (c) Notice period (if other than as set out in the Conditions): [      ]
19. Early Redemption Amount of each Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same [      ]  
[details of any make whole premium]
20. Replacement Capital Covenant: [Applicable/Not Applicable]  
*(If not applicable, delete paragraph 21)*
21. Other provisions relating to the Replacement Capital Covenant: [Delete if not applicable]

## GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

22. Form of Securities: [temporary Global Security exchangeable for a permanent Global Security]  
[other]
23. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Coupon Period end dates to which subparagraph 15(c) relates)*
24. Other final terms: [Not Applicable/give details]  
Number of Coupon Payments specified in Condition 4(c)(ii) and 4(c)(iii).]  
*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

25. (a) If syndicated, names of Managers: [Not Applicable/give names]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (b) Stabilising Manager(s) (if any): [Not Applicable/give name]
26. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
27. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
28. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
29. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*specify relevant regulated market and, if relevant, to admission to an official list*] of the Securities described herein pursuant to the €300,000,000 Programme for the Issuance of Debt Instruments of DSB Bank N.V.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best knowledge of the Issuer (having taken all reasonable care that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. *[[Relevant third party information, for example in compliance with Annex XII of the*

*Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [specify source]. 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 [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....

*Duly authorised*



## PART B – OTHER INFORMATION<sup>4</sup>

### 1. LISTING

- (i) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on [specify relevant regulated market and, if relevant, to admission to an official list] with effect from [ ].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on [specify relevant regulated market and, if relevant, to admission to an official list] with effect from [ ].] [Not Applicable.]
- ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings: The Securities to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]:[ ]]

*(The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer [ ]  
*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

---

<sup>4</sup> Please note that if an issue of Securities is **not** to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, i.e. where Securities are being privately placed, then only sections 1 and 8 of part B need to be completed and sections 2 to 7 should be deleted.

[(ii)] Estimated net proceeds: [ ]  
*(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.)*

[(iii)] Estimated total expenses: [ ]. [Include breakdown of expenses]  
*(N.B.: If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

5. **YIELD (Fixed Rate Securities only)**

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

6. **HISTORIC INTEREST RATES (Floating Rate Securities only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

7. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Securities only)**

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

*(N.B. The above applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

8. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and Euroclear Nederland and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment

- (v) Names and addresses of initial [ ]  
Paying Agent(s) (if any):
- (vi) Names and addresses of [ ]  
additional Paying Agent(s) (if  
any):

## **SCHEDULE [ ] TO THE FINAL TERMS**

*(In relation to a tranche of Securities which is being increased and was originally issued under a Base Prospectus or Prospectus with an earlier date than the current Base Prospectus, insert full terms and conditions which shall be in the form set out in the previous Base Prospectus or Prospectus which, in the case of a listed issue shall have been previously approved by the relevant competent authority)*

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Securities will be applied by the Issuer for 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.

## **BUSINESS DESCRIPTION OF THE ISSUER**

*In this section references to “DSB Bank” are to DSB Bank N.V. and its subsidiaries taken together, unless the context indicates otherwise.*

### **General Profile**

DSB Bank is a privately owned financial services company, whose core business is primarily retail banking and consumer finance. DSB Bank has operations in several European countries, offering banking and insurance products to more than 300,000 clients. DSB Bank employs almost 3,000 people (1,700 FTEs). DSB Bank has evolved from its origins as financial adviser and financial intermediary, to its current position as a financial services company with a number of operating companies which it fully owns. The principal subsidiaries of DSB Bank N.V. are DSB Assuradeuren B.V., DSB Belgium N.V., DSB Financieringen B.V. and DSB International B.V.

### **Incorporation and history**

#### *Incorporation*

DSB Bank N.V. was incorporated under Dutch law by deed of incorporation on 4 January 2000. DSB Bank N.V. is a limited liability company (*naamloze vennootschap*) with its corporate seat in Wognum, The Netherlands. The registered office of DSB Bank N.V. is at Dick Ketlaan 6-10, 1687 CD Wognum, The Netherlands, telephone number +31 (0)88 372 7444. DSB Bank N.V. is registered with the Trade Register at the Chamber of Commerce and Industry of Noordwest-Holland under registration number 37088128. Commercial names used by DSB Bank include DSB Bank, Frisia Financieringen, Becam Financieringen, Lenen.nl and Postkrediet.

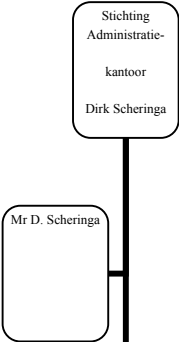
DSB Bank generally operates under Dutch law, but it has also entered into and operates under, and may enter into and operate under, agreements which are not governed by Dutch law.

The articles of association of DSB Bank N.V. were most recently amended by notarial deed executed on 30 January 2007 before mr. H.C. Willemsen, civil law notary practising in Heerhugowaard, The Netherlands.

#### *Objects*

According to article 2 of the articles of association, the objects of DSB Bank N.V. are banking, securities brokerage, asset management, the management or administration of wills, the management of companies or other organisations, the provision of insurance, the provision of related services that may be of assistance to the aforementioned, the management of a car lease and/or car finance company, to acquire, sell and manage assets and to manage pension schemes, the management of, the provision of services to, to establish and to participate in, to finance or in any other way take an interest in, other companies and business enterprises, to bind itself for and to give guarantees for obligations of third party companies and business enterprises, and to do anything that is, in the widest sense of the word, connected with the aforementioned objects or can be conducive to the attainment thereof.

Structure



## *History*

DSB Bank's operations have their roots in the Buro Frisia company, which was founded in 1975 by Mr D. Scheringa, the current chairman and CEO of DSB Bank N.V. Initially, Buro Frisia's activities covered financial advisory services and insurance and loan intermediation. Subsequently, the predecessors of DSB Bank increasingly focussed on the consumer credit market, strengthening their activities as an intermediary in this sector, both through organic growth and through the pursuit of an active acquisition policy. In 1991, the origination of consumer loans through newly established loan and trust banks (*voorschotbanken*) was started. In 1995, using the established distribution network for consumer loans, the predecessors of DSB Bank started to sell their own life and non-life insurance products, which was followed in 1996 by their entry into the Dutch mortgage market with the intermediation of second lien mortgages and the refinancing of existing mortgages. The Dutch Central Bank (*De Nederlandsche Bank N.V.*) granted a banking licence to a predecessor of DSB Bank N.V. in 2000, after which a start was made with the origination of first lien mortgages, for its own account. Also in 2000, such predecessor began to offer savings deposits to its clients, thus creating a new source of funding for its operations. In the course of the last few years, DSB Bank has gradually offered a wider variety of products to its clients. In 2005, a restructuring took place under which the licensed predecessor of DSB Bank N.V. merged into its parent company, which was then renamed DSB Bank N.V.

## **Shareholder and Share Capital**

The authorised share capital comprises 150,000,000 ordinary shares. DSB Bank N.V.'s outstanding share capital consists of 43,584,475 ordinary shares with a nominal value of € 0.10, which have been fully paid-up. All of the shares issued by DSB Bank N.V. are ultimately held by Stichting Administratiekantoor Dirk Scheringa Beheer, with Mr D. Scheringa holding all the depositary receipts for shares issued by Stichting Administratiekantoor Dirk Scheringa Beheer. The corporate structure chart inserted under the heading *Structure* in the paragraph *Incorporation and history* above, illustrates in more detail the shareholding structure of DSB Bank N.V. At present, Mr D. Scheringa is the sole member of the board of Stichting Administratiekantoor Dirk Scheringa Beheer.

Both the members of the Executive Board and the members of the Supervisory Board are appointed by the general meeting of shareholders of DSB Bank N.V. Effectively, this means that DSB Ficoholding N.V., which company has an identical Executive Board and Supervisory Board as DSB Bank N.V., is exclusively authorised to appoint the members of the Executive Board and the Supervisory Board of DSB Bank N.V. Ultimately, through his interests in DSB Beheer B.V., Mr D. Scheringa is in a position in which he effectively controls DSB Ficoholding N.V. In this context it is noted that DSB Bank N.V. is subject to supervision by the Dutch Central Bank. This supervision includes, among others, that any proposed appointment of members of DSB Bank N.V.'s Executive Board or Supervisory Board requires the prior approval of the Dutch Central Bank.

At present no arrangements exist which may result in a change of control of DSB Bank, although this does not mean that such arrangements cannot or will not be considered at some point in the future.

## **Executive Board and Supervisory Board**

DSB Bank N.V. has a two-tier board structure, consisting of an Executive Board and a Supervisory Board. The Executive Board is responsible for the daily management of DSB Bank. The Supervisory Board consists of independent non-executives. Its task is to supervise the policy of the Executive Board and the general course of



events in DSB Bank and to provide advice to the Executive Board. The Executive Board and the Supervisory Board of DSB Bank N.V. are composed as follows:

Executive Board: Mr D. Scheringa (chairman and Chief Executive Officer), Mr H.P.A.J. van Goor (Chief Operations Officer), Mr G. Zalm (Chief Financial Officer)

Supervisory Board Mr R.W.J.M. Bonnier (chairman), Mr R.G.H.A.M. Neelissen (vice chairman), Mr E.H.T.M. Nijpels, Mr A. Offringa, Mr R.L.O. Linschoten

All members of the Executive Board and the Supervisory Board have elected domicile at the registered office of DSB Bank N.V.

Listed below are the principal activities performed by each member of the Executive Board and the Supervisory Board. With the exception of Mr D. Scheringa, no potential conflicts of interest exist between the duties and responsibilities of the other members of the Executive Board and the Supervisory Board and their other principal or private activities and duties. As explained in the paragraph *Shareholder and Share Capital* above, Stichting Administratiekantoor Dirk Scheringa Beheer is the ultimate sole shareholder in DSB Bank N.V. and Mr D. Scheringa is the sole holder of all depositary receipts for shares issued by Stichting Administratiekantoor Dirk Scheringa Beheer. At present, Mr D. Scheringa is the sole member of the board of Stichting Administratiekantoor Dirk Scheringa Beheer. It cannot be excluded, therefore, that Mr D. Scheringa, in his various capacities relating to DSB Bank, DSB Ficoholding N.V., DSB Beheer B.V. and Stichting Administratiekantoor Dirk Scheringa Beheer, might have potential conflicts of interest between his duties and responsibilities as chairman and CEO of DSB Bank N.V. and his duties and responsibilities relating to his other capacities. It must be noted, however, that such potential conflicts of interest are being monitored by DSB Bank N.V.'s Executive Board and Supervisory Board and that the Dutch Central Bank, from a supervisory authority's point of view, also monitors these potential conflicts of interest.

#### *Executive Board*

Mr D. Scheringa (Chairman and CEO)

- Chairman of the Board of Stichting Administratiekantoor Dirk Scheringa Beheer
- Chairman of the Board of Directors of DSB Beheer B.V.
- Chairman of the Board of Directors of DSB Ficoholding N.V.
- Chairman of the Board of Directors of AZ N.V.
- Chairman of the Board of the Scheringa Museum of Realist Art

Mr H.P.A.J. van Goor (COO)

- Member of the Board of Stichting Instituut Sportrechtspraak

Mr G. Zalm (CFO)

- Senior Adviser to Permira Advisers LLP
- Chairman of the Trustees of the International Accounting Standards Committee Foundation

- Chairman of the Advisory Council of We go 4 it, a co-operative effort of the Social Assistance Departments of the four largest Dutch cities
- Chairman of the Temporary Advisory Council on Defense Needs and Expenditure
- Chairman elect of the Supervisory Board of the Nederlands Dans Theater (Dutch Dance Theatre)
- Member of the Supervisory Board of Stichting Nationaal Fonds Kunstbezit

#### *Supervisory Board*

Mr R.W.J.M. Bonnier (Chairman)

- Chairman of the Supervisory Board of DSB Leven N.V. and DSB Schade N.V.
- Chairman of the Supervisory Board of PCM Holding B.V.
- Member of the Supervisory Board of Exact Holding N.V.
- Member of the Supervisory Board of CRV Holding B.V.
- Member of the Supervisory Board of Ontwikkelingsmaatschappij Oost Nederland N.V.
- Chairman of the Supervisory Board of various Orange Funds, managed by Kempen Capital Management N.V.

R.G.H.A.M. Neelissen

- Member of the Supervisory Board of DSB Leven N.V. and DSB Schade N.V.
- Chairman of the Board of Directors of Atlas Services Group B.V.
- Chairman of the Board of Directors of Nelson Schoenen B.V.
- Chairman of the Board of Directors of Leije Holding B.V.
- Member of the Board of Directors of AZ N.V.
- Member of the Supervisory Board of DSB Beheer B.V.

E.H.T.M. Nijpels

- Member of the Supervisory Board of DSB Leven N.V. and DSB Schade N.V.
- Member of the Supervisory Board of Siers Groep B.V.
- Chairman of the Board of Stichting Sena
- Chairman of the Board of Stichting Energie Prestatie Keur
- Chairman of the Board of Ronald McDonald Kinderfonds
- Vice chairman of the Supervisory Board of Utrecht University
- Chairman of the Board of Stichting Garantiefonds Gerechtsdeurwaarders
- Chairman of the Supervisory Board of the Dutch Accreditation Council
- Chairman of the Supervisory Board of the Kadaster
- Chairman of the Board of Stichting Sterkin
- Chairman of the Board of Stichting PromoDE
- Chairman of the Board of Stichting Milieu Centraal
- Member of the Supervisory Board of Peute Papierrecycling B.V.
- Chairman of the taskforce “Grijs Werkt”
- Chairman of the Supervisory Board of Malta Recycling B.V.
- Chairman of the Climate Center of the International Red Cross

- Chairman of the Supervisory Board of the Reclassering Nederland
- Chairman of the taskforce “Housing Cardholders”
- Member of the Commission Private Financing Infrastructure
- Chairman of the Supervisory Board of the Tros (Dutch radio and television broadcasting company)
- Chairman of the Public Advisory Council of the Wadden Academy

#### A. Offringa (Vice chairman)

- Member of the Supervisory Board of DSB Leven N.V. and DSB Schade N.V.
- Member of the Supervisory Board of Van Wijnen Holding B.V.
- Member of the Supervisory Board of PGGM N.V.
- Member of the Supervisory Board of Bloemers Nassau Groep B.V.
- Member of the Supervisory Board of Verzekeringsmaatschappij Zevenwouden B.V.
- Member of the Supervisory Board of Koninklijke Wagenborg B.V.
- Chairman of the Supervisory Board of Greenfield Capital Fund II B.V.
- Chairman of the Supervisory Board of NoorderHuys Participaties N.V.
- Adviser to Kempen & Co N.V.

#### R.L.O. Linschoten

- Member of the Supervisory Board of DSB Leven N.V. and DSB Schade N.V.
- Member of the Social and Economic Council (SER) of The Netherlands
- Chairman of the Board of Actal, the Dutch Advisory Board on Administrative Burdens
- Chairman and CEO of the Board of Directors of Vemako Consultancy B.V.
- Partner of Dutch Group Captive B.V.
- Chairman of the Supervisory Board of PsyQ Nederland
- Chairman of the Supervisory Board of ProgreSZ Hogeschool voor Sociale Zekerheid
- Chairman of the Supervisory Board of Vitago B.V.
- Member of the Supervisory Board of Stichting Waarborgfonds Eigen Woningen
- Member of the Supervisory Board of Menzis Zorg en Inkomen N.V.
- Member of the Advisory Council of Stichting Instituut GAK
- Member of the Advisory Council of Inter Access B.V.
- Member of the Advisory Council of Akkermans & Partners B.V.
- Member of the Advisory Council of Uitvaart Specialist B.V.
- Member of the Advisory Council of Pensioen en Ondernemen
- Chairman of the Board of Stichting Verkiezing Overheidsmanager van het Jaar
- Chairman of the Board of Stichting Kookdroom (Fifteen Amsterdam)
- Member of the Board of Professional Speaker Association Holland
- Member of the Board of Stichting Kenniscentrum Crossover
- Chairman of the DIET Committee Inspectie Verkeer en Waterstaat
- Chairman of the Guiding Committee Arbocatalogi Stichting van de Arbeid

## **Audit and Compliance Committee**

The Supervisory Board has installed one committee, the Audit and Compliance Committee. The organisation, powers and general working methods of the Supervisory Board and the Audit and Compliance Committee are detailed in the Supervisory Board Charter, dated 7 May 2007.

The Audit and Compliance Committee consists of at least three members of the Supervisory Board, currently being A. Offringa (chairman), R.W.J.M. Bonnier and R.L.O. Linschoten. The Audit and Compliance Committee supervises and advises the Executive Board and the Supervisory Board on the functioning of DSB Bank N.V.'s internal risk management systems, the functioning and supervision of compliance with legal and regulatory requirements and the functioning and supervision of various codes of conduct. With regard to these tasks, the Audit and Compliance Committee:

- monitors the financial reporting;
- monitors compliance with recommendations of both internal and external auditors;
- monitors the functioning of the internal auditors, specifically regarding the co-assessment of an internal auditors' charter and their recommendations and findings;
- monitors the functioning of the compliance officer;
- monitors the use of information technology;
- liaises with and monitors the performance of the external auditor;
- makes proposals with regard to the (re-)election of the external auditor by the general meeting of shareholders;
- advises the Supervisory Board on the annual report; and
- advises on the dividend policy.

The Audit and Compliance Committee convenes at least three times a year, of which at least one meeting a year with DSB Bank N.V.'s external auditor without members of the Executive Board being present. The external auditor may request to be present in a meeting if he considers this necessary. As a general rule, the CFO of DSB Bank N.V. is invited by the chairman of the Audit and Compliance Committee to attend the committee's meetings. Minutes of all meetings are taken and distributed within two weeks of every meeting.

## **Corporate Governance**

The Dutch Corporate Governance Code, also known as the *Code Tabaksblat*, only applies to those companies whose registered office is in The Netherlands and whose shares or depositary receipts for shares are officially listed on a government-recognized stock exchange. As the shares of DSB Bank N.V. are not listed on any exchange but are ultimately held by Mr D. Scheringa as sole beneficial owner, the Dutch Corporate Governance Code does not apply to DSB Bank and, consequently, DSB Bank does not comply with the Dutch Corporate Governance Code.

## **Supervision**

Pursuant to the Dutch Act on the Financial Supervision (*Wet op het financieel toezicht*, “**Wft**”), DSB Bank is subject to supervision by the Dutch Central Bank and the AFM. DSB Bank N.V. holds a full banking licence.

## Key Figures

DSB Bank's key figures for the last two years were as follows:

### AMOUNTS IN EUR 1,000 (CONSOLIDATED FIGURES)

	2007 <sup>5</sup>	2006 <sup>5</sup>
<b>RESULTS</b>		
Operating income	227.310	178.933
Operating expenses	190.861	158.683
Profit before tax continued operations	9.385	15.821
Profit before tax discontinued operations	27.064	4.429
<b>Profit before tax</b>	<b>36.449</b>	<b>20.250</b>
<b>Net profit</b>	<b>55.059</b>	<b>33.212</b>
<b>BALANCE SHEET</b>		
Equity	<b>197.449</b>	137.518
Capital base	<b>284.188</b>	251.354
Balance sheet total	<b>7.752.342</b>	5.716.154
<b>Average balance of originated and intermediated loans</b>		
- On-balance	<b>4.944.771</b>	4.083.476
- Off-balance	<b>0</b>	0
- Intermediated	<b>542.769</b>	499.173
<b>Total</b>	<b>5.487.540</b>	<b>4.582.649</b>

<sup>5</sup> These figures have been extracted from the audited annual accounts of 2007 of DSB Bank, which included the audited annual accounts for the year that ended on 31 December 2006. For the financial years 2006 and 2007, DSB Bank has applied IFRS.

## KEY FIGURES

FTEs (average)	<b>1.590</b>	1.285
Interest margin	<b>1,1%</b>	0,8%
Return on equity	<b>27,9%</b>	24,2%
- return on equity on continued operations	<b>14,8%</b>	21,9%
BIS ratio	<b>10,6%</b>	11,5%

## Change in Accounting Policies

As of financial year 2007, DSB Bank applies IFRS as developed by the International Accounting Standards Board and adopted by the European Union in European Regulation (EC) 1606/2002 of 19 July 2002. DSB Bank applies full-IFRS and does not make use of any of the carve-outs permitted under European Regulation (EC) 1606/2002 of 19 July 2002. Until 2007, DSB Bank applied Dutch GAAP for its accounting. Consequently, the annual accounts for financial year 2006 have been restated by DSB Bank. The effects of this restatement are, among other things, a different valuation of derivatives. In the audited annual accounts of 2007 contained in the 2007 annual report (*jaarverslag 2007*), a detailed explanation of DSB Bank's first-time adoption of IFRS (*Verklaring van eerste overgang naar IFRS*) has been inserted on page 36.

## External Auditor

The Amsterdam branch of Ernst & Young Accountants LLP, with its offices at Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands, has been the external auditor to DSB Bank N.V. since financial year 2000. The *registeraccountants* of Ernst & Young Accountants LLP are members of the Dutch Institute for Chartered Accountants (*Koninklijk Nederlands Instituut van Registeraccountants* or *NIVRA*).

## DSB Bank's Business Operations

DSB Bank is a modern and innovative financial services provider with total assets of almost € 8 billion and around 3,000 employees (1,700 FTEs). DSB Bank has made a clear choice for its market: DSB Bank exclusively provides financial services to retail clients. This clear choice for a well defined market enables DSB Bank to provide its clients with a high level of personalised financial services.

DSB Bank currently focuses on general banking (administration of current accounts and receipt of savings), consumer credit products, mortgage loans and the intermediation of insurance products related to the banking business. As an integral element of DSB Bank's philosophy, new products and new services are developed with a special attention to their simplicity and consumer friendliness. In general terms, DSB Bank is of the view that it can serve its clients best, and deserve its clients' trust, when its products and services have comprehensible terms and conditions and do not have a highly technical or complex nature. DSB Bank believes that this approach works to the benefit of its clients and contributes to the development of a longstanding client-bank relationship. This does not exclude, however, that DSB Bank may, from time to time, offer products that do have a more technical or complex nature, such as, for example, the Securities.

### *General Banking (current accounts and savings)*

DSB Bank offers its clients basic banking services, such as current accounts and savings products. The current accounts enable clients to manage their money transactions (i.e. receipts and payments) through the Internet. Clients are also offered savings products, including regular savings accounts and savings deposits. In 2007, DSB Bank re-introduced *Zilvervloot Sparen* in The Netherlands, a savings product developed specifically for children and young people from 0 to 28 years old.

### *Consumer Credit Products*

The consumer credit products offered by DSB Bank can generally be divided into annuity loans (*persoonlijke leningen*) and revolving loans (*doorlopend krediet*). Typically, annuity loans are loans with a fixed amount, a fixed interest rate and a fixed tenor, while revolving loans are loans with a fixed amount, a floating interest rate and a floating tenor. DSB Bank believes it has a market share of almost 16% of the Dutch consumer credit market<sup>6</sup>.

### *Mortgage Loans*

DSB Bank offers first lien mortgages (*eerste hypotheek*) and second lien mortgages (*tweede hypotheek*). DSB Bank's mortgage loans are usually extended as interest-only mortgages (*aflossingsvrije hypotheek*), annuity mortgages (*annuïteitenhypotheek*) and/or life mortgages (*levenhypotheek*), where relevant in combination with one or more related insurance products.

### *Related Insurance Products*

In addition and in relation to its consumer credit products and mortgage loans, DSB Bank offers its clients a range of insurance products. In this respect, DSB Bank acts as an intermediary for external insurance companies, such as Aon Nederland C.V. and Reaal Levensverzekeringen N.V. as well as for affiliated insurance companies, such as DSB Schade N.V. and DSB Leven N.V. The insurance products offered by DSB Bank are primarily life insurance (*levensverzekeringen*), income protection insurance (in particular, disability and unemployment) and investment insurance (*beleggingsverzekeringen*).

### *Marketing and distribution*

DSB Bank is a marketing driven organisation with a very active approach in respect of the relevant target markets. As part of this approach, DSB Bank actively invests in the analysis of markets, market participants and consumer behaviour. Such information is used in the development of new products and in the design and execution of new marketing concepts and strategies. DSB Bank's primary marketing channels are television, radio, newspapers, magazines and the Internet. In addition, DSB Bank is the main sponsor of Dutch prime league football club AZ in Alkmaar and of several other professional sports teams, such as a Dutch ice skating team and a Dutch cycle racing team. These sponsoring activities have contributed strongly to DSB Bank's brand recognition. DSB Bank has developed national and regional branches with strong brand names, such as DSB Bank, Frisia Financieringen, Becam, Postkrediet, and Lenen.nl.

DSB Bank actively makes use of the major distribution channels, both traditional and relatively new: personal, telephone and branch office sales, as well as sales through intermediaries. DSB Bank attaches great importance to a consumer friendly and service minded approach. As such, client appointments can be made outside normal office

---

<sup>6</sup> Source: For the Dutch consumer credit market, Statistics Netherlands (*Centraal Bureau voor de Statistiek*, [www.cbs.nl](http://www.cbs.nl)) regularly publishes consumer credit data, which are used by DSB Bank to compute its consumer credit market share. This information is unaudited.

hours, either at DSB Bank's branches or at clients' homes. In The Netherlands, DSB Bank has established a branch network of 25 offices, which provides effective national coverage.

#### *International*

DSB Bank has several international operations. Since 2001, DSB Bank has been active in the Belgian retail finance market. The Belgian activities focus on consumer credit products and mortgage loans, which are both distributed directly and through intermediaries. DSB Bank entered the German retail finance market in 2003 with the incorporation of DSB Bank GmbH with its registered office in Düsseldorf, Germany. The German activities also focus on consumer credit products and mortgage loans. This year, DSB Bank plans to open a branch in Ljubljana, Slovenia. Slovenian clients are expected to be initially offered savings products such as savings accounts and deposits. Other products, including consumer credit products and mortgage loans, may follow in due course. Internationally, DSB Bank has the following operating companies or branches and brand names:

Belgium            Creafin, Emprunter.be, lenen.be, Crédit.be, Krediet.be, Moncrédit.be, Silver Finance;

Germany           Geldkredit.de, DSB Bank;

(Slovenia           *DS Banka – this branch is expected to be operational in the course of this year.*)

#### **Litigation**

##### *Lawsuits and arbitration proceedings arising from ordinary operations and acquisitions*

DSB Bank N.V. is involved in various lawsuits and arbitration proceedings. The larger part of these actions relate to claims instituted by DSB Bank N.V. and its subsidiaries arising from ordinary operations as well as from acquisitions. The actions arising from ordinary operations (NB not those arising from acquisitions) should be classified as an integral element of banking business operations.

##### *Share-financing contracts*

In the past, DSB Bank N.V., like various other banks in The Netherlands, has entered into share-financing contracts with clients. DSB Bank N.V.'s share-financing contracts are called *Hollands Welvaren Select I* and *Hollands Welvaren Select II* contracts. These contracts are no longer originated. Currently, approximately 2,400 share-financing contracts with an aggregate principal loan amount of almost €12,500,000 are outstanding. In DSB Bank's view, its share-financing contracts are not to be interpreted as share-leasing contracts, which have drawn and continue to draw a lot of public attention in The Netherlands and which are the subject of many proceedings between some banks and their clients. Instead, the share-financing contracts of DSB Bank N.V. are contracts under which DSB Bank N.V. has extended loans to its clients, which loans were directly invested by these clients in shares. Currently, 110 actions with an aggregated principal amount of approximately €2,000,000 are ongoing against DSB Bank N.V. by clients. In general terms, these clients state that DSB Bank N.V. has violated its duty of care (*zorgplicht*) vis-à-vis these clients and they claim monetary compensation. After careful analysis and obtaining legal advice, DSB Bank has rejected these claims. DSB Bank is confident of a positive result of these lawsuits and, consequently, DSB Bank has not taken provisions in its financial statements for these claims.

##### *Former business partner*

Since 2005, DSB Bank N.V. has been involved in an ongoing lawsuit against a former business partner who claims DSB Bank N.V. is in default under a payment obligation of around € 3,600,000. DSB Bank's legal advisers have



advised that there are sound legal reasons not to pay any sum to this individual and consequently, DSB Bank has rejected any obligation to pay any amount.

#### *Dutch Tax Authorities Claim 1*

DSB Bank N.V. is involved in a lawsuit with the Dutch Tax Authorities (*Belastingdienst*) regarding a value added tax ("VAT") claim. The Dutch Tax Authorities claim an amount of € 25,000,000, including accrued interest, stating that DSB Bank N.V. is liable for VAT not charged by third parties to DSB Bank N.V.'s former Swiss subsidiary for services rendered by these third parties to the Swiss subsidiary. After careful analysis and obtaining both legal and tax advice in The Netherlands and in Switzerland, DSB Bank has rejected the Dutch Tax Authorities' claim, upon which administrative proceedings were started. These proceedings are ongoing. DSB Bank is confident of a positive result of these proceedings and, consequently, DSB Bank has not taken provisions in its financial statements for this claim.

#### *Dutch Tax Authorities Claim 2*

Until 2006, DSB Bank had an employee share participation programme. Following a decision by DSB Bank N.V.'s Executive Board, this programme was ended with a share buy-back programme. The Dutch Tax Authorities claim that as a result of this share buy-back programme, DSB Bank N.V. had to withhold Dutch Wages Tax (*loonbelasting*). The Dutch Tax Authorities have claimed an amount of € 6,600,000. After careful analysis and obtaining both legal and tax advice, DSB Bank has rejected the Dutch Tax Authorities' claim, upon which administrative proceedings were started. These proceedings are ongoing. DSB Bank is confident of a positive result of these proceedings and, consequently, DSB Bank has not taken provisions in its financial statements for this claim.

If the larger part of the lawsuits and arbitration proceedings arising from ordinary operations and acquisitions or any of the other abovementioned cases is resolved negatively for DSB Bank, it could have a significant effect on the Issuer's financial position or profitability.

### **Main events in 2008 and recent developments**

At present, DSB Bank is working toward the opening of its third foreign operation in Ljubljana, Slovenia. The Slovenian branch is expected to start with the offering of savings products to Slovenian retail clients, possibly to be followed by other products. The investment in the Slovenian operation is currently estimated at € 500,000, funded out of DSB Bank's cash flow.

In April 2008, Mrs R.C. de Jong, CIO and member of the Executive Board of DSB Bank N.V., announced her resignation per 1 June 2008. Mrs De Jong has decided to pursue her career in a different professional environment, after having made valuable contributions to the management and architecture of DSB Bank's IT systems. In close cooperation with the Executive Board, Mrs De Jong has recruited some highly qualified IT managers, among whom a former director of IT operations at ABN AMRO Bank, to continue her activities at an operational level. In addition, Mrs. R. van Osch, an IT manager who until recently headed the implementation of the below mentioned core banking and insurance software systems, has been appointed as CIO ad interim. Later this year and depending on the needs of DSB Bank, the Executive Board will consider whether it is necessary or beneficial to have a permanent CIO at Executive Board level.

DSB Bank is also implementing a new core banking software system. This software system is used for the management of DSB Bank's core banking operations and should be considered of vital importance to DSB Bank's

operations. In 2007, DSB Bank carefully analysed the criteria to be met, and the requirements to be complied with by, the new software system. In close co-operation with various internal and external IT and business experts, and after several technical and architectural assessments, DSB Bank has selected a software company for the provision of the new software system and related services. It is expected that the implementation of this new software system, which was started in January 2008, will be finalised in 2009. In 2008 and 2009, the total investments in this new core banking system are estimated to be around € 11,000,000 (excluding VAT), expected to be funded out of DSB Bank's cash flow.

In line with the implementation of the abovementioned core banking system, is the implementation of a new core insurance software system for DSB Bank N.V.'s subsidiary DSB Assuradeuren B.V. In 2007, DSB Bank and DSB Assuradeuren B.V. carefully analysed the criteria to be met and the requirements to be complied with by the new software system. In close co-operation with various internal and external IT and business experts, and after several technical and architectural assessments, DSB Bank N.V. and DSB Assuradeuren B.V. have concluded an agreement with a software company for the provision of the new software system and related services. In 2008, the total investments in this new core insurance system are estimated to be around € 3,800,000 (excluding VAT), expected to be funded out of DSB Bank's cash flow.

## **Strategy and Outlook**

It is DSB Bank's mission to become the best retail bank in The Netherlands, by offering its clients simple, high quality products and services at competitive prices. The strategy of DSB Bank remains focused on further growth in The Netherlands as an independent financial services provider in the markets of consumer credit products and mortgage loans. In addition, DSB Bank intends to further develop its international ambitions with its activities in Belgium, Germany and, hopefully this year, Slovenia.

The business environment in The Netherlands is highly competitive, with a few major financial conglomerates having the larger share of the market. DSB Bank believes it is well positioned to take up the challenge of increasing its market share striving for low cost levels, operational flexibility and an innovative-minded spirit. DSB Bank believes it is of vital importance to retain a high level of flexibility within the organisation in order to respond to the ever-changing market conditions.

DSB Bank expects that the larger part of its growth will be organic, although this does not mean that DSB Bank excludes growth through acquisitions altogether. As DSB Bank currently enjoys the benefits of a large number of clients who have entrusted DSB Bank with their savings, the growth strategy of DSB Bank is not hampered by funding constraints. The main limitation for growth are DSB Bank's internal capital adequacy ratios. As a signal of creditworthiness, DSB Bank has chosen to aim at a capital adequacy ratio of 12% instead of the minimum regulatory capital adequacy ratio of 8%. In recent years, the securitisation market was relatively easily accessible for most financial institutions and brought various expansion possibilities. However, the international credit crisis that started in July 2007, has made this market extremely volatile. So far, DSB Bank has successfully responded to the international credit crisis by offering new savings products at relatively attractive interest rates for savings products, which has resulted in a strongly increased inflow of funds. An increase in regulatory capital through the issue of Securities opens opportunities for growth. DSB Bank believes that strengthening its Tier-1 and Tier-2 capital, increasing operational efficiency, and achieving a high level of cost effectiveness are important for its growth strategy. As for Tier-2 capital, between 1 January and 31 May 2008 DSB Bank has attracted approximately € 45,000,000 subordinated savings deposits which are eligible as Lower Tier-2 capital.

## TAXATION

*This is a general summary and the tax consequences as described here may not apply to a holder of Securities. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Securities in his particular circumstances.*

### DUTCH TAXATION

#### General

The following summary describes the principal Dutch tax consequences of the acquisition, holding, conversion, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Dutch tax considerations thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this Base Prospectus, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address The Dutch tax consequences for:

- (i) holders of Securities holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a holder of Securities holds a substantial interest in the Issuer, if such holder of Securities, alone or, where such holder is an individual, together with his or her partner (*partner*) or certain other related persons, directly or indirectly, holds (A) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (B) rights to acquire, directly or indirectly, such interest or (C) certain profit sharing rights in the Issuer;
- (ii) pension funds and other entities that are exempt from Dutch corporate income tax;
- (iii) investment institutions (*fiscale beleggingsinstellingen*).

#### Withholding tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d of Dutch corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

#### Corporate and individual income tax

- (a) Residents of The Netherlands

If a holder is a resident or deemed to be a resident of The Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of its enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, conversion or disposal of the Securities are generally taxable in The Netherlands.

If an individual holder is a resident or deemed to be a resident of The Netherlands for Dutch tax purposes (including the individual holder who has opted to be taxed as a resident of The Netherlands), income derived from

the Securities and gains realised upon the redemption, conversion or disposal of the Securities are taxable at the progressive rates of Dutch income tax act 2001, if:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Securities, taxable income with regard to the Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4 percent of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 percent.

(b) Non-residents of The Netherlands

If a holder is not a resident nor deemed to be a resident of The Netherlands for Dutch tax purposes (nor has opted to be taxed as a resident of The Netherlands), such holder is not taxable in respect of income derived from the Securities and gains realised upon the conversion, redemption or disposal of the Securities, unless:

- (i) the holder derives profit from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a holder of securities, which enterprise is, in whole or in part, carried on through a permanent establishment or permanent representative in The Netherlands to which the Securities are attributable; or
- (ii) the holder is an individual and such income or gains qualify as income from miscellaneous activities in The Netherlands, which include the performance of activities in The Netherlands with respect to the Securities that exceed regular, active portfolio management.

### **Gift and Inheritance taxes**

(a) Residents of The Netherlands

Generally, gift and inheritance taxes will be due in The Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of The Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

A holder of the Dutch nationality is deemed to be a resident of The Netherlands for purposes of Dutch gift and inheritance tax, if he or she has been resident in The Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of The Netherlands for the purposes of Dutch gift and inheritance tax if he or she has been resident in The Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of The Netherlands.

(b) Non-residents of The Netherlands

No gift or inheritance taxes will arise in The Netherlands in respect of the acquisition of the Securities by way of gift by, or as a result of the death of, a holder that is neither a resident nor deemed to be a resident of The Netherlands for the purposes of Dutch gift and inheritance tax, unless:

- (i) the Securities are or were attributable to an enterprise or part of an enterprise carried on through a permanent establishment or permanent representative in The Netherlands at the time of the gift or the death of the deceased; or
- (ii) the donor made a gift of the Securities, then became a resident or deemed resident of The Netherlands, and died as a resident of The Netherlands within 180 days of the gift.

**Value added tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of the cash payment made under the Securities, or in respect of a transfer of Securities.

**Other taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in The Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

**EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from the 1st July, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1st July, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

## **SUBSCRIPTION AND SALE**

### **Summary of Programme Agreement**

Subject to the terms and on the conditions contained in a programme agreement dated 28 July 2008 (the “Programme Agreement”) between the Issuer, the Permanent Dealers and the Arranger, the Securities will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Securities directly on its own behalf to Dealers that are not Permanent Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Securities to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Securities. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Securities in certain circumstances prior to payment for such Securities being made to the Issuer.

### **Selling Restrictions**

#### **United States**

The Securities have not been and will not be registered under the Securities Act. Securities in bearer form having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Dealers has represented, warranted and agreed that it will not offer, sell or deliver an Instrument in bearer form within the United States or to U.S. persons except as permitted by the Dealer Agreement.

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

#### **European Economic Area**

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 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 Securities which are the subject of the offering contemplated by this Base 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 Securities to the public in that Relevant Member State:

- (i) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a base prospectus in relation to such Securities

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, provided that any such base prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such base prospectus or final terms, as applicable;

- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iv) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (v) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an “offer of Securities to the public” in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated 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 any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Securities in, from or otherwise involving the United Kingdom.

#### **The Netherlands**

Zero coupon Securities in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*; the ‘SCA’) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Securities to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Securities if they are

physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

### **Japan**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”). Accordingly, each of the Dealers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used 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 re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

### **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.



## GENERAL INFORMATION

- (1) Application has been made to Euronext Amsterdam for Securities issued under the Programme to be listed and admitted to trading on Euronext Amsterdam. However, unlisted Securities may be issued as well pursuant to the Programme.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the establishment of the Programme. The establishment of the Programme was authorised by resolutions of the Executive Board of the Issuer passed on 16 June 2008 and resolutions of the Supervisory Board of the Issuer passed on 16 June 2008.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2007 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2007.
- (4) Except as disclosed in “Business Description of the Issuer – Litigation” on pages 80 and 81 of this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) and the Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) Each Security having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (6) Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Securities will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euroclear Nederland is Herengracht 459-469, NL 1017 BS Amsterdam, The Netherlands. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (7) There are no material contracts entered into other than in the ordinary course of the Issuer’s business which could result in any member of the Issuer’s Group being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to Holders in respect of the Securities being issued.
- (8) Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

- (9) The issue price and the amount of the relevant Securities will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Securities.
- (10) For so long as Securities may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for physical inspection at the specified office of the Agent and from the specified office of the Issuer:
- (i) the Agency Agreement (which includes the form of the Global Securities, the definitive bearer Securities, the Coupons, the Receipts and the Talons);
  - (ii) the Trust Deed;
  - (iii) the Articles of Association (*statuten*) of the Issuer;
  - (iv) the published annual report and audited consolidated annual accounts of the Issuer for the two financial years ended 31 December 2006 and 31 December 2007;
  - (v) each Final Terms (save that Final Terms relating to an Instrument which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Instrument and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Securities and identity);
  - (vi) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Prospectus;
  - (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

The Base Prospectus and the Final Terms for Securities that are listed and admitted to trading on Euronext Amsterdam will be published on the website of Euronext Amsterdam ([www.euronext.com](http://www.euronext.com)).

- (11) Copies of the latest annual report and consolidated accounts of the Issuer and the latest interim consolidated accounts of the Issuer may be obtained, and copies of the Agency Agreement and the Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities is outstanding.
- (12) The Amsterdam branch of Ernst & Young Accountants LLP, *registeraccountants* (Chartered Accountants), with its offices at Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands, of which the *registeraccountants* are members of the *Koninklijk Nederlands Instituut van Registeraccountants* (NIVRA, Dutch Institute of Chartered Accountants), have audited, and rendered unqualified audit reports on, the accounts (*jaarrekening*) of the Issuer for the two years ended 31 December 2006 and 31 December 2007. The reports of the auditors are included or incorporated by reference and their consent to include or incorporate by reference the auditors reports in this Base Prospectus has been obtained. Ernst & Young have no material interest in the Issuer. Any financial data in this Base Prospectus not extracted from the audited accounts of the Issuer is based on internal records of the Issuer or external sources believed by the Issuer to be reliable, and is unaudited.
- (13) At the date of this Base Prospectus the Issuer does not have any class of preference shares. In order for there to be any classes of preference shares, the articles of association of the Issuer would need to be amended.

- (14) The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Registered Office of the Issuer**

**DSB Bank N.V.**

Dick Ketlaan 6-10

1687 CD Wognum

The Netherlands

**Dealers**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10

1082 PP Amsterdam

The Netherlands

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)**

Croeselaan 18

3521 CB Utrecht

The Netherlands

**Agent and Principal Paying Agent, Calculation Agent**

**ABN AMRO Bank N.V.**

Kemelstede 2

4817 ST Breda

The Netherlands

**Paying Agent**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10

1082 PP Amsterdam

The Netherlands

**Trustee**

**Amsterdamsch Trustee's Kantoor B.V.**

“Olympic Plaza”, Fred. Roeskestraat 123

1076 EE Amsterdam

The Netherlands

**Arranger**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10

1082 PP Amsterdam

The Netherlands

**Listing Agent**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**Auditors to the Issuer**

**Ernst & Young Accountants LLP**

Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

**Legal Advisers to the Issuer**

*in respect of Dutch law*

**Linklaters LLP**

WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
The Netherlands

**Legal Advisers to the Dealers**

*in respect of Dutch law*

**Allen & Overy LLP**

Apollolaan 15  
1077 AB Amsterdam  
The Netherlands