

BASE PROSPECTUS DATED 19 OCTOBER 2015

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

SNS BANK N.V.

SNS BANK N.V.

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

Debt Issuance Programme

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

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

Arranger
Rabobank

Dealers
Rabobank
SNS Bank

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

The Issuer may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the terms and conditions of the Notes herein, in which case a supplementary prospectus, a new base prospectus or a drawdown prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes and which will be subject to the prior approval of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**").

Application may be made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") for Notes to be issued under the Programme to be admitted to listing and trading on Euronext in Amsterdam ("**Euronext in Amsterdam**"). In addition, Notes issued under the Programme may, in accordance with applicable rules and regulations, be listed and admitted to trading on the Luxembourg Stock Exchange ("**Luxembourg Stock Exchange**"). The Issuer may also issue unlisted Notes under the Programme.

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

Ratings in relation to SNS Bank and certain Notes are described in the chapter headed 'SNS Bank N.V.', section 'Rating Agencies'.

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

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

This Prospectus has been approved by and filed with the AFM. The Issuer has requested the AFM to provide the competent authority in Luxembourg with a certificate of approval (a "**Notification**") attesting that the Prospectus

has been drawn up in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**Wft**") and related regulations which implement Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measures in the Relevant Member State (the "**Prospectus Directive**"). The Issuer may request the AFM to provide competent authorities in additional Member States within the European Economic Area (the "**EEA**") with a Notification.

This Prospectus will be published in electronic form on the websites of the AFM and the Luxembourg Stock Exchange and on 19 October 2015 on the website of the Issuer at www.snsbanknv.nl. It is valid for a period of up to 12 months from the date of approval by the AFM.

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

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme.

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

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

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

RISK FACTORS REGARDING THE ISSUER

The business of the Issuer is primarily concentrated in the Netherlands

The Issuer generates most of its income in the Netherlands and therefore is particularly exposed to the economic, political and social conditions in the Netherlands. Economic conditions in the Netherlands have been difficult and may be negatively influenced by conditions in the global financial markets and economy. Partly due to the recent economic crisis, growth of the Dutch gross domestic product ("**GDP**") has been subdued. Following a growth of 1.7% in 2011, GDP contracted by 1.1% in 2012 and the GDP contracted again by 0.7% in 2013 followed by a growth of 1.0% in 2014. Any deterioration or merely a long-term persistence of the difficult economic environment in the Netherlands could negatively affect the demand for products and services of the Issuer. In addition, the Issuer is exposed to the risk of a significant deterioration of the financial position of its customers which include small and medium enterprises ("**SME**") in the Netherlands.

The Issuer faces significant funding and liquidity risk

The Issuer's funding strategy aims at optimising and diversifying the Issuer's funding sources in order to maintain the targeted long-term funding position, liquidity profile and compliance with regulatory requirements. The Issuer's primary sources of funding are customer deposits and wholesale funding.

Customer deposits are currently the main funding source of the Issuer. The amount of such deposits is generally volatile and future amounts cannot be predicted. The amount of mortgage loans on the Issuer's balance sheet is higher than the amount of customer deposits attracted. This has resulted in a certain dependency on wholesale funding in the money markets and capital markets including the use of securitisation of the mortgage portfolio and the issue of covered bonds.

Good access to the money markets and capital markets may be necessary to finance the growth of the mortgage loan portfolio and to refinance all outstanding loans with a shorter maturity than the mortgage loans in which the money is invested. The access to the money markets and capital markets for wholesale funding may be affected by concerns about the credit strength of the Issuer, but may also be influenced, *inter alia*, by concerns about the market segments in which the Issuer is active, or by a general market disruption. Access to the markets may be further affected by the credit ratings of the Issuer. Depending on market conditions and credit ratings of the Issuer, the possibilities to access the capital markets for funding may be limited.

Liquidity risk is the risk that the Issuer has insufficient liquid assets available in the short or long term to meet its financial obligations, under normal circumstances or in times of stress, without incurring unacceptable costs or losses. Although in addition to customer deposits and wholesale funding the Issuer may have access to the European Central Bank (the "ECB") facilities, the sensitivity of the Issuer to this risk is substantial.

The Issuer is exposed to the level of interest rates

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

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

The Issuer is exposed to the risk of a decline and high volatility in the securities markets and poor investment performance

The evolution and volatility of prices and indices of securities, both in terms of equity and fixed income, in which the Issuer invests, has a considerable impact on its investment income. Furthermore, securities and other financial markets can experience sustained periods of high volatility, unpredictable market movements, severe market dislocations and illiquidity or other liquidity disruptions. These market conditions can cause a reduction in the value of assets or collateral held by the Issuer, a decline in the profitability of certain assets, an increase in unrealized losses in the Issuer's various (asset) portfolios, a reduction in unrealized gains in the Issuer's various (asset) portfolios or in the demand for the products and services offered by the Issuer and may impede the Issuer's timely or cost-efficient access to funding on the capital markets.

In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale, which may further exacerbate such rapid decreases in asset values, collateral or liquidity disruptions.

Since the start of the financial crisis in 2007, both the debt and the equity securities markets have been very volatile. Under these extreme conditions, funding transactions, as well as hedging and other risk management strategies may not be as effective at mitigating trading risks as they would be under more normal market conditions. The Issuer uses financial derivative measures as part of its risk management strategy and it may not be able to manage its exposures adequately through the use of such derivatives as a result of modelling, sensitivity analysis or other risk assessment method failures or as a result of appropriate derivative products not being available. Market conditions, and periods of high volatility can occur not only as a result of purely economic factors, but also as a result of war, acts of terrorism, natural disasters or other similar events outside the Issuer's

control, please also see the risk factor "*Catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the Issuer*" below. There is no assurance that market volatility will not result in a prolonged market decline, or such market declines for other reasons will not occur in the future.

Severe market events have historically been difficult to predict, and could lead to the Issuer realizing significant losses if extreme market events were to persist for an extended period of time. Therefore market volatility, liquidity disruptions, or dislocations could have a material adverse effect on the Issuer's business, financial position and results of operations.

The Issuer is subject to currency-related risks

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

The Issuer is exposed to the risk of a downgrade of any of its credit ratings

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

A significant portion of the results of the Issuer relates to its mortgage loan products

Mortgage loans constitute approximately 69.8% of the Issuer's total assets at year-end 2014. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans in the Netherlands, 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 for instance as a result of low interest rates on saving accounts. Consequently prepayments on mortgage loans is more beneficial to consumers than savings. Recently there has been a relatively high level of such pre-payments. Also, fixation of lower margins for long interest rate reset periods on mortgage loans provided to customers may have a prolonged impact on the results of the Issuer.

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The period allowed for is restricted to a term of 30 years. As of 1 January 2013, interest deductibility in respect of mortgage loans originated after 1 January 2013 is restricted and is only available in respect of mortgage loans which amortise in 30 years or less and are repaid on at least an annuity basis.

In addition to these changes, further restrictions on the interest deductibility have entered into force as of 1 January 2014. The tax rate against which the mortgage interest may be deducted will be gradually reduced as of 1 January 2014. The maximum interest deductibility for mortgage loans for tax purposes will decrease annually at a rate of 0.5% from the highest income tax rate of 52% (i.e., 51% in 2015) down to 38% in 2042.

The maximum permitted loan to value (LTV), currently at 103%, will gradually be lowered until it reaches 100% in 2018 (i.e. 1% a year). It is too early to predict what the implications of these changes in tax deductibility will be. There is a trend within certain political parties in the Netherlands to limit the favourable tax treatment of mortgage debts, particularly for higher-income households. It is not clear if this will happen and, if so, when, but it cannot be ruled out. Changes in tax treatment could ultimately have an adverse impact on the ability of borrowers to pay interest and repay their mortgage receivables. In addition, changes in the deductibility of mortgage interest payments may lead to increased prepayments by borrowers on their mortgage loans or have an adverse effect on the value of the mortgaged assets.

A sharp increase in demands for mortgage loans may lead to a situation in which the Issuer is unable to provide all requested loans due to funding and/or operational reasons. As a consequence, the Issuer may not be able to capitalize all business opportunities.

The Issuer faces substantial competitive pressures which could adversely affect its results of operations

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

The Issuer is exposed to financial risks, including counterparty exposure, and risks concerning the adequacy of its credit provisions

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

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

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

The Issuer actively manages the financial risks it is exposed to and has developed a policy in relation thereto. These risks are subject to defined limits and guidelines. Financial risks are measured periodically to ensure compliance with such limits and guidelines. Thus adjustments can be made, if necessary.

The rates and prices issued by the Issuer are agreed on the basis of theoretical rates. These rates and prices include a fee for expected risks, the cost of shareholders' equity and loan capital and management expenses.

Examples of such price risks are the credit risk in a loan. The structure of the shareholders' equity and the funding also affect the theoretical pricing. The actual pricing towards clients is determined on the basis of the advice of pricing committees, with account being taken of market conditions, in addition to the theoretical price.

The regulatory environment to which the Issuer is subject gives rise to significant costs and management time, and non-compliance could result in monetary and reputational damages

The Issuer conducts its business in an environment that is highly regulated by financial services laws and regulations, corporate governance and administrative requirements and policies. Supervisory authorities may impose restrictions and conditions on the Issuer, including but not limited to capital, liquidity, corporate governance requirements and behavioural requirements. Interpretation of requirements by supervisory authorities and courts may change over time.

When offering new products, the Issuer may become subject to other and additional legislation and regulatory requirements. The financial services industry continues to be the focus of significant regulatory scrutiny. This has led to a more intensive approach to supervision and oversight, increased expectations, enhanced requirements and enforcement, and an increasing frequency and amount of data requests and visits from competent supervisory authorities. Implementing and monitoring compliance with applicable requirements means that the Issuer must continue to have a substantial staff dedicated to these activities and to spend monetary and management resources and to create sufficient awareness with the business staff of the products and services the Issuer offers and the rules applicable to them. Furthermore, the Issuer will also need to continue monitoring compliance of products and services that the Issuer no longer offers, which may be more complex than for products and services that are currently offered. If the Issuer is unable to commit sufficient resources for regulatory compliance, this could lead to delays and errors, and may force it to choose between prioritising compliance matters over administrative support for business activities, or may ultimately force the Issuer to cease the offering of certain products or services.

Any delays or errors in implementing regulatory compliance could lead to substantial monetary damages and fines, loss of significant assets, public reprimands, a negative effect on the Issuer's reputation, regulatory measures in the form of cease and desists orders, fines, increased regulatory compliance requirements or other potential regulatory restrictions on the Issuer's business, enforced suspension of operations and in extreme cases, withdrawal of licenses or authorisations to operate particular businesses, or criminal prosecution in certain circumstances. In addition to non-compliance by the Issuer itself, the Issuer may suffer negative consequences of non-compliance by its clients. The Issuer may also suffer negative consequences of clients operating businesses or schemes in violation of applicable rules and regulations whose activities the Issuer could be held to monitor and, where applicable, to denounce or to interrupt. The Issuer may be required to make greater expenditures and devote additional resources and management time to addressing these liabilities and requirements, which could have an adverse effect on the Issuer's business, financial position and results of operations.

As result of the introduction of the Single Supervisory Mechanism ("**SSM**") on 4 November 2014, the ECB has become the primary prudential supervisory authority of the Issuer. For certain matters the Issuer will remain subject to supervision by local supervisory authorities such as the Dutch Central Bank (De Nederlandsche Bank N.V., "**DNB**") and the AFM. The transition of prudential supervision from DNB to ECB may for the years to come have a significant impact on supervision of the Issuer. It cannot be excluded that the ECB, as the new prudential supervisory authority, will collect and adopt best practices in the Eurozone, which may impact and change local practices as they currently exist. This may result in a change in the interpretation of regulations. As the relationship between the Issuer and the ECB will likely be different from the Issuer's relationship with DNB, the Issuer may be forced to significantly invest in resources to familiarise the new supervisory authority with the Issuer's business and financial position and to adapt to the new supervisory approach.

The Issuer believes that oversight and scrutiny by supervisory authorities have increased significantly in recent years. This has in general led to more regulatory investigations and enforcement actions as well as an increase in the amount of fines against financial institutions. The last few years have seen a steep escalation in the severity of the terms which competent supervisory authorities and law enforcement authorities have required to settle legal and regulatory proceedings against financial institutions, with settlements including unprecedented monetary penalties as well as criminal sanctions. If this trend were to continue the negative effect to the Issuer of non-compliance could be more pronounced in the future than a similar event of non-compliance would have had in the past. Non-compliance with applicable regulation may also lead to civil liability towards affected clients and, increasingly, third parties.

The regulatory environment to which the Issuer is subject gives rise to significant legal and financial compliance costs and management time, which could have an adverse effect on the Issuer's business, financial position and results of operations.

The financial services industry is subject to intensive regulation. Major changes in laws and regulations as well as enforcement action could have a negative impact on the Issuer

Since 2009, as many emergency government programs slowed or wound down, global regulatory and legislative focus has generally moved to a next phase of broader reform and a restructuring of financial regulation. Legislators and supervisory authorities are currently introducing and implementing a wide range of proposals that could result in major changes to the way the Issuer's operations are regulated and could have adverse consequences for its business, business model, financial position, results of operations, reputation and prospects. These changes could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices or force the Issuer to discontinue businesses and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk and are likely to have a material impact on the Issuer. Recent and ongoing prudential, conduct of business and more general regulatory initiatives include, but are not limited to:

- New regulatory capital requirements proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**"), including its proposals set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011 (the "**Basel III Final Recommendations**"), which are being implemented in the European Union through the CRD IV Directive and the CRD IV Regulation, known as CRR. The CRD IV Directive entered into force in the Netherlands on 1 August 2014, albeit that certain provisions will enter into effect at a later stage. The CRD IV Regulation entered into effect on 1 January 2014. On 22 December 2014, the Basel Committee published consultation documents for amendment of Basel III. Any amendment is likely to affect rules contained in CRD IV and/or the application of CRD IV and the rules and regulations based thereon.

CRD IV may result, *inter alia*, in the Issuer becoming subject to stricter capital and liquidity requirements and will also affect the scope, coverage, or calculation of capital. In addition, more stringent rules apply to instruments in order to constitute regulatory capital (*toetsingsvermogen*). The supervisory authorities could require the Issuer to take remedial action if it breaches any of the regulatory capital requirements. The remedial action could be to work closely with the authorities to protect customers' interests and to restore the Issuer's capital and solvency positions to acceptable levels. This may have a negative impact on the payments on the Notes.

"CRD IV", "CRD IV Directive" and "CRD IV Regulation" have the meanings specified in Condition 7(f).

In addition, at the end of 2014, the Basel Committee published for public consultation revisions to the standardised approaches for credit, operational and market risk, and the introduction of capital floors

based on standardised approaches. Of these proposals, the introduction of the standardised credit risk RWA floor would have the most significant impact on the Issuer. The proposals for the new standardised credit risk RWA calculation rules include (i) introduction of new risk drivers, (ii) introduction of higher risk weights and (iii) removal of external ratings from the framework. In addition, the revisions are likely to require that banks which apply advanced approaches to risk categories, apply the higher of (i) the RWA floor based on (new) standardised approaches and (ii) the RWA floor based on advanced approaches in the denominator of their ratios. Although timing for adoption, content and impact of these proposals remain subject to considerable uncertainty, the implementation of the standardised RWA floors could have a significant impact on the calculation of the Issuer's parent company and its consolidated subsidiaries' risk weighted assets due to the substantial difference in RWA calculated on the basis of advanced approaches.

- The Recast Deposit Guarantee Directive which will require the funding of the current Deposit Guarantee Scheme (both as defined in the risk factor "The Issuer's participation in Compensation Schemes may have a material adverse effect on its results of operations and financial condition." below) to be changed from an ex-post funded system to a partially ex-ante funded system. See also the risk factor "The Issuer's participation in Compensation Schemes may have a material adverse effect on its results of operations and financial condition." below.
- The European regulation establishing uniform rules and a uniform procedure for the resolution of banks and certain investment firms in the framework of the Single Resolution Mechanism (Regulation 806/2014) (the "**SRM**"), which was published in the Official Journal of the European Union on 30 July 2014 and entered into force on 19 August 2014, providing for a single resolution framework, a single resolution board ("**Resolution Board**") and a single resolution fund ("**Resolution Fund**").
- The European Market Infrastructure Regulation ("**EMIR**") having introduced new obligations relevant for the Issuer, which are (i) central clearing for certain classes of OTC derivatives, (ii) the application of risk mitigation techniques for non-centrally cleared OTC derivatives and (iii) reporting of both exchange traded and OTC derivative transactions.
- The Mortgage Credit Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property adopted on 4 February 2014 (the "**Mortgage Credit Directive**") aiming to afford high level consumer protection throughout the EEA.
- Adopted legislation, introduced by the Dutch government, banning referral fees relating to specific complex financial products and services, such as mortgages, reducing fee and commission income.
- Restrictions applicable to the Dutch principal residence mortgage loan market for individuals, including a reduction in the maximum loan amount for government-guaranteed mortgage loans (*Nationale Hypotheekgarantie*, "**NHG**"), a reduction of the maximum permissible amount of a mortgage loan relative to the value of the property and a reduction on tax deductibility of new mortgage loans, expected to put further downward pressure on the total outstanding volume of mortgages in The Netherlands which could decrease the size of the Issuer's mortgage portfolio and to have an effect on the house prices and the rate of economic recovery which may result in an increase of defaults, prepayments and repayments.

The mortgage lending rules and the restrictions to mortgage interest relief, applicable to the principal residence mortgage market, may have a particular impact on the Issuer's principal residence mortgage business. These measures might have a negative impact on the sale of the Issuer's principal residence mortgage products and therefore on the aggregate loan portfolio of the Issuer, on the interest margins

that it is able to earn on new and existing principal residence mortgages, as well as on the ability of its clients to pay amounts due in time and in full.

- A proposed new payment services directive ("**PSD II**") which may impose additional requirements on the Issuer with respect to payment services in the EEA and support the emergence of new players and the development of innovative mobile and internet payments in Europe.
- A banking tax introduced by the Dutch government for all entities that are authorised to conduct banking activities in The Netherlands.
- The revised EU Directive on Markets in Financial Instruments ("**MiFID**") and the accompanying regulation "**MiFIR**" (together "**MiFID II**"), which replaces, extends and improves existing European rules on markets in financial instruments, giving more extensive powers to supervisory authorities, increasing market infrastructure and reporting requirements, more robust investor protection, increasing both equity and non-equity market transparency, introducing a harmonised position-limits regime for commodity derivatives and introducing the possibility to impose higher fines in case of infringement of its requirements.
- The European Commission ("**EC**") has published a proposal for a Directive for a common Financial Transactions Tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**participating Member States**").

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

- A proposal adopted by the EC on 29 January 2014 for a regulation which would give banks' supervisors the power to require banks to separate certain potentially risky trading activities from their deposit-taking business if the pursuit of such activities compromises financial stability, accompanied by a proposal for a regulation on reporting and transparency of securities financing transactions.

The tax regime applicable to the Issuer is to an extent based on the Issuer's interpretations of such laws and regulations. The Issuer cannot guarantee that such interpretations will not be questioned by the relevant authorities.

The timing and full impact of new laws and regulations, including the initiatives described above, cannot be determined yet and are beyond the Issuer's control. The introduction of these and other new rules and

requirements could significantly impact the manner in which the Issuer operates, particularly in situations where regulatory legislation can interfere with or even set aside national private law. New requirements may adversely affect the Issuer's business, capital and risk management strategies and may result in the Issuer deciding to modify its legal entity structure, capital and funding structures and business mix or exit certain business activities altogether or determine not to expand in certain business areas despite their otherwise attractive potential.

The large number of legislative initiatives requires constant attention from the Issuer's senior management and consume significant levels of resources to identify and analyse the implications of these initiatives. The Issuer may have to adapt its strategy, operations and businesses, including policies, procedures and documentation, to comply with these new legal requirements. Especially in view of the volume of existing initiatives, it cannot be excluded that certain new requirements will not be implemented in a timely fashion or implemented without errors or in a manner satisfactory to the applicable regulatory authority, resulting in non-compliance and possible associated negative consequences. Additionally, the Issuer may be forced to cease to serve certain types of clients or offer certain services or products as a result of new requirements. Any of the other above factors, events or developments may materially adversely affect the Issuer's businesses, financial position and results of operations and prospects.

Capital and/or liquidity requirements may adversely affect the business of the Issuer

The Issuer is required by regulators to maintain adequate capital and liquidity levels, as such regulators may deem appropriate. Adequate capital and liquidity levels are also necessary for the Issuer's financial flexibility and to cope with adverse developments.

Changes to capital adequacy and liquidity requirements may require the Issuer to raise additional regulatory capital or hold additional liquidity buffers, for example because of different interpretations of or methods for calculating risk exposure amount, or because the Issuer does not comply with ratios and levels, or instruments and collateral requirements that currently qualify as capital or capital risk mitigating techniques no longer do so in the future. For example, there remains uncertainty regarding whether Notes issued by the Issuer may or may not qualify as instruments for the purpose of complying with the minimum requirements for own funds and eligible liabilities ("**MREL**") under BRRD (as defined below) in the future. If the Issuer is unable to raise the requisite regulatory capital, it may be required to reduce its risk exposure amount, restrict certain activities or engage in the disposition of core and other non-core businesses, which may not occur on a timely basis or at prices which would otherwise be attractive to the Issuer.

As a result of stricter liquidity requirements or higher liquidity buffers, the Issuer may be required to alter its funding composition which may result in higher funding costs for the Issuer, and in having to maintain buffers of liquid assets which may result in lower returns than less liquid assets. Furthermore, if the Issuer is unable to adequately manage its liquidity position, this may prevent it from meeting its short-term financial obligations. In addition, if a net stable funding requirement or liquidity coverage ratio is implemented in the future, the Issuer might be required to attract additional stable sources of funding or hold a higher liquidity buffer, which may result in higher costs for the Issuer.

The above changes and any other future changes which are relevant for the Issuer's liquidity and capital position could have a material adverse impact on its financial position, regulatory capital position and liquidity position.

Proposals for resolution regimes may lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding

Dutch Intervention Act

Pursuant to banking legislation dealing with ailing banks (Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the "**Dutch Intervention Act**"), substantial new powers are granted to DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency. The Dutch Intervention Act empowers DNB or the Minister of Finance, as applicable, to commence proceedings leading, *inter alia*, to:

- (i) transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser;
- (ii) transfer of all or part of the business of the relevant bank to a "bridge bank"; and
- (iii) public ownership (nationalisation) of the relevant bank and expropriation of debt securities.

These powers (including the transfer of liabilities), if exercised with respect to the Issuer, may impact the Notes and will, subject to certain exceptions, lead to counterparties of the Issuer (including Noteholders) not being entitled to invoke events of default or set off their claims against the bank. Within the context of the resolution tools provided in the Dutch Intervention Act, holders of debt securities of a bank (including the holder of Senior Notes and/or Subordinated Notes) subject to resolution could be affected by issuer substitution or replacement, transfer of debt, expropriation, modification of terms and/or suspension or termination of listings.

The national framework for intervention by DNB will be substantially amended by the law implementing the resolution framework set out in the BRRD and SRM. However, the powers granted to the Dutch Minister of Finance under the Dutch Intervention Act in relation to measures and expropriation of assets or securities issued by or with the consent of a financial firm (*financiële onderneming*) or its parent, in each case if it has its corporate seat in The Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself, are likely to remain. However, this seems to be incompatible with the SRM, which (i) provides for maximum harmonisation of the resolution tools with respect to failing banks, (ii) has direct effect and therefore prevails over Dutch law and (iii) grants exclusive power to the Resolution Board (and not to DNB or the Minister of Finance) to decide upon the resolution of significant banks. The Explanatory Memorandum to the law implementing the resolution framework set out in the BRRD and SRM finds a way around this issue by labelling those parts of the Dutch Intervention Act in which the power to take measures and expropriation are laid down, as emergency legislation (*staatsnoodrecht*). However, the Explanatory Memorandum acknowledges that those parts of the Dutch Intervention Act will in practice be of little or no importance for banks and groups of companies containing a bank due to the SRM's priority over Dutch law.

On 12 June 2014, a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU, "**BRRD**") was published in the Official Journal of the European Union. The BRRD is currently in force and EU Member States were required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the BRRD by 31 December 2014. The majority of the measures set out in the BRRD should have been implemented in national law with effect from 1 January 2015, with the bail-in power for other eligible liabilities to apply from 1 January 2016, at the latest. The Dutch legislator did not achieve implementation and entry into force of the legislation by 1 January 2015 as required by the BRRD. The actual date of implementation is not yet known. The law implementing the resolution framework set out in the BRRD and SRM is currently before the Senate. It is expected that the implementation will occur by the end of 2015.

BRRD

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up resolution plans), early intervention powers and resolution powers. The measures of this directive should apply since 1 January 2015 with the exception of the bail-in resolution tool which may be applied as from 1 January 2016 at the latest. The stated aim of BRRD is, similar to the Dutch Intervention Act, to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

Recovery and resolution plans

As required by the BRRD, the Issuer is required to draw up and maintain a recovery plan. This plan must provide for a wide range of measures that could be taken by the Issuer for restoring its financial position in case it significantly deteriorated. The Issuer must submit the plan to the competent resolution authority for review and update the plan annually or after changes in the legal or organisational structure, business or financial situation that could have a material effect on the recovery plan. Keeping the recovery plan up to date will require monetary and management resources.

The resolution authorities responsible for a resolution in relation to the Issuer will draw up the Issuer's resolution plan providing for resolution actions it may take if the Issuer would fail or would be likely to fail. In drawing up the Issuer's resolution plan, the resolution authorities will identify any material impediments to the Issuer's resolvability. Where necessary, the resolution authorities may require the Issuer to remove such impediments. This may lead to mandatory legal restructuring of the Issuer, which could lead to high transaction costs, or could make the Issuer's business operations or its funding mix to become less optimally composed or more expensive. The Resolution Board (as defined below) may also require the Issuer to issue additional liabilities. This may result in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profits and its ability to pay dividends.

Early intervention

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the supervisory authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's managing board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting.

Resolution measures

If the Issuer were to reach a point of non-viability, the resolution authority could take pre-resolution measures. These measures include the write down and cancellation of shares, and the conversion of capital instruments into shares. A write down or conversion of capital instruments into shares could adversely affect the rights and effective remedies of Noteholders and the market value of their Notes could be negatively affected.

BRRD provides resolution authorities with broader powers to implement resolution measures with respect to banks which reach non-viability and meet the other conditions for resolution, which may include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. BRRD contemplates that such measures should apply since 1 January 2015, except for provisions relating to the risk factor "Bail In" below.

Single Resolution Mechanism

The BRRD is complemented by SRM. The primary scope of the SRM is the euro area and SRM will, once applicable, be applied to the Issuer as a primary recovery and resolution code instead of the Dutch implementation measures relating to the BRRD. The SRM establishes a Resolution Board having resolution powers over the institutions that are subject to the SRM, thus replacing or exceeding the powers of the national authorities. The Resolution Board will draw up and adopt a resolution plan for the entities subject to its powers, including the Issuer. It will also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities subject to write down and conversion powers which the Issuer will be required to meet at all times. The Resolution Board will also use the powers of early intervention as set forth in the SRM, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution. The Resolution Board will have the authority to exercise the specific resolution powers pursuant to the SRM similar to those of the national authorities under the BRRD. The resolution tools available for the Resolution Board include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool as further specified in the SRM. The use of one or more of these tools will be included in a resolution plan to be adopted by the Resolution Board.

Pursuant to the SRM, the bail-in tool may be applied to recapitalise an institution to restore its ability to comply with the licensing conditions and to sustain market confidence in the institution or to convert claims or debts to equity or reduce their principal amount. The bail-in tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds.

The provisions relating to resolution plans and cooperation between the Resolution Board and the national authorities are in effect as of 1 January 2015. The resolution powers of the Resolution Board will take effect from 1 January 2016.

The SRM provides for a Resolution Fund that will be financed by banking groups included in the SRM. The Issuer will only be eligible for contribution by the single resolution fund after a resolution action is taken if shareholders, the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8% of the total liabilities (including own funds and measured at the time of the resolution action). This means that the Issuer must hold on to sufficient own funds and liabilities eligible for write down and conversion in order to have access to the single resolution fund in case of a resolution. This may have an impact on the Issuer's capital and funding costs. In addition, the Resolution Fund must be funded in order to ensure that the SRF has adequate financial resources to allow for an effective functioning of the resolution framework by being able to intervene, where necessary, for the effective application of the resolution tools and to protect financial stability. The SRF is funded by ex-ante annual contributions from credit institutions in participating EU countries, such as the Issuer. The SRF will be built up over a period of eight years to reach a target level of at least 1% of the amount of covered deposits of all credit institutions authorised in all the participating EU countries.

State Aid

On 10 July 2013, the EC announced the adoption of its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines impose stricter burden-sharing requirements, which require banks with capital needs to obtain additional contributions from equity holders and capital instrument holders before resorting to public recapitalizations or asset protection measures. The EC has applied the principles set out in the Revised State Aid Guidelines from 1 August 2013. In these guidelines, the EC has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in BRRD.

The Dutch Intervention Act, BRRD, SRM and the Revised State Aid Guidelines may increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's funding ability, financial position and results of operations. In case of a capital shortfall, the Issuer would first be required to carry out all possible capital raising measures by private means, including the conversion of junior debt into equity, before one is eligible for any kind of restructuring State aid.

The Issuer is exposed to regulatory scrutiny and potentially significant claims for violation of the duty of care owed by it to clients and third parties

Due to their position in society (*maatschappelijke functie*) and specific expertise, financial institutions in The Netherlands owe a duty of care (*zorgplicht*). Financial institutions must also comply with duty of care rules in Dutch law, which includes provisions on client classification, disclosure requirements and know-your-customer obligations. Pursuant to the General Banking Conditions (*Algemene Bankvoorwaarden*) used by Dutch banks, a bank must always act in accordance with its duty of care, irrespective of whether the service or product is sold to a professional client or a non-professional client. The duty of care does not always end at the moment when the client has purchased a given product or service, but the financial institution may have to take action upon (known) changes in circumstances affecting the client, in particular if the product or service has a long life. The scope of the rules and standards referred to above differs depending on the type of service rendered or product sold, and the nature of (the activities of) the clients and third parties affected. If a duty of care is violated, claims may be based on general principles of contract, tort or securities law, including for violation of standards of reasonableness and fairness, error, wrongful treatment or faulty due diligence. Actions may be brought individually by persons that suffered losses or damages, or on behalf of a large number of – sometimes initially unnamed persons – in class action style proceedings. Proceedings may be brought in court and before the Dutch financial institute for out of court settlement of financial disputes "Kifid" (*Klachteninstituut Financiële Dienstverlening*).

A number of proceedings have been initiated against the Issuer for violation of its duty of care. Also, a number of class action groups are actively soliciting plaintiffs for mass litigation proceedings against financial institutions in general. Accordingly, there can be no assurance that additional proceedings will not be brought. Current proceedings are still pending and their outcome is uncertain, as is the timing of reaching any finality on these legal claims and proceedings. These uncertainties are likely to continue for some time. As a result, although the consequences could be substantial for the Issuer, with a potentially material adverse effect on the Issuer's reputation, results of operations, financial position and prospects, it is not possible to reliably estimate or quantify the Issuer's exposure at this time.

European and national regulations, for example, increasingly require financial institutions to provide elaborate disclosure to clients on services and products, such as through the proposed key investor information document, to permit clients to more reliably assess the service or product and to enable them to compare it with similar services or products offered by other providers. Increased price transparency rules have entered into force or are envisaged by proposed European regulations for various services and products, such as those based on MiFID II. In the Dutch market, the AFM and Dutch banks have agreed upon providing (non-professional) clients increased price transparency as of 1 January 2015 in anticipation of similar rules set forth in MiFID II. These rules impose obligations on financial institutions to make clear to potential clients what a service or product costs and when prices may be changed.

After the global financial crisis, the duty of care standards applicable to financial institutions have become more stringent as a result of new regulations and resulting from a more expansive interpretation of existing rules and standards by courts and supervisory authorities. The Issuer expects these trends to continue.

Where in the past the duty of care was held to apply predominantly to clients, the application of this standard has on the basis of case law been extended more broadly for the benefit of third parties that suffer damages inflicted by clients of the financial institution. In these cases, courts held, for example, that in certain circumstances financial institutions may be expected to monitor activities of their clients, denouncing or even halting any suspected illegal activity.

The developments described above could have substantial consequences for the Issuer, including an increase in claims by customers and increased costs and resources. Also, it cannot be excluded that additional sector-wide measures will be imposed by supervisory authorities or the legislator which can have a negative impact on the Issuer. All these developments may have a material adverse effect on the Issuer's business, reputation, results of operations, financial position and prospects.

The Issuer's participation in Compensation Schemes may have a material adverse effect on its results of operations and financial condition

In the Netherlands and other jurisdictions deposit guarantee schemes and similar funds ("**Compensation Schemes**") have been implemented from which compensation may become payable to customers of financial institutions in the event the financial institution is unable to pay, or unlikely to pay, claims against it. In many jurisdictions these Compensation Schemes are funded, directly or indirectly, by financial institutions which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, the levies in the industry may continue to rise as a result of the Compensation Schemes. In particular, the Issuer is a participant in the Dutch Deposit Guarantee Scheme (*Depositogarantiestelsel*, the "**Deposit Guarantee Scheme**"), which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Deposit Guarantee Scheme are allocated among the participating banks by DNB, based on an allocation key related to their market shares with respect to the deposits protected by the Deposit Guarantee Scheme. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remain uncertain although they may be significant and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition.

On 16 April 2014, the (recast) EU Directive on deposit guarantee schemes (2014/49/EU) (the "**Recast Deposit Guarantee Directive**") was adopted. Pursuant to the Recast Deposit Guarantee Directive, the Deposit Guarantee Scheme changes from an ex-post scheme, where the Issuer contributes after the failure of a credit institution, to an ex-ante scheme where the Issuer and other financial institutions will pay risk-weighted contributions into a fund to cover future drawings under the Deposit Guarantee Scheme. The fund must have a target level of at least 0,8% of all deposits guaranteed under the Deposit Guarantee Scheme. The costs associated with ex-ante contributions may vary from time to time, and will depend on the methodology used to calculate risk-weighting, but may be significant. The Recast Deposit Guarantee Directive should have been implemented (to a large extent) in the various Member States by 3 July 2015. However, as of yet, the implementation thereof into Dutch legislation is delayed. In a letter to the Dutch parliament, the Minister of Finance explains that from 3 July 2015 onward, until the Recast Deposit Guarantee Directive has been implemented by way of order in council, the current legislation must be interpreted and applied in conformity with the Recast Deposit Guarantee Directive as far as possible. The expectation is that implementation into Dutch law will take place before the end of 2015.

The Issuer is subject to stress tests

The banking sector, including the Issuer, is subject to periodic stress testing in respect of the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the European Banking Authority ("**EBA**"). Stress tests and the announcements of their results by supervisory authorities can destabilise the banking or financial services sector and lead to a loss of trust with regard to individual banks or financial services sector as a whole. The outcome of stress tests could negatively impact the Issuer's reputation, financing

costs and trigger enforcement action by supervisory authorities. The outcome of stress tests could also result in the Issuer having to meet higher capital and liquidity requirements, which could have a negative impact on the Issuer's business, results of operations, profitability or reputation. In addition, stress tests could divulge certain information that would not otherwise have surfaced or which until then, the Issuer had not considered to be material and worthy of taking remedial action on. This could lead to certain measures or capital and funding requirements by supervisory authorities being imposed or taken, which could have a negative impact on the Issuer's business, results of operations, profitability or reputation.

The Issuer is subject to changes in financial reporting standards or policies which could materially adversely affect the Issuer's reported results of operations and financial condition

The Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted in the EU, which is periodically revised or expanded. Accordingly, from time to time the Issuer is required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board (IASB). It is possible that future accounting standards which the Issuer is required to adopt, or as a result of choices made by the Issuer, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on capital ratios.

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 regulatory authorities and press speculation and the possible negative publicity resulting therefrom, whether or not founded, will harm its reputation. The reputation of the Issuer could also be harmed if products or services developed or recommended by it 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 or bribery rules, or could result from negative publicity about a third party linked to the Issuer (such as an intermediary or a partner) or about politically exposed persons in the customer base of the Issuer. Furthermore, negative publicity could result from failures in the information technology systems of the Issuer, loss of customer data or confidential information, or failure in risk management procedures. Negative publicity could also, but not exclusively, result from any misconduct or malpractice relating to intermediaries, business promoters or third party managers linked to the Issuer. For example, certain of the financial products and services of the Issuer and its group companies are distributed through third parties or form part of broader products and services sold by third parties. Any negative publicity in respect of such third parties or such broader products and services could also have negative consequences for the Issuer.

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

Any damage to the reputation of the Issuer 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. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agency perception of the Issuer, which may make it more difficult for the Issuer to maintain its credit ratings.

Litigation or other proceedings or actions may adversely affect the business, financial condition and results of operations of the Issuer

The Issuer faces significant legal risks in the conduct of its business. In the Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings (including,

without limitation, class actions) against financial institutions are increasing. These legal risks could potentially involve, but are not limited to, disputes concerning violation of duty of care, the products and services in which the Issuer or any of its subsidiaries acts as principal, intermediary or otherwise. Increasingly, financial institutions are held liable by customers for actions of intermediaries even if there has been little to no control over the actions of such intermediaries. Companies in the Issuer's industry are increasingly exposed to collective claims (with or without merit) from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving novel legal claims. Such claims may also be initiated against banks which have acted as intermediary for the sale of products of other companies, including unit-linked products (commonly referred to in Dutch as "*beleggingsverzekeringen*").

Following nationalisation (see the chapter '*SNS Bank N.V.*' below), the Minister of Finance filed a proposal with the Enterprise Chamber of the Amsterdam Court of Appeal (the "**Enterprise Chamber**") to establish that no compensation is due for damages in connection with expropriated securities and capital components in the Issuer. Various original holders of expropriated securities and capital components objected against this proposal. In the event that the Enterprise Chamber rules that compensation is due, this compensation will be paid by the Dutch State. Further, various original holders of expropriated securities and capital components have initiated or could initiate legal proceedings against, amongst others, the Issuer, in view of compensation for alleged damages as a result of the expropriation. Currently, it is not possible to make an estimate of the probability that (possible) legal proceedings of original holders or other parties affected by the nationalisation may result in liability, or the level of the financial impact on the Issuer. For this reason, at 30 June 2015 no provisions have been made in respect of possible legal actions by holders concerning the expropriated securities and capital components and other affected parties.

As the outcomes of possible legal proceedings cannot be predicted with certainty, it is not possible to rule out that a negative outcome may have a material negative financial impact on the capital position, results and/or cash flows of the Issuer. It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving the Issuer. The costs to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Issuer's services, regardless of whether the allegations are valid or whether the Issuer or any of its subsidiaries is ultimately found liable. As a result, litigation may adversely affect the Issuer's business, financial condition and results of operations (see also the risk factor '*The Issuer is exposed to risks of damage to its reputation*' and the paragraph '*Legal proceedings*' in the chapter '*SNS Bank N.V.*').

The Issuer may be exposed to failures in its risk management systems

The Issuer invests substantial time and effort in its strategies and procedures including statistical models, scenario analyses and stress tests for managing not only credit risk, but also other risks, such as strategic risk, market risk, liquidity risk, operational risk, reputation risk, legal risk, compliance risk, capitalisation risk and reporting risk. These strategies and procedures could nonetheless fail or not be fully effective under some circumstances, particularly if the Issuer is confronted with risks that it has not fully or adequately identified or anticipated. Some of the methods of the Issuer for managing risk are based upon observations of historical market behaviour. Statistical techniques are applied to these observations in order to arrive at quantifications of some of the risk exposures of the Issuer. These statistical methods may not accurately quantify the risk exposure of the Issuer if circumstances arise which were not observed in its 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. As the Issuer gains a more complete and accurate set of data over time, it may need to make additional provisions.

If circumstances arise which the Issuer did not identify, anticipate or correctly evaluate in developing its statistical models, scenario analyses and stress tests its losses could be greater than the maximum losses envisaged by it.

Furthermore, the quantifications do not take all risks or market conditions into account. If the measures used to assess and mitigate risks prove insufficient, the Issuer may experience unanticipated losses.

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

- interruptions in the services offered or information provided to customers, or inability to serve customers' needs in a timely fashion;
- interruptions or errors in management information and/or information reported to supervisory authorities;
- a violation of applicable regulations;
- inability to identify in time or at all, inadequate, fraudulent, negligent and/or unauthorised dealings by employees of the Issuer or third parties, or telecommunication connection failures or hacking of the website portal of the Issuer or other cybercrime activities against the Issuer or its clients; and
- considerable costs in terms of, for example, information retrieval and verification.

The business operations of the Issuer 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 its communication and information systems as a result of external fraud will not occur or, if they do occur, that they will be adequately addressed.

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

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 reputation of the Issuer. Cybercrime risk is also a relevant and ongoing threat that may lead to an interruption of services to customers, loss of confidential information or erosion of trust and reputation. Additionally, inability to retain and attract key personnel could adversely affect its operations and results. The Issuer attempts to keep operational risks at appropriate levels by maintaining a well-controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which it operates. While these control measures mitigate operational risks they do not eliminate them.

Risks related to the disentanglement of SNS Bank N.V. from SNS REAAL N.V.

The Dutch State holds various stakes in Dutch financial institutions via *Stichting administratiekantoor beheer financiële instellingen* (NL Financial Investments, "**NLFI**"). Until 30 September 2015 the Issuer was wholly owned by SNS REAAL N.V. ("**SNS REAAL**", which was renamed to SRH N.V. on 30 September 2015), which is wholly owned by NLFI. Since 1 October 2015 the Issuer is a wholly owned subsidiary of SNS Holding B.V., which is also wholly owned by NLFI. Until the acquisition by Anbang Insurance Group as communicated in a press release by SNS REAAL on 26 July 2015 VIVAT N.V. (formerly REAAL N.V., "**VIVAT**") also was a wholly owned subsidiary of SNS REAAL and consequently a group company of the Issuer. The disentanglement of the various parties is described in more detail in the section '*Sale of VIVAT*' on page 53 of this Prospectus.

Prior to the disentanglement, the Issuer and REAAL could benefit from synergy advantages including cross selling of products and clients. One of the consequences of the disentanglement may be that such advantages

will no longer exist.

On 18 December 2013, SNS REAAL issued a press release relating to the EC's decision on nationalisation measures in support of SNS REAAL. Since the disentanglement, the Issuer continues to be subject to various restrictions, limitations and undertakings in light of the EC's decision, including to the extent currently material for the Issuer, an acquisition ban, an advertising restriction and a ban on commercial aggressive practices. The Issuer cannot accurately predict whether any such restrictions and limitations will have a negative effect on its business or financial flexibility.

Risks related to the potential divestment

It is expected that the Issuer will be divested in due course and that the Minister of Finance will make statements in relation thereto in the course of 2016 after having received advice from NLF1. A divestment could result in a change to the strategy, management and risk profile of the Issuer. There can be no assurance that a divestment would not adversely affect the Issuer's credit rating, the ability of the Issuer to effectively conduct its business or to satisfy its obligations under the Notes. In addition, a change of ownership of the Issuer could result in key contracts being terminated by the counterparties to such contracts (including pursuant to termination rights that are exercisable upon such a change in ownership), which could give rise to material disruptions to the Issuer's business, additional costs to renegotiate those contracts, difficulties in managing its operations, and adverse impacts on the Issuer's customers. As a result of these effects, the eventual change in ownership could have a material adverse effect on the Issuer's business, revenues, results of operations, financial position and prospects.

The Issuer has issued guarantees

The Issuer has provided guarantees as referred to in Book 2, Section 403 of the Dutch Civil Code (the "**403-guarantee**") (exemption from filing and publishing financial statements).

The Issuer has issued 403-guarantees for ASN Bank N.V., RegioBank N.V., Pettelaar Effectenbewaarbedrijf N.V., SNS Mortgage Receivables B.V., SNS Global Custody B.V., Holland Woningfinanciering N.V., and SNS Securities N.V.

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

On 7 August 2014, SNS REAAL, the former holding company of the Issuer, withdrew the 403-guarantee for the Issuer. Any remaining liabilities on the basis of this 403-guarantee prior to 7 August 2014 will remain in full force and effect until SNS REAAL terminates this remaining liability in accordance with the relevant statutory proceedings for such termination. For the avoidance of doubt, Noteholders will therefore not be able to invoke a claim against SNS REAAL on the basis of a 403-guarantee with respect to a claim of such Noteholder against the Issuer as these have been issued after the date of withdrawal of the 403-guarantee.

Following the transfer of the shares of SNS Property Finance B.V. (renamed to Propertize B.V., "**Propertize**") via the Dutch State to NLF1 on 31 December 2013, the Issuer withdrew the 403-guarantee for Propertize on 31 December 2013 and initiated the proceedings provided for in Article 2:404 of the Dutch Civil Code to terminate the remaining liability. SNS Bank also withdrew the 403-guarantees for four subsidiaries of Propertize on 31 December 2013, and initiated the proceedings to terminate the remaining liability. The Issuer also issued separate guarantees to a number of counterparties of Propertize in the past, certain of which are still outstanding.

Some creditors have objected to the termination of the remaining liability of the Issuer on the basis of its 403-guarantee prior to the date of its withdrawal. The Issuer will only remain liable to these creditors which have

objected towards withdrawal of the 403-guarantee and/or termination of the remaining liability. SNS Bank expects Propertize to be able to meet its obligations to these counterparties as Propertize is adequately capitalised at the time of the share transfer. The Issuer, therefore, deems it unlikely that a guarantee will be invoked. Some counterparties of Propertize who conduct legal proceedings against Propertize have thereby also arraigned SNS REAAL and/or SNS Bank. The legal basis of this is unclear and SNS Bank considers the potential success of these claims against SNS Bank to be limited. No specific agreements were made about these claims upon the transfer of Propertize on 31 December 2013. See also chapter 'SNS Bank N.V.' under 'Legal Proceedings - Guarantees pursuant to section 2:403 of the Dutch Civil Code for Propertize et al.'.

The extensive network of intermediaries of the Issuer is an important distribution channel and the Issuer may be unable to maintain a competitive distribution network

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, intermediaries and partnerships (special distribution).

A substantial part of the Issuer's business originates from distribution of its products and services by intermediaries who may also offer competitors' products and services. As a result, the success of the Issuer through these distribution channels depends on the preferences of these intermediaries for the products and services of the Issuer. Intermediaries' preferences are mainly determined by product quality, the services offered to customers and the support services. In light of current legislation, the level of compensation has become a less distinct feature for the preferences of intermediaries. The Issuer may not succeed in continuing to provide sufficient incentives to intermediaries to market their products and services successfully.

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

A significant portion of the business of the Issuer relates to its dealings with third parties

A significant portion of the business of the Issuer relates to products and services which it offers in co-operation with third parties or in relation to which it depends on third parties, for example for the distribution of such products and services. The Issuer cannot assure that these third parties will continue their co-operation with it, that the relationships with these third parties will continue to be 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 reputation of the Issuer.

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

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

Payments to Noteholders may be subject to withholding tax pursuant to the 2003/48/EC EU Council Directive

Under the European Union Directive on the taxation of savings income (Council Directive 2003/48/EC, the "EU Savings Directive"), each Member State is required to provide to the tax authorities of another Member State

details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria may instead apply a with-holding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

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

On 24 March 2014, the EU Savings Directive has been amended by the Council Directive 2014/48/EU (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The Amending Directive will apply from 1 January 2017. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of 'interest payment' to cover income that is equivalent to interest.

However, the EC has proposed the repeal of the EU Savings Directive from 1 January 2017, in the case of Austria and from 1 January 2016, in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Pursuant to Condition 12 (v) of the Terms and Conditions of the Notes, the Issuer undertakes that it will ensure that it maintains a paying agent in a Member State of the European Union that will not be obliged to withhold or deduct any tax pursuant to a directive or regulation of the European Union relating to the taxation of interest income or an intergovernmental agreement on its taxation in which the Netherlands or the European Union is involved or any provision implementing or complying with or introduced in order to confirm such directive, regulation or agreement.

It may be possible that such a paying agent does not perform its obligations in this respect under its agreement with the Issuer, which may result in the Issuer not being able to meet its obligation pursuant to the aforementioned Condition 12 (v) of the Terms and Conditions of the Notes, in which case there is a risk that under certain circumstances the interest payments under the Notes, if any, become subject to withholding tax, which would reduce payments to the Noteholders.

Noteholders may be subject to U.S. federal withholding tax under FATCA under certain circumstances

Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly known as "**FATCA**") impose a 30% withholding tax on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. United States accountholders subject to such information

reporting or certification requirements may include holders of certain Notes and the Issuer may be required to withhold on a portion of any payment made under such Notes. In addition, the Issuer may be required to withhold on a portion of any payment under any Note that is made to a non-U.S. financial institution that has not agreed to comply with these information reporting requirements. Such withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Notes held through a non-compliant institution may be subject to withholding even if the Noteholder otherwise would not be subject to withholding. Under U.S. Treasury regulations, such withholding will generally not apply to payments made on the Notes before 1 January 2017 unless interest paid on a Note was treated as derived from sources within the United States for U.S. federal income tax purposes. Moreover, in certain cases, such withholding will only apply to Notes issued at least six months after the date on which final regulations implementing such rules are published in final form. It is impossible to determine at this time what impact, if any, these rules will have on Noteholders.

Under the Netherlands-U.S. intergovernmental agreement in respect of FATCA ("**IGA**") and implementing legislation, financial institutions in the Netherlands generally will be able to be treated as deemed compliant with FATCA if it satisfies certain requirements. A financial institution in the Netherlands that complies with its obligations under the IGA generally will not be subject to FATCA withholding on amounts it receives, and generally will not be required to make FATCA withholding from payments it makes with respect to the Notes, other than in certain prescribed circumstances.

Prospective Noteholders should consult their tax advisors regarding the possibility of withholding under FATCA, and the general effect of FATCA, in their individual circumstances.

For payment under Notes the Issuer may be dependent on dividend payments received from its subsidiaries

In order to fulfill its payment obligations under the Notes it issues, the Issuer may be dependent on dividend payments received from its subsidiaries. Furthermore, the paying of dividend by regulated entities within the Issuer's group, including the Issuer, may be limited by applicable legislation or supervisory authorities.

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

The results of operations and the financial condition of the Issuer depends, 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 ability of the Issuer to price its products and services accurately is subject to a number of uncertainties. As a result, rates and prices of products and services may be determined on the basis of inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies. If the Issuer fails to establish adequate rates and prices for its products and services, its revenues could decline while its expenses increase resulting in proportionately greater losses.

RISK FACTORS REGARDING THE NOTES

Risks related to the structure of a particular issue of Notes

Several types of Notes may be issued under the Programme. Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at

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

Redemption, substitution and variation risk in respect of Subordinated Notes (including Tier 2 Notes)

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined in Condition 7(f) of the Terms and Conditions of the Notes) redeem the Subordinated Notes, in whole but not in part, at any time, if the Issuer has notified the relevant Subordinated Noteholders (as defined in Condition 3 of the Terms and Conditions of the Notes) on giving not less than 30 nor more than 60 days' irrevocable notice, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14. Additionally, redemption of the Subordinated Notes is subject to (i) the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given pursuant to Article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRD IV Regulation, which may include requiring the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer.

An optional redemption feature of Subordinated Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Subordinated Notes, the market value of those Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Subordinated Notes it has issued when its cost of borrowing is lower than the interest rate on the Subordinated Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If "Variation or Substitution" is specified in the applicable Final Terms and if a Capital Event or a CRD IV Capital Event (as defined in Condition 7(f) of the Terms and Conditions of the Notes) has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given (but without any requirement for the permission of the Subordinated Noteholders) and on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

The terms and conditions of such varied or substituted Subordinated Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Subordinated Notes. However, the Issuer cannot make changes to the terms of the Subordinated Notes or substitute the Subordinated Notes for securities that are materially less favourable to the Subordinated Noteholders and following such variation or substitution the resulting securities must have at least, *inter alia*, the same ranking, interest rate, maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Subordinated Notes. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular Subordinated Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Notes could be different for some categories of Subordinated Noteholders from the tax and stamp duty consequences of their holding the Subordinated Notes prior to such variation or substitution. See Condition 7(f) of the Terms and Conditions of the Notes for further details.

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Prospective investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest; and
- (iii) payment of interest may occur at a different time or in a different currency than expected.

Issues of Subordinated Notes; limited rights to accelerate

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 3 of the Terms and Conditions of the Notes. Any such Subordinated Notes and the relative Receipts and Coupons constitute unsecured subordinated obligations of the Issuer and rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Subordinated Notes) and (ii) junior to those subordinated obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law. As a result, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium (as defined in Condition 3 of the Terms and Conditions of the Notes), the claims of Subordinated Noteholders against the Issuer are subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes (collectively "**Senior Claims**"). By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied. A Subordinated Noteholder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated or senior subordinated liabilities of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date of the relevant Subordinated Notes.

In addition, the rights of Subordinated Noteholders are limited in certain respects. In particular, (i) redemption of Subordinated Notes pursuant to Conditions 7(b), (d), (e) or (f) of the Terms and Conditions of the Notes may only be effected after the Issuer has obtained the written permission of the Competent Authority, and (ii) the Issuer must obtain the prior written permission of the Competent Authority before effecting any repayment of Subordinated Notes following an Event of Default (as defined in Condition 10 of the Terms and Conditions of the Notes). See Conditions 7(g) and 10 of the Terms and Conditions for further details.

Although Subordinated Notes may have the benefit of a higher Rate of Interest than comparable Notes which are not subordinated, there is a greater risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent. See also the risk factor above '*Notes subject to optional redemption by the Issuer*'.

Subordinated Noteholders will only have limited rights to accelerate repayment of the principal amount of Subordinated Notes. See Condition 10(iii)(iv) (*Events of Default*) of the Terms and Conditions, which limits the events of default to (i) the Issuer being declared bankrupt or a declaration in respect of the Issuer being made under Article 3:163(1)(b) of the Wft by a competent court and (ii) an order being made or an effective resolution being passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation. Accordingly, if the Issuer fails to meet any interest payment or other obligations under the Subordinated Notes, such failure will not give Subordinated Noteholders any right to accelerate repayment of the principal amount of the Subordinated Notes.

Bail In

BRRD and the SRM provide resolution authorities the power to ensure that capital instruments (such as the Subordinated Notes) at the point of non-viability of the issuing institution or group and eligible liabilities (such as the Senior Notes) if the other conditions for resolution are met, absorb losses through the write-down or conversion to equity of such instruments and liabilities ("**Bail In**"). Pursuant to the Bail In, the Notes of the Issuer may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that all or part of the nominal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework.

Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Notes subject to Bail In shall be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Bail In shall not constitute an Event of Default and (iii) the Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Bail In. In addition, subject to the determination by the Resolution Authority and without the consent of the relevant Noteholders, the Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework.

Any indication that Notes will become subject to a Bail In could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that it may lose all of its investment in such Notes, including the principal amount plus any accrued but unpaid interest, in the event that a Bail In occurs.

Loss absorbency at the point of non-viability

Under the BRRD and SRM, all additional Tier 1 and Tier 2 instruments should be capable of being fully and permanently written down or converted fully into Common Equity Tier 1 capital at the point of non-viability of the issuer (such write down or conversion into Common Equity Tier 1 instruments of the outstanding principal and accrued and unpaid interest in respect of Subordinated Notes qualifying as additional Tier 1 or Tier 2 instruments, "**Statutory Loss Absorption**"). Such non-viability may be (i) a decision of the Resolution Authority that a write

down, without which the Issuer or group would become non-viable, is necessary, (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Resolution Authority, or (iii) another event as mandatorily prescribed in the Applicable Resolution Framework (a "**Non-Viability Event**"). Although Statutory Loss Absorption may be part of the Bail In tool (as described in the risk factor 'Bail In' above), Statutory Loss Absorption in respect of additional Tier 1 and Tier 2 instruments would in any event occur in hierarchy prior to a potential subsequent Bail In in respect of senior debt or eligible liabilities. Any written-down amount as a result of Statutory Loss Absorption shall be irrevocably lost and holders of such Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write down. Such Statutory Loss Absorption shall not constitute an Event of Default and the Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption.

The occurrence of a Non-Viability Event may be unpredictable and may depend on a number of factors which may be outside of the Issuer's control. The Resolution Authority may require or may cause a write down in circumstances that are beyond the control of the Issuer and with which the Issuer may not agree. It is possible that the Resolution Authority will use its powers under the Dutch Intervention Act and/or the Applicable Resolution Framework (see '*Risk Factors regarding the Issuer - Amendments to regulatory framework and/or regulations governing the Issuer's business*'), when entered into force, to force a write down or conversion, which could result in subordinated and/or senior debt instruments of the Issuer absorbing losses. Because of the inherent uncertainty regarding the determination of whether a Non-Viability Event exists, it will be difficult to predict when, if at all, a write down will occur. Accordingly, market prices and trading strategy in respect of Subordinated Notes which may be subject to Statutory Loss Absorption may differ from other types of securities. Any indication that the Issuer is trending towards a Non-Viability Event could have an adverse effect on the market price of the relevant Subordinated Notes. Potential investors should consider the risk that a holder of Subordinated Notes which may be subject to Statutory Loss Absorption may lose all of its investment in such Subordinated Notes, including the principal amount plus any accrued but unpaid interest, in the event that a Non-Viability Event occurs. See Condition 7(l) of the Terms and Conditions of the Notes for further details.

Risks related to the Notes generally

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

Modification, waivers and substitution

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

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

Eurosystem eligibility

Notes may be held in a manner which will allow Eurosystem (as defined under 'Form of the Notes') eligibility. This means that such Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary

policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

EU Savings Directive

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct any tax pursuant to a directive or regulation of the European Union relating to the taxation of interest income or an intergovernmental agreement on its taxation in which the Netherlands or the European Union is involved or any provision implementing or complying with or introduced in order to confirm such directive, regulation or agreement.

Tax consequences of holding the Notes

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

Notes held in global form

The Notes will initially be held by a common depositary or common safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Nederland, in each case in the form of a global Note which may be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed 'Form of the Notes' below. For as long as any Notes are represented by a global Note held by a common depositary in the case of a CGN, or a common safekeeper in the case of a NGN, on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes. Delivery (*uitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, "**Wge**") (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time).

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

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

Nominee Arrangements

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

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

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

Change of law and jurisdiction

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

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

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is

particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

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

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

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

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

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

A reset of the interest rate could affect the market value of an investment in the Notes.

Fixed Rate Notes may bear interest at an initial Rate of Interest subject to one or more resets during the tenor of the Notes. Such reset rate could be less than the initial Rate of Interest and could affect the market value of an investment in the Notes.

Legal investment considerations may restrict certain investments

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

General risks

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

OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference.

Issuer:	SNS Bank N.V. is incorporated under the laws of the Netherlands with limited liability and has its corporate seat in Utrecht. Its registered address is Croeselaan 1, 3521 BJ Utrecht, the Netherlands. The telephone number is tel. +31 (0)30 291 5200.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. These are set out under 'Risk Factors' above and include the fact that the Issuer's results can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risk. In addition, there are certain factors which are material for the purpose of assessing the risks associated with Notes issued under the Programme - see ' <i>Risk Factors Regarding the Notes</i> ' in this Prospectus.
Description:	Debt Issuance Programme of SNS Bank N.V.
Arranger:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)
Dealers:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank), SNS Bank and any additional Dealers appointed by the Issuer from time to time.
Regulatory Matters:	Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see ' <i>Subscription and Sale</i> ' below).
Issuing and Principal Paying Agent:	Banque Internationale à Luxembourg SA (" BIL ")
Amsterdam Paying Agent:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)
Listing Agent:	SNS Bank N.V.
Size:	Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by the Issuer will not exceed €25,000,000,000 (or its equivalent in any other currency calculated as described herein). The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement (as defined below).

Distribution:	Notes may be distributed by way of public offers or private placements and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be specified in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, pound sterling, Swiss francs, United States dollars and Japanese yen.
Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Subordinated Notes, to a minimum maturity of five years.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note. Each global Note which is not intended to be issued in the form of a new global Note (a " New Global Note " or " NGN "), being a classic global Note (a " Classic Global Note " or " CGN "), as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date either (i) with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Nederland and each global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The temporary global Note will be exchangeable as described therein for, as specified in the applicable Final Terms, either a permanent global Note or definitive Notes upon satisfaction of certain conditions, including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note (other than a permanent global Note deposited with Euroclear Nederland) is exchangeable for definitive Notes only upon the occurrence of an Exchange Event, as described in 'Form of the Notes' below. Delivery (<i>uitlevering</i>) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (<i>Wet giraal effectenverkeer</i> , " Wge ") (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time). Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Nederland, as appropriate.

Fixed Rate Notes:	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as specified in the applicable Final Terms).
Floating Rate Notes:	Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as specified in the applicable Final Terms). The Margin (as specified in the applicable Final Terms) (if any) relating to such floating rate will be specified in the applicable Final Terms.
Specified Interest Period(s) or Specified Interest Payment Date(s) for Floating Rate Notes:	Such period(s) or date(s) as may be specified in the applicable Final Terms.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (if any) (as specified in the applicable Final Terms).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest other than in the case of late payment.
Redemption:	The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specific instalments, if applicable, or for tax reasons or if having Notes outstanding or making payments on the Notes becomes unlawful as described in Condition 7(b) and Condition 7(c) respectively of the Terms and Conditions of the Notes or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders on giving not less than 15

nor more than 30 days' irrevocable notice (or such other notice period, if any, as is specified in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are specified in the applicable Final Terms.

Redemption for regulatory purposes: If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined in Condition 7(f) of the Terms and Conditions of the Notes) redeem the Subordinated Notes, in whole but not in part, at any time, if the Issuer has notified the relevant Subordinated Noteholders on giving not less than 30 nor more than 60 days' irrevocable notice, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14. Additionally, redemption of the Subordinated Notes is subject to (i) the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given pursuant to Article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRD IV Regulation, which may include requiring the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer. The Issuer will redeem the Subordinated Notes in accordance with the Terms and Conditions at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

Variation or Substitution If "Variation or Substitution" is specified in the applicable Final Terms and if a Capital Event or a CRD IV Capital Event (as defined in Condition 7(f) of the Terms and Conditions of the Notes) has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given (but without any requirement for the permission of the Subordinated Noteholders) and on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes in accordance with this Condition 7(f), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favourable to the Subordinated Noteholders.

Instalments: The applicable Final Terms may specify that Notes may be repayable in two or more instalments of such amounts and on such dates as specified in it.

Denomination of Notes:	Notes will be issued in such denominations as may be specified in the applicable Final Terms. The minimum denomination of each Note will be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).
Taxation:	Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in the Netherlands, subject in the latter case to certain exceptions as provided in Condition 8 of the Terms and Conditions of the Notes. If the applicable Final Terms specifies that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 7(b) of the Terms and Conditions of the Notes will not apply to the Notes.
Negative Pledge:	None.
Cross Default:	None.
Status of the Senior Notes:	The Senior Notes and the relative Receipts and Coupons issued by the Issuer constitute unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.
Status and Characteristics relating to Subordinated Notes:	<p>The Subordinated Notes and the relative Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank (i) <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Subordinated Notes) and (ii) junior to those subordinated obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.</p> <p>As a result, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium (as defined in Condition 3 of the Terms and Conditions of the Notes), the claims of Subordinated Noteholders against the Issuer are subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes (collectively "Senior Claims").</p>

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied.

Events of Default of Subordinated Notes are restricted to bankruptcy and liquidation and repayment following an Event of Default may be subject to the prior permission of the Competent Authority.

The Subordinated Notes may qualify as Tier 2 capital ("**Tier 2 Notes**") (as specified in the applicable Final Terms) for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

Statutory Loss Absorption:

Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by BRRD ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by BRRD, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) Subordinated Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result such Statutory Loss Absorption.

The Subordinated Notes will not be subject to Statutory Loss Absorption if and to the extent BRRD is not deemed to apply retrospectively with respect to such Statutory Loss Absorption. In addition, subject to the determination by the Resolution Authority and without the consent of the Noteholders, the Subordinated Notes may be subject to other resolution measures as envisaged under BRRD.

Ratings:

Ratings in relation to the Issuer and certain Notes are described in the chapter headed 'SNS Bank N.V.', section 'Rating Agencies'.

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, its rating will be specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice.

- Listing: Application may be made for Notes to be issued under the Programme to be listed on Euronext in Amsterdam and/or the Luxembourg Stock Exchange. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed and, if so, on which exchange(s).
- Governing Law: The Notes will be governed by, and construed in accordance with, the laws of the Netherlands.
- Selling Restrictions: There are selling restrictions in relation to the European Economic Area, United Kingdom, the Netherlands, Japan and the United States, Zero Coupon Notes and such other restrictions as may be required in connection with the offering and sale of a particular Series or Tranche of Notes. See '*Subscription and Sale*' below.

CERTAIN NOTICES TO INVESTORS

RESPONSIBILITY STATEMENT

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

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

NOTICE

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

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

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

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

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

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

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

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

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

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

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

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

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

particular, further action may be required under the Programme which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required.

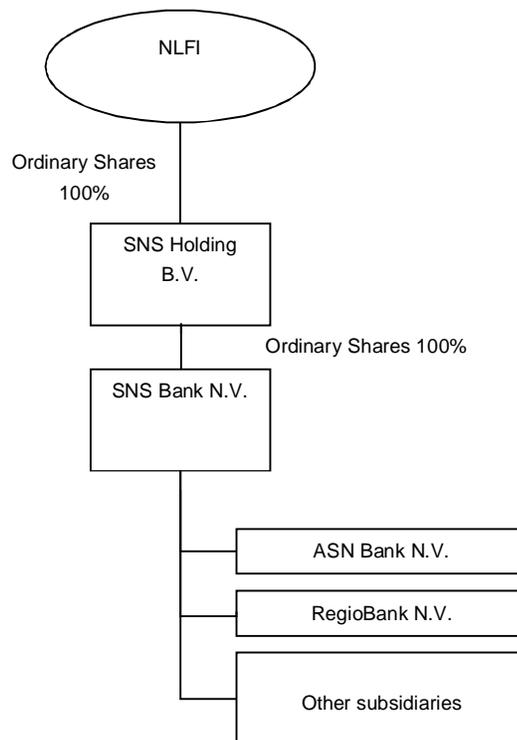
In connection with the issue of any Series or Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) in the applicable Final Terms (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market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

SNS BANK N.V.

Incorporation and ownership

SNS Bank N.V. ("**SNS Bank**"), a public company with limited liability (*naamloze vennootschap*), was incorporated under Dutch law on 18 December 1990 as a result of the merger of several regional savings banks. The corporate seat of SNS Bank is in Utrecht, the Netherlands. The registered office of SNS Bank is Croeselaan 1, 3521 BJ, Utrecht, the Netherlands and SNS Bank is registered in the Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*), under number 16062338. The telephone number of SNS Bank is +31(0)30 291 5200. The articles of association of SNS Bank were lastly amended by notarial deed on 1 July 2014 before Mr. J.D.M. Schoonbrood, civil law notary practising in Amsterdam, the Netherlands.

As per the date of this Base Prospectus, NLFI is on behalf of the Dutch State, indirectly via SNS Holding B.V., the sole shareholder of SNS Bank (see chart below). This holding structure is also used by the Dutch State and NLFI for certain other holdings in financial institutions.



Governance SNS Holding B.V.

The Managing Board and the Supervisory Board of SNS Holding B.V. consist of the same members as the Managing Board and the Supervisory Board of SNS Bank.

Managing Board of SNS Bank

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

Mr. M.B.G.M. Oostendorp	Chief Executive Officer Member of the Supervisory Board at NWB Bank Member of the Advisory Board at Women in Financial Services (WIFS) Member of the Board of Inspiration NIBE-SVV Member of the Supervisory Board of SRH N.V.
Mr. R.G.J. Langezaal	Chief Commercial Officer Chairman of the Supervisory Board of ASN BANK N.V., RegioBank N.V. and SNS Beleggingsfondsen N.V. Member of the Advisory Council of XS4all Internet B.V. Member Consumer Affairs Committee Dutch Banking Association
Mr. V.A. Baas	Chief Operations Officer Chairman Advisory Council HBO-i (Higher Professional Education - ICT programmes) Chairman Advisory Board Association of Dutch universities of applied ICT sciences
Mrs. A.T.J. van Melick	Chief Financial Officer Member of the Supervisory Board ASN Bank N.V., Regio Bank N.V. and SNS Securities N.V. Member Advisory Council Radio Netherlands Worldwide
Mr. M. Wissels	Chief Risk Officer Member of Programme Advisory Council for a supervisory board training programme of Nyenrode University

The members of the Managing Board of SNS Bank also hold management and supervisory functions with other entities within the SNS Bank group (other than at SNS Holding B.V.).

All members of the Managing Board of SNS Bank have full time positions and have elected domicile at the registered office of SNS Bank.

Supervisory Board of SNS Bank

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

Mr. J.C.M. van Rutte, Chairman
Member Supervisory Board ORMIT Holding B.V.
Member Supervisory Board Royal Theatre the Hague (*Koninklijke Schouwburg Den Haag*)
Member of the Board of ABN AMRO Foundation

Ms. C.M. Insinger

Independent management consultant and interim manager

Member Supervisory Board of Ballast Nedam

Member supervisory committee of Rijnland Zorggroep

Member supervisory council of Air traffic control Nederland (*Luchtverkeersleiding Nederland*)

Member of the Strategic Audit Committee of the Dutch Ministry of Foreign Affairs

Member of the Supervisory Board of SRH N.V.

Mr. J.A. Nijhuis

President of the Schiphol Group

Member Supervisory Committee of Stichting Kids Moving the World

Board Member Stichting Common Purpose

Member Supervisory Board Muziektheater Amsterdam

Non-executive board member of Aéroports de Paris

Mr. L. Wijngaarden

Chairman Supervisory Board of Oasen

Chairman Supervisory Board of LTP

Member Supervisory Board of the residential building cooperative Rochdale

Member Executive Board of DAK

Member advisory council of College Bescherming Persoonsgegevens

Member advisory council of Oracle Nederland

Mrs. M.R. Milz

Professional supervisor and management consultant

Member Supervisory Board Amsterdam University of Applied Sciences

Member Supervisory Board University of Amsterdam

Member Supervisory Board ConQuaestor B.V.

Chairman Green Deal Board

Audit Committee

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

Mr. J. Nijhuis (chairman)

Mr. L. Wijngaarden

Mr. J.C.M. van Rutte

Ms. C.M. Insinger

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

main developments in the field of financial reporting, tax, funding and finance, risk management and to monitor the relationship with the independent auditors of SNS Bank.

SNS Bank and the Banking Code

The Banking Code came into force on 1 January 2010 and is applicable to all of the Issuer's banking activities. As at 31 December 2014, the Banking Code thus applied to SNS Bank N.V., RegioBank N.V. and ASN Bank N.V. In its annual report 2014, SNS Bank reports on the compliance with the Banking Code.

The Banking Code uses the 'comply or explain' principle. However, applying the principles also depends on the activities and other specific characteristics of the bank and the group of which they are part. Departures from the Banking Code, if substantiated, can therefore be justified.

In 2014, SNS Bank made strides in monitoring compliance with the Banking Code. Monitoring has shown that, with a few exceptions, the Banking Code is fully applied within SNS Bank. The website of SNS Bank provides information on these exceptions, please refer to www.snsbanknv.nl. The aforementioned website will also include a report on the way in which SNS Bank made preparations for implementation of the new Banking Code, which entered into force on 1 January 2015 and which will apply to reporting periods as of 1 January 2015.

Conflicts of interest SNS Bank

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

Independent Auditors

KPMG Accountants N.V., with registered offices in Amstelveen, has been appointed as independent auditor to SNS Bank. All audit partners involved in the audit of the financial statements of SNS Bank are a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*, NBA).

Rating Agencies

SNS Bank has been rated by independent rating agencies Moody's, Standard & Poor's and Fitch. The most recently published reports by these rating agencies, expressing opinions on any of the ratings assigned to SNS Bank, are made available on www.snsbanknv.nl under the headings 'Investor relations' > 'Credit ratings'. Please see below an overview of the ratings assigned to SNS Bank.

Ratings of SNS Bank per date of this Prospectus

Long term credit ratings	S&P	Moody's	Fitch
SNS Bank	BBB (negative)	Baa2 (positive)	BBB (stable)

Short term credit ratings	S&P	Moody's	Fitch
SNS Bank	A2	P-2	F3

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, its rating will be specified in the applicable Final Terms.

Company profile

SNS Bank

SNS Bank operates in the Dutch retail market (private individuals, self-employed persons and SMEs) with a focus on mortgages, savings and payments. The company has five bank brands – ASN Bank, BLG Wonen, RegioBank, SNS and ZwitserlevenBank - each displaying its own identity and profile. SNS Bank aims to meet the specific financial needs of its customers in a people-oriented, efficient and sustainable manner. Together, the SNS Bank brands position themselves as challengers of the major Dutch banks. The brands of SNS Bank are supported by a single back office, a strong IT organisation and a central staff organisation, enabling the bank to work effectively and efficiently.

Five brands:

- ASN Bank's mission is to be a bank that contributes to a more sustainable society, based on its pillars of climate change, human rights and biodiversity. ASN Bank fulfils this role by means of investments, loans (including project loans) and sustainable investment funds). ASN Bank has the ambition to make the right – socially responsible – investments to be true to its mission and be a bank that helps create a more sustainable society.
- BLG Wonen is the brand for the independent advisor who gives broad house and home-related financial advice to clients. BLG Wonen seeks to create a society in which every person has a house where he feels at home. BLG Wonen has the ambition to be an authority in the areas of housing and finance. To this end, it makes a social contribution to a healthy housing market by means of knowledge development about the housing market and a cross-sector network of players in the housing market. Making homes more sustainable is given particular attention in this respect;
- RegioBank is a bank that works with independent advisers having a franchise relationship with this brand. RegioBank offers a range of products, serving retail customer and corporate clients in the areas of payments, savings and mortgages. RegioBank is joining hands with municipalities, local entrepreneurs, residents and advisers to offer ATMs and service desks in villages that now have to do without an ATM or bank. By making personal financial services and cash available, RegioBank contributes to people's financial self-reliance and to the local economy;
- SNS is the broad consumer brand for banking and insurance products. SNS Bank serves its customers with service, advice and sales via snsbank.nl, mobile phone, SNS Customer Service, SNS Shops and financial advisors. SNS wants to position itself as a no-nonsense bank for ordinary Dutchmen and as a clear alternative to and challenger of the major banks by making banking more accessible, by offering unique services and by offering a clear and simple product range as comprehensive solution to its customers. The objective is to increase the number of SNS products per customer by proactively giving advice, listening carefully and discovering any additional wishes that customers may have. By taking on this advisory role, SNS intensifies the relationship with its customers; and
- ZwitserlevenBank is a trade name of SNS Bank. In partnership with Zwitserleven, SNS Bank offers savings products aimed at 'saving for later' under the name of Zwitserleven. ZwitserlevenBank has been operating in this way in the savings market since July 2013.

SNS Securities

The activities of SNS Securities are performed from SNS Bank's wholly owned subsidiary SNS Securities N.V. ("**SNS Securities**"). SNS Securities provides securities services (shares, bonds and derivatives) to national and international professional investors. In addition, it supports SME and larger companies in private and public capital market transactions. The securities research conducted by SNS Securities mainly focuses on Dutch small-cap and mid-cap funds. SNS Securities also provides individual asset management, investments with advice and securities services to high-net-worth private investor's (for assets from €250,000).

Supervision

The regulatory framework is under constant scrutiny, both at a national and international level. Many new rules and regulations have entered into force in recent years and will enter into force the following years. Important changes with respect to the supervision on the Issuer have been and will be introduced by CRD IV. Other important changes will be introduced as a result of the implementation of the BRRD by means of the Recovery and Resolution Act and by entry into force of the SRM Regulation. Please see Chapter 1 - '*Risk Factors regarding the Issuer - Amendments to regulatory framework and/or regulations governing the Issuer's business*'.

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

Banks:

SNS Bank N.V.

RegioBank N.V.

ASN Bank N.V.

Investment firm:

SNS Securities N.V.

ASN Vermogensbeheer B.V.

Single Supervisory Mechanism

The SSM is one of the elements of the Banking Union. The SSM creates a new system of financial supervision comprising the ECB and the national competent authorities of participating EU countries. Among these EU countries are those whose currency is the euro and those whose currency is not the euro, but who have decided to enter into close cooperation with the SSM. Under the new system of supervision, the ECB directly supervises significant credit institutions since 4 November 2014. SNS Bank is considered a 'significant credit institution' under the SSM and is therefore since 4 November 2014 subject to direct supervision by the ECB. Specific tasks relating to the prudential supervision of credit institutions have been conferred to the ECB.

Recent developments

2014 Annual Results SNS Bank

In 2014, SNS Bank focused on regaining the trust of customers and improving its market share in retail mortgages and payments, while maintaining its market share in savings. In addition, the process of disentanglement from SNS REAAL and the need to prepare for new laws and regulations led to a considerable work load. During the year, the bank welcomed nearly 400 employees from the holding company followed by another 550 in January 2015. Furthermore, the bank introduced and implemented changes in governance and risk management, in order to prepare for a standalone future.

The brands of SNS Bank welcomed 231,000 new customers. On a net basis, the number of customers rose by 98,000. At the same time, the customer satisfaction score of the SNS brand continued the improving trend that started after the nationalisation in 2013. Customer satisfaction scores at BLG Wonen and RegioBank remained stable. ASN Bank continued to have one of the highest customer satisfaction rates in the industry (*Consumentenbond, bankemonitor*), although slightly lower compared to year-end 2013. SNS Bank will continue to strive for higher satisfaction scores.

SNS Bank's market share in new retail mortgages increased to 3.7% in 2014, compared to 1.8% in 2013. However, the difference with our target of 5-8% indicates that there still is work to do in 2015 and beyond. The market share in retail savings edged up to 10.7% and was in line with our target of above 10%.

In 2014 SNS Bank posted a net profit excluding one-off items of €294 million, up 12% compared to the adjusted profit in 2013.

This 12% improvement was mainly driven by higher net interest income and lower impairment charges on loans. Net interest income increased markedly driven by lower funding costs. Higher impairment charges on SME loans and other retail loans were more than compensated by lower impairment charges on retail mortgages. This positive development was supported by a cautious recovery of the Dutch housing market. The credit quality of the mortgage portfolio showed signs of improvements. The inflow of new defaulting loans was lower compared to 2013.

Operating expenses, excluding the impact of one-off items, were 5% higher. The increase was mainly due to costs of regulatory projects and dis-synergies related to the disentanglement from SNS REAAL. The efficiency ratio adjusted for one-off items was 44.7% (2013: 43.5%).

SNS Bank's 2014 net profit was €151 million and included a €76 million one-off charge for the resolution levy on Dutch banks related to the nationalisation of SNS REAAL and a €67 million goodwill impairment related to the acquisition of RegioBank in 2007. Based on the reported net profit, return on equity was 5.4%; based on net profit excluding one-off items, it was 10.6%.

SNS Bank's total capital consists almost entirely of core equity. The Common Equity Tier 1 ratio of SNS Bank on a stand-alone basis increased further to 18.3% at year-end 2014 from 15.0% at year-end 2013. This increase was due to profit retention and a decrease of risk-weighted assets. The leverage ratio of SNS Bank on a stand-alone basis increased to 3.8% at year-end 2014, from 3.1% at year-end 2013.

Taking into account the growing importance of non-risk weighted capital ratios (MREL and total loss-absorbency capacity (or "**TLAC**")), SNS Bank intends to further strengthen and diversify its total capital and tap financial markets for hybrid debt, now the sale of VIVAT has been completed (also see below section '*Sale of VIVAT*').

DNB additional systemic capital buffer requirement

On 29 April 2014 DNB announced that it intends to impose an additional systemic capital buffer requirement of 1% of risk-weighted assets for SNS Bank, which it may phase in between 2016 and 2019 in the systemic buffer. This is further to the CRD IV Implementation Act, which lays down the basis for the systemic buffers. The CRD IV Implementation Act entered into force on 1 August 2014.

Comprehensive assessment SNS Bank

On 26 October 2014, the ECB published the results of the comprehensive assessment for 128 European banks, including SNS Bank. The comprehensive assessment consisted of an asset quality review (AQR) and an EU-wide stress test.

Asset quality review SNS Bank

During the AQR, the ECB extensively audited (at the loan level) the quality of the portfolios of individual banks. The audit at SNS Bank focused on the residential mortgages and on loans in excess of € 1 million. Compared to SNS Bank's stand-alone Common Equity Tier 1 capital at year-end 2013 in the amount of € 2,266 million (calculated according to CRD IV on a transitional basis), the calculation of capital according to the AQR approach resulted in a gross adjustment of minus € 101 million. The net adjustment of € 76 million corresponded to a decrease of the CET1 ratio of 15.5% to 14.9% (calculated according to CRD IV on a transitional basis). The € 101 million gross adjustment was the result of a few differences in parameters and assumptions between loan provision models used in the AQR on the one hand and those used by SNS Bank in-house on the other. The main differences were the use of a longer assumed loss identification period (which is the difference in time between the occurrence of the actual loss and the identification thereof by SNS Bank) and a different method for the determination of the assumed recovery of loans in default. In this respect, internal assessment of data recovery has not resulted in changes to the internal model approved by the regulator. Based on the AQR results, SNS Bank made some changes to the provision process in the second half of 2014. For example, SNS Bank extended the average loss identification period for residential mortgages, as part of the calculation of provisions, from 6 to 10 months. This resulted in a one-off addition to the provision for residential mortgages (IBNR provision) of € 23 million.

EU-wide stress test

The EU-wide stress test assessed the resilience of the European banking sector using hypothetical external shocks over a period of three years (2014-2016) based on two economic scenarios. This EU-wide stress test has revealed that SNS Bank's CET1 ratio remains virtually stable at 15.0% in the baseline scenario, thus comfortably meeting the 8% minimum requirement. In the adverse scenario of the stress test, the adjusted CET1 ratio dropped from 14.9% in 2013 to 6.8% in 2016, which is a drop of 8.1 percentage points. This is above the 5.5% threshold for the adverse scenario set by the ECB. The 8.1% drop was the result of stringent methodology assumptions (-5.7%) and SNS Bank-specific components (-2.4%). The results of the stringent methodology assumptions included:

- net interest income under high pressure due to higher calculated funding costs, an increase of loans in arrears, higher impairments; and
- an increase of risk-weighted assets driven by a higher risk weight of loans in arrears. Further, loans in arrears were not assumed to recover during the horizon of the stress test.

SNS Bank-specific components were:

- relatively high deferred tax assets. The losses at Property Finance, currently operating under the name Propertize, created relatively high deferred tax assets for SNS Bank in the years prior to the nationalisation, as did the nationalisation measures. Under CRD IV such deferred tax assets are deducted from the Common Equity Tier 1 capital (which is phased in by 20% each year as from 2014);
- the accounting treatment of the portion of the mortgage portfolio that is recognised at fair value. In the stress test methodology, mortgage portfolios included in the balance sheet at fair value and discounted using RMBS spreads are stressed as RMBS. This resulted in a considerably lower valuation of these mortgage portfolios in the stress test, despite the fact that SNS Bank does not hold this portfolio for trading purposes, but to maturity.

The current status of the deferred tax assets is described on page 26 of SNS Bank's publicly available reviewed condensed consolidated interim financial statements for the six month period ended 30 June 2015, which are incorporated by reference in this Prospectus. As described therein, the deferred tax assets resulting from the losses at Propertize is nil as per 30 June 2015.

The most recent description of the impact of the fair value movements of the mortgages is described under "Results first half of 2015 compared to first half 2014" and "Results first half of 2015 compared to second half of 2014" on pages 7 to 10 of SNS Bank's publicly available reviewed condensed consolidated interim financial statements for the six month period ended 30 June 2015, which are incorporated by reference in this Prospectus.

The outcome of the comprehensive assessment demonstrates SNS Bank's resilience under adverse economic conditions and when applying stringent methodology assumptions. As the comprehensive assessment demonstrates that SNS Bank has no capital shortfalls, it is under no obligation to submit capital plans to the ECB.

Semi-annual results 2015 SNS Bank

In the first half of 2015, SNS Bank focused on improving customer services and growing market shares in retail mortgages and current accounts, while maintaining a 10%-plus market share in retail savings balances.

The different brands of SNS Bank welcomed 131,000 new customers. On a net basis, the number of customers rose by 67,000. At the end of June 2015, the total number of customers had increased to nearly 3.0 million. Furthermore, overall customer satisfaction levels continued to improve. For the first time in its history, RegioBank achieved a positive Net Promoter Score (NPS) and is now, together with ASN Bank, one of three banks in the Netherlands with a positive NPS. At ASN Bank and SNS Bank, customer satisfaction improved slightly compared to year-end 2014. ASN Bank continues to have one of the highest NPS in the industry (*Consumentenbond, bankmonitor*). Only at BLG Wonen the NPS decreased.

In line with SNS Bank's ambition to gradually increase its market share in retail mortgages, new production increased to € 0.9 billion from € 0.6 billion in the first half of 2014 (+34%). SNS, BLG Wonen and RegioBank all contributed to this increase. However, in a growing market for new mortgages, total market share was up only slightly at 3.8%. The gap with SNS Bank's 5-8% target indicates that there is still work to be done. The total retail mortgage loan portfolio decreased by € 0.7 billion to € 45.8 billion due to the high volume of redemptions, which increased to € 1.5 billion from € 1.2 billion in the first half of 2014. This increase was driven by the current low interest environment resulting in an increased mortgage refinancing market. Furthermore, increased house movements and a general trend towards partial repayments during the term of the mortgage both contributed to the higher level of redemptions.

Retail savings balances increased to € 37.3 billion from € 35.7 billion, at year-end 2014 (+5%). In a growing market, SNS Bank's market share in savings of 10.7% was stable compared to year-end 2014 and in line with SNS Bank's target of above 10%.

In the first half of 2015 SNS Bank posted a sharply higher net profit of € 244 million (first half of 2014: € 111 million), including a € 47 million one-off gain due to fair value movements of former DBV mortgages and related derivatives. The first half of 2014 had included a one-off charge of € 51 million for the resolution levy on Dutch banks related to the nationalisation of SNS REAAL.

Adjusted for one-off items, net profit rose by 28% to € 197 million. This improvement was mainly driven by higher net interest income, lower impairment charges on loans and a higher result on financial instruments.

Net interest income showed a limited increase, mainly due to lower retail funding costs, partly offset by declining customer interest rates on mortgage loans and a slight decrease of the retail mortgage portfolio.

Impairment charges on loans and advances to customers were 45% lower (17 bps of gross outstanding loans, compared to 30 bps in the first half of 2014). This positive development was supported by a further recovery of the Dutch economy and housing market. The credit quality of the retail mortgage portfolio improved, which manifested itself in a decrease in the total number of default mortgage loans and a lower inflow of defaulting loans.

Operating expenses were 11% higher. The increase was mainly driven by cost dis-synergies related to the transfer of employees from former holding company SNS REAAL, costs to facilitate increased activities at mortgage operations and investments to improve risk management, operational effectiveness and control. The increase in operating expenses resulted in an efficiency ratio adjusted for one-off items of 46.6%, up slightly compared to previous periods. Including one-off items the efficiency ratio fell to 42.0%. Based on net profit, return on equity (RoE) stood at 16.0% (first half of 2014: 8.0%); based on net profit excluding one-off items, RoE was 12.9%. Currently, both net profit and the RoE ratio benefit from the absence of subordinated debt.

At 30 June 2015, SNS Bank's total capital consisted entirely of common equity. Due to profit retention and a decrease of risk-weighted assets (RWA), the Common Equity Tier 1 (CET1) ratio on a stand-alone basis increased to 20.4% from 18.3% at year-end 2014. The leverage ratio of SNS Bank on a stand-alone basis increased to 4.3%, from 3.8% at year-end 2014.

Announcement of the Minister of Finance regarding future of SNS Bank

On 22 May 2015 the Minister of Finance sent a letter to the Dutch Parliament, which includes a statement that no decision will be taken during 2015 in relation to the sale of SNS Bank. NLFI will be requested to issue an advice in relation thereto mid-2016.

SNS Securities

On 6 November 2014 it was announced that the Issuer was going to investigate the strategic options for SNS Securities, the bank's securities specialist. The strategic review is in line with the Issuer's vision for the future. The intended divestment of SNS Securities, if and when completed, is expected to result in a substantial loss compared to the book value. At the end of June 2015, the book value of SNS Securities was €34 million.

Sale of VIVAT

On 26 July 2015, SNS REAAL completed the sale of VIVAT to Anbang Insurance Group. A €250 million loan from SNS Bank to VIVAT will be repaid in full no later than 31 December 2015 and the €302 million intragroup loans from SNS REAAL to VIVAT within 180 days after the completion date of the sale on 26 July 2015.

Based on the book value of VIVAT as of 31 December 2014, the sale resulted in a book loss of €1,809 million for SNS REAAL. This led to a decrease of the CET1 ratio (and total capital ratio) at the prudential consolidated level (transitional) from 15.6% at year-end 2014 to 14.1% as at end June 2015 and fully phased-in from 15.3% to 15.0%. The CET1 ratio and the leverage ratio on a standalone basis were not impacted by the sale of VIVAT.

As mentioned above, the loan from SNS Bank of €250 million will be repaid no later than 31 December 2015. This will reduce the amount of RWA of SNS Bank on a stand-alone basis by €1,250 million. This, in turn, will result in an increase in the CET1 ratio of SNS Bank on a stand-alone basis from 20.4% to 22.5% (fully phased-in from 20.7% to 22.8%). The leverage ratio of SNS Bank will not be materially affected.

SNS Bank and SNS REAAL agreed 31 December 2015 as end date and repayment date for a € 100 million facility which is in place between them, but the term of the facility may be extended if requested by SNS REAAL and agreed by SNS Bank.

SNS Bank and VIVAT currently have a collaboration, as laid down in a long-term distribution agreement. Based upon this agreement SNS Bank distributes VIVAT's insurance products, uses the asset management capabilities of ACTIAM, and provides savings products under the ZwitterlevenBank label.

Share transfer SNS Bank

On 1 October 2015, SNS REAAL announced that it transferred all shares of SNS Bank to the Dutch State on 30 September 2015 for a sum of €2.7 billion at which time the name of SNS REAAL was changed into SRH N.V. The Dutch State immediately transferred SNS Bank to holding company SNS Holding B.V. The shares in SNS Holding B.V. were also obtained by the Dutch State from SNS REAAL and subsequently transferred by the Dutch State to NLF1 in exchange for certificates of deposit.

Appointment of new Chairman of the Managing Board and new Chairman of the Supervisory Board

On 17 August 2015, SNS Bank announced that M.B.G.M. (Maurice) Oostendorp was appointed as the new Chairman of the Managing Board effective the same date, while D.J. (Dick) Okhuijsen stepped down as Chairman of the bank. It was also announced that J.C.M. (Jan) van Rutte was appointed as Chairman of the Supervisory Board.

Legal proceedings

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

Madoff

In April 2010, a foundation acting on behalf of a group of execution-only customers initiated legal proceedings against SNS Bank for alleged losses suffered on investments in certain foreign investment funds (including Madoff feeder funds). In January 2013, in the proceedings before the court, the court reached a verdict. The court ruled that SNS Bank made mistakes and therefore failed to meet its contractual obligations. SNS Bank lodged an appeal and has made a provision for the claim.

In 2010, three Madoff-feeder funds initiated legal proceedings in New York against, amongst others, the custody entity of SNS Bank, SNS Global Custody, and its clients as former beneficial owners of investments in these funds. A similar proceeding was initiated by one of these funds against SNS Global Custody in the British Virgin Islands (BVI). They claim repayment of payments made by the funds for redemptions of investments by these beneficial owners. In line with these lawsuits, Madoff's trustee initiated proceedings against SNS Bank and SNS Global Custody. The aforementioned proceedings in New York, in which many financial institutions worldwide are sued in similar proceedings, are mainly in the early stages. SNS Bank will strongly defend itself, but cannot give a reliable estimate of possible provisions resulting from these claims at the moment. With regard to a number of important preliminary questions about the claim on the BVI, judgment was given in favour of SNS Bank by final judgment.

Proceedings following the nationalization

General

Various former holders of expropriated securities and capital components have initiated legal proceedings to seek compensation for damages after the nationalization of SNS REAAL. At the date of this Prospectus, no court proceedings had (yet) been initiated against SNS Bank (and/or SNS REAAL) other than those stated below. Currently, it is not possible to make an estimate of the probability that possible legal proceedings of former holders or other parties affected by the nationalization may result in a liability, or the level of the financial impact on SNS Bank (and/or SNS REAAL). For this reason, at 30 June 2015 no provisions were made in respect of possible legal actions by former holders concerning the expropriated securities and capital components and other affected parties. As the outcomes of possible legal proceedings cannot be predicted with certainty, it cannot be ruled out that a negative outcome may have a material negative financial impact on the capital position, results and/or cash flows of SNS Bank (and/or SNS REAAL).

Inquiry proceedings by Dutch Investors' Association

On 6 November 2014 the Dutch Investors' Association (*Vereniging van Effectenbezitters*; "**VEB**") filed a petition with the Enterprise Chamber of the Court of Appeal in Amsterdam for an inquiry into the management of SNS REAAL, SNS Bank and Propertize (former SNS Property Finance B.V.), for the period 2006 – 2013. A preliminary hearing on the VEB's authority and cause of action took place on 19 February 2015. SNS REAAL, SNS Bank and Propertize dispute this authority. The Enterprise Chamber delivered judgment on 8 July 2015 and found VEB's request to institute inquiry proceedings admissible with respect to SNS REAAL and deferred its decision with respect to SNS Bank and denied the request in respect of Propertize. This judgment is open for appeal to the Supreme Court.

Guarantees pursuant to section 2:403 of the Dutch Civil Code for Propertize et al.

These proceedings are not directly related to the Expropriation Decree but ensue from the subsequent transfer of Propertize. In the context of this transfer, SNS REAAL and SNS Bank have withdrawn the 403-guarantees issued for Propertize et al. in the past. The expiry of the objection period made this withdrawal irrevocable for creditors, with the exception of two parties that assert to have claims against Propertize et al., being Commerzbank and - briefly put - the receivers in the bankruptcies of the 2SQR companies, former Propertize clients. By a decision of 14 January 2015, the objection that these parties had raised against the withdrawal of the 403-guarantees was declared well-founded by the District Court for the Central Netherlands. SNS REAAL, SNS Bank as well as Propertize have filed an appeal against this decision. Parties plead before the court of appeal on 11 June 2015. The outcome of these objection proceedings as such will not have any material significance for the balance sheets of SNS Bank. No provisions have been made for the underlying asserted claims that Propertize disputes. In view of the 403-proceedings, the liquidators in the 2QSR bankruptcies have formally started the procedure before the District Court against Propertize and SNS Bank on 2 June 2015. SNS Bank will strongly defend itself against any asserted liability.

Furthermore, some counterparties of Propertize who are conducting legal proceedings against Propertize have also summoned SNS REAAL and/or SNS Bank to appear. The legal basis of this is unclear and SNS REAAL and SNS Bank consider the chance of success of these claims against SNS REAAL and/or SNS Bank to be limited.

Other proceedings relevant to SNS Bank

In addition, there are proceedings to which SNS Bank is not a party or in which it is not the direct subject of investigation, but the course and results of which may have a material impact on SNS Bank's position.

This applies first and foremost to the compensation proceedings before the Enterprise Chamber initiated by former holders of expropriated securities and capital components. In the interim ruling rendered by the Enterprise

Chamber on 11 July 2013, experts were appointed to assess the value of the capital components and securities expropriated on 1 February 2013, and the Enterprise Chamber itself also issued basic principles for the value assessment. The Supreme Court expressed its opinion on those principles in its judgment of 20 March 2015.

One of the principles was that the compensation must be higher than the offer of €0,-- as the Minister of Finance had failed to adequately explain that offer. According to the Supreme Court the Enterprise Chamber itself must determine the compensation, so independently of the offer, in which respect it is irrelevant how the Minister of Finance explained his offer. This means that the compensation might still be set at €0,--.

The Supreme Court also assessed a large number of other compensation principles given by the Enterprise Chamber, including the significance of the share price for the value assessment and the question whether DNB's actions prior to the expropriation (known as the SREP decision) may be taken into account. New principles will be formulated on several points. The result of the Supreme Court's judgment is that the compensation proceedings, which will be continued before the Enterprise Chamber, must be adjusted in several respects.

The judgment of the Enterprise Chamber is expected in December 2015. In the event that the Enterprise Chamber ultimately rules - with due observance of the frameworks given in the Supreme Court's ruling of 20 March 2015 - that compensation is due (contrary to what the Minister of Finance has offered), this compensation must be determined by expert assessment. Any ensuing damages will be paid by the State.

In addition, a number of parties have referred the outcome of the appeal proceedings before the Council of State, which upheld the Expropriation Decree, to the European Court of Human Rights ('ECHR') for review. In its decisions of 14 January 2014 and 11 February 2014, the ECHR declared the cases to be inadmissible on a number of points and, for the rest, ruled that national proceedings relating to (possible) compensation in connection with the expropriation are currently pending. This pertains in particular to the compensation proceedings before the Enterprise Chamber. The parties may appeal to the ECHR again after the proceedings before the Enterprise Chamber have irrevocably ended. However, in principle this legal action can then only pertain to the procedure concerning the compensation to be paid in connection with the nationalisation. This is because the ECHR ruled by judgment of 9 April 2015 that the appeal proceedings themselves are to be considered legitimate, while declaring the complaints directed at this to be inadmissible. The Court of Appeal stated that holders of expropriated securities and capital components had not been confronted with an unfair disadvantage during the expropriation process.

SELECTED FINANCIAL INFORMATION OF SNS BANK

SNS Bank's publicly available financial statements, auditor's report and auditor's assurance report for the years ended 31 December 2014 (set forth on 109 up to and including 186 and pages 187 up to and including 193 of its 2014 annual report) and 31 December 2013 (set forth on pages 70 up to and including 205 (financial statements) and pages 206 and 207 (auditor's report) of its 2013 annual report) (the "**SNS Bank Financial Statements**") are incorporated by reference into this Prospectus. Except for the information under the heading "Outlook", the information below has been derived from the audited SNS Bank Financial Statements.

Key Figures of SNS Bank

<i>(amounts in millions of EUR)</i>	31-12-2014	31-12-2013
Total assets	68,159	74,537
Loans and advances to customers of which mortgage loans	52,834 47,265	53,405 48,159
Amounts due to customers of which savings	46,208 35,666	43,904 33,276
Equity distributable to Shareholders	2,963	2,582
Total capital	2,538	2,266*
Common Equity Tier 1 ratio (stand-alone)	18.3%	15.0%*
Tier 1 ratio (stand-alone)	18.3%	15.0%*
Total capital ratio (stand-alone)	18.4%	15.0%*
Net interest income	1,024	957
Other income of which net commission and management fees	75 44	86 50
Net profit / loss	151	(1,352)
Branches in numbers (unaudited)	188	166
Cash dispensers in numbers (unaudited)	539	537
Employees in numbers (fte's, ultimo) (unaudited)	2,506	2,009

* For purposes of comparison with the 2014 figures, the 2013 figures have been restated (pro forma) in response to the introduction of CRD IV on 1 January 2014. The figures presented in the Annual Report for 2013 were Basel II figures.

Capitalisation of SNS Bank

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

<i>(amounts in millions of EUR)</i>	31-12-2014	31-12-2013
Short-term debt (remaining terms to maturity up to and including five years)		
- Savings	32,935	30,482
- Other amounts due to customers	7,779	7,845
- Derivatives	1,535	1,682
- Debt certificates	3,583	8,163
- Amounts to banks	2,061	7,420
- Participation cert. and subordinated debts	--	--
- Other liabilities	2,313	1,444
- Liabilities held for sale	18	
Total short-term debt	50,224	57,036
Long-term debt (remaining terms to maturity over five years)		
- Savings	2,731	2,795
- Other amounts due to customers	2,763	2,783
- Derivatives	1,731	988
- Debt certificates	7,669	8,276
- Amounts due to banks	38	37
- Participation cert. and subordinated debts	40	40
- Other liabilities	--	--
Total long-term debt	14,972	14,919
- Savings	35,666	33,276
- Other amounts due to customers	10,542	10,628
- Derivatives	3,266	2,670
- Debt certificates	11,252	16,439
- Amounts due to banks	2,099	7,457
- Participation cert. and subordinated debts	40	40
- Other liabilities and provisions	2,313	1,445
- Liabilities held for sale	18	
Total debt	65,196	71,955
Total equity and debt	68,159	74,537

* The issued and paid-up share capital consists of 840,008 shares with a nominal value of € 453.79 each.

Share Capital*	381	381
Cash Flow Hedge Reserve	79	48
Fair Value reserve	97	-101
Other Reserves	2,490	3,606
Retained Earnings	151	-1,352
Total equity	2,963	2,582

Financial Year

The financial year of SNS Bank is the calendar year.

Independent Auditors

The consolidated financial statements of SNS Bank for 2014 and 2013 have been audited by KPMG Accountants N.V. Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands. The independent auditors have given an unqualified opinion for each of these years.

Summary Consolidated Accounts

The 2014 and 2013 financial statements of SNS Bank have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("**EU**").

Consolidated Balance Sheet

In € millions	31-12-2014	31-12-2013
Assets		
Cash and cash equivalents	1,968	5,528
Loans and advances to banks	2,604	6,063
Loans and advances to customers	52,834	53,405
Derivatives	2,702	2,484
Investments	7,001	5,657
Property projects	--	--
Investments in associates	--	--
Property and equipment	86	52
Intangible assets	15	89
Deferred tax assets	450	507
Corporate income tax	66	208
Other assets	284	544
Assets held for sale	149	--
Total assets	68,159	74,537
Equity and liabilities		
Savings	35,666	33,276
Other amounts due to customers	10,542	10,628
Amounts due to banks	2,099	7,457
Debt certificates	11,252	16,439
Derivatives	3,266	2,670
Deferred tax liabilities	287	174
Corporate income tax	--	--
Other liabilities	1,971	1,205
Other provisions	55	66
Subordinated debts	40	40
Liabilities held for sale	18	--
Share capital	381	381
Other reserves	2,431	3,553
Retained earnings	151	(1,352)
Shareholders' equity	2,963	2,582
Equity attributable to securityholders	--	--
Minority interest	--	--
Total equity	2,963	2,582
Total equity and liabilities	68,159	74,537

Consolidated Profit And Loss Account

In € millions	2014	2013
Income		
Interest income	2,081	2,230
Interest expense	1,057	1,273
Net interest income	1,024	957
Fee and commission income	95	103
Fee and commission expense	51	53
Net fee and commission income	44	50
Share in the result of associates	--	--
Investment income	72	38
Result on financial instruments	(46)	(8)
Other operating income	5	6
Total income	1,099	1,043
Expenses		
Staff costs	217	189
Depreciation and amortisation of tangible and intangible assets	17	17
Other operating expenses	257	316
Impairment charges	274	224
Other expenses	83	8
Total expenses	848	754
Result before taxation	251	289
Taxation	100	105
Net result continued operations	151	184
Net result discontinued operations		(1,536)
Net result for the financial year	151	(1,352)
Attribution:		
Net profit attributable to shareholder	151	(1,352)
Net profit attributable to minority interests	--	--
Net result for the financial year	151	(1,352)

Consolidated cash flow statement

In € millions	2014	2013
Cash flow from operating activities		
Operating profit before taxation	251	289
Net result discontinued operations	---	(1,536)
Adjustments for:		
Depreciation and amortisation of tangible and intangible assets	17	19
Changes in other provisions and deferred tax	159	(61)
Impairment charges and reversals	274	1,277
Unrealised results on investments through profit and loss	(54)	(106)
Retained share in the result of associates	--	725
Tax paid	--	--
Change in operating assets and liabilities		
Change in advances and liabilities to customers	485	4,556
Change in advances and liabilities to banks	(1,899)	(560)
Change in savings	2,390	461
Change in trading portfolio	(232)	143
Change in other operating activities	1,684	(2,879)
Net cash flow from operating activities	3,075	2,328
Cash flow from investing activities		
Sale of property and equipment	7	3
Sale of subsidiaries	--	(107)
Sale of investment property	--	23
Sale and redemption of investments and derivatives	2,501	2,114
Purchase of intangible assets	(1)	(3)
Purchase of property and equipment	(53)	(2)
Purchase of investments and derivatives	(3,199)	(2,594)
Net cash flow from investing activities	(745)	(566)

Cash flow from financing activities

Issue of shares and share premium	--	1,900
Issue of subordinated loans	--	--
Issues of debt certificates	660	--
Redemption of subordinated loans	--	--
Redemption of debt certificates	(6,550)	(5,067)
Net cash flow from financing activities	(5,890)	(3,167)
Cash and cash equivalents as at 1 January	5,528	6,933
Cash discontinued operations	--	(107)
Change in cash and cash equivalents	(3,560)	(1,298)
Cash and cash equivalents as at 31 December	1,968	5,528
Additional disclosure of cash flows from operating activities		
Interest income received	2,528	2,913
Dividends received	1	1
Interest paid	1,490	2,040

** Some of the comparative figures have been restated for comparison purposes.*

Capitalisation (stand-alone)

	2014	2013	2014	2013	2013
		pro		pro	
		forma ¹		forma ¹	
in €millions	CRD IV	CRD IV	CRD IV	CRD IV	Basel II
	transitional	transitional	fully	fully	
			phased in	phased in	
Shareholders' equity SNS Bank NV	2.963	2.582	2.963	2.582	2.582
Net result second half year	-40	0	-40	0	0
Shareholders' equity SNS Bank NV for CRD IV purposes	2.923	2.582	2.923	2.582	2.582
Facility SNS REAAL	-100	-100	-100	-100	-100
Increased equity securitised assets	-22	-20	-22	-20	-20
Cash flow hedge reserve and fair value reserve	-179	30	-83	-51	53
Other prudential adjustments	-5	-7	-5	-7	-7
Total prudential filters	-306	-97	-210	-178	-74
Intangible assets	-15	-85	-15	-85	-74
Deferred tax assets	-48	-70	-239	-354	0
IRB shortfall ²	-34	-64	-56	-104	-19
Total capital deductions	-97	-219	-310	-543	-93
Total regulatory adjustment to shareholders' equity	-403	-316	-520	-721	-167
CRD IV common equity Tier 1 capital	2.520	2.266	2.403	1.861	2.415
Additional Tier 1 capital	0	0	0	0	0
Tier 1 capital	2.520	2.266	2.403	1.861	2.415
Eligible Tier 2	40	40	40	40	40
IRB shortfall ³	-22	-40	0	0	-18
Tier 2 capital	18	0	40	40	22
Total capital	2.538	2.266	2.443	1.901	2.437

1. For purposes of comparison with the 2014 figures, the 2013 figures have been restated (pro forma) in response to the introduction of CRD IV on 1 January 2014. The figures presented in the Annual Report for 2013 were Basel II figures.
2. The IRB shortfall is the difference between the expected loss under the CRR/CRD IV Directives and the IFRS retail mortgages provision. As a result of the phasing-in of the CRD IV rules, 20% of the IRB shortfall is charged to the Common Equity Tier 1 capital, while the remainder is divided equally between the additional Tier 1 capital and the Tier 2 capital. As SNS Bank (stand-alone) does not have any additional Tier 1 capital, the portion of the IRB shortfall that would be related to the additional Tier 1 capital has been deducted from the Common Equity Tier 1 capital.
3. The IRB shortfall is the difference between the expected loss under the CRD IV/CRR Directives and the IFRS retail mortgages provision. As a result of the phasing-in of the CRD IV rules, 20% of the IRB shortfall is charged to the Common Equity Tier 1 capital, while the remainder is divided equally between the additional Tier 1 capital and the Tier 2 capital. As SNS Bank (stand-alone) does not have any additional Tier 1 capital, the portion of the IRB shortfall that would be related to the additional Tier 1 capital has been deducted from the Common Equity Tier 1 capital.

FORM OF THE NOTES

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

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

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

Pursuant to the Agency Agreement (as defined under the relevant 'Terms and Conditions of the Notes') the Agent shall arrange that, where a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg which are different from the ISIN and common code assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche. In case of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of € 100,000 (or the equivalent thereof) that are not integral multiples of € 100,000 (or the equivalent thereof). So long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, these Notes will be tradeable only in the minimum authorised denomination of € 100,000 increased with integral multiples of € 1,000, notwithstanding that no Definitive Notes will be issued with a denomination over € 199,000.

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

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

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

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

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

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

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

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

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

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

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

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

USE OF PROCEEDS

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

In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for projects and activities that promote climate and other environmental purposes ("**Green Projects**"). Such Notes may also be referred to as "**Green Bonds**". If such Green Bonds will be issued, the applicable Final Terms will specify for which category of Green Projects the proceeds of the Green Bonds will be used.

TAXATION

General

The following is a general summary of certain Netherlands tax consequences of the acquisition, holding and disposal of the Notes, Coupons or Receipts. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes, Coupons or Receipts and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Noteholders or prospective noteholders should consult with their tax advisors with regard to the tax consequences of investing in the Notes, Coupons or Receipts in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof, and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding tax

All payments of principal and/or interest made by the Issuer under the Notes, Coupons or Receipts may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes, Coupons or Receipts are treated as equity of the Issuer for Netherlands tax purposes.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

- (i) holders of Notes, Coupons or Receipts if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children) have a substantial interest or deemed substantial interest in the Issuer under the Netherlands Income Tax Act 2001 (in Dutch: "*Wet inkomstenbelasting 2001*"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder, alone or, in case of individuals, together with his /her partner (as defined in the Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) pension funds, investment institutions (in Dutch: "*fiscale beleggingsinstellingen*"), exempt investment institutions (in Dutch: "*vrijgestelde beleggingsinstellingen*") (as defined in the Netherlands Corporate Income Tax Act 1969; in Dutch: "*Wet op de Vennootschapsbelasting 1969*") and other entities that are, in whole or in part, not subject to or exempt from Netherlands corporate income tax; and

- (iii) holders of Notes, Coupons or Receipts who are individuals for whom the Notes, Coupons or Receipts or any benefit derived from the Notes, Coupons or Receipts are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Netherlands Income Tax Act 2001).

Residents of the Netherlands

Generally speaking, if the holder of the Notes, Coupons or Receipts is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the Notes, Coupons or Receipts or any gain or loss realised on the disposal or deemed disposal of the Notes, Coupons or Receipts is subject to Netherlands corporate income tax at a rate of 20% with respect to taxable profits up to EUR 200,000 and 25% with respect to taxable profits in excess of that amount.

If a holder of the Notes, Coupons or Receipts is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes, any payment under the Notes, Coupons or Receipts or any gain realised on the disposal or deemed disposal of the Notes, Coupons or Receipts is taxable at the progressive income tax rates (with a maximum of 52%), if:

- (i) the Notes, Coupons or Receipts are attributable to an enterprise from which the holder of the Notes, Coupons or Receipts derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth (in Dutch: "*medegerechtigd tot het vermogen*") of such enterprise, without being a shareholder (as defined in the Netherlands Income Tax Act 2001); or
- (ii) the holder of the Notes, Coupons or Receipts is considered to perform activities with respect to the Notes, Coupons or Receipts that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the Notes, Coupons or Receipts that are taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of the Notes, Coupons or Receipts, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Notes, Coupons or Receipts are included as investment assets. A tax free allowance may be available. Actual income, gains or losses in respect of the Notes, Coupons or Receipts are not subject to Netherlands income tax.

Non-residents of the Netherlands

A holder of the Notes, Coupons or Receipts that is neither a resident nor deemed to be a resident of the Netherlands will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes, Coupons or Receipts or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, Coupons or Receipts, provided that:

- (i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Netherlands Income Tax Act 2001 and the Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes, Coupons or Receipts are attributable; and

- (ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes, Coupons or Receipts that go beyond ordinary asset management and does not derive benefits from the Notes, Coupons or Receipts that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes, Coupons or Receipts by way of a gift by, or on the death of, a holder of such Notes, Coupons or Receipts who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Notes, Coupons or Receipts by way of gift by, or on the death of, a holder of Notes, Coupons or Receipts who is neither resident nor deemed to be resident in the Netherlands, unless:

- (i) in the case of a gift of a Note, Coupon or Receipt by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- (ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be a resident in the Netherlands.

For purposes of the above, a gift of Notes made under a condition precedent (in Dutch: "*opschortende voorwaarde*") is deemed to be made at the time the condition precedent is satisfied.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes, Coupons or Receipts on (i) any payment in consideration for the issue of the Notes, Coupons or Receipts or (ii) the payment of interest or principal by the Issuer under the Notes, Coupons or Receipts.

Other taxes and duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the Notes, Coupons or Receipts in respect of (i) the issue of the Notes, Coupons or Receipts or (ii) the payment of interest or principal by the Issuer under the Notes, Coupons or Receipts.

Residency

A holder of Notes, Coupons or Receipts will not become, and will not be deemed to be, resident of the Netherlands for Netherlands tax purposes by reason only of the execution, performance, delivery and/or enforcement of the Notes, Coupons or Receipts.

SUBSCRIPTION AND SALE

The Dealers have in a dealership agreement dated on or about 19 October 2015 (the "**Dealership Agreement**") (as supplemented from time to time) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under 'Form of the Notes' and 'Terms and Conditions of the Notes' above. In the Dealership Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

Public Offer Selling Restriction under the Prospectus Directive

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

- (a) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

Selling Restrictions Addressing Additional United Kingdom Securities Laws

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

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

The Netherlands

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

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

provided that no such offer of Notes referred to in (b) 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 (i) "**an offer of Notes to the public**" in the Netherlands in relation to any Notes and (ii) "**Prospectus Directive**", have the meaning given to them above in the paragraph headed with "*Public Offer Selling Restriction under the Prospectus Directive*".

United States of America

- 1. The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates (as defined in Rule 405 under the Securities Act) or any person acting on its or their behalf has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and notified as provided below, only in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has further represented and agreed that it, its affiliates and any person acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has subscribed for Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche subscribed for by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Agent the completion of the distribution by it of the Notes of such Tranche. On the basis of such notification or notifications, the Agent will notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer has also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

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

Terms used in this subclause 1 have the meanings given to them by Regulation S.

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

2. In addition (but only in relation to Notes with an initial maturity in excess of 365 days that are treated as issued in bearer form for U.S. federal income tax purposes):

where TEFRA D is specified in the applicable Final Terms:

- (a) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**"), each Dealer (a) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold

- during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, each Dealer represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and
 - (d) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf.

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

where TEFRA C is specified in the applicable Final Terms:

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

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

Japan

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

Zero Coupon Notes

In addition and without prejudice to the relevant restrictions set out above, Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended from time to time) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) in respect of the initial issue of Zero

Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

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

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

General

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

GENERAL INFORMATION

Authorisation

The setup of the Programme and each future issue under the Programme were duly authorized by a resolution of the Managing Board of the Issuer dated 6 October 2015. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, Agency Agreement and the relevant Notes.

403-guarantee

SNS Bank has issued 403-guarantees for ASN Bank N.V., RegioBank N.V., Pettelaar Effectenbewaarbedrijf N.V., SNS Mortgage Receivables B.V., SNS Global Custody B.V., Holland Woningfinanciering N.V., and SNS Securities N.V.

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

On 7 August 2014, SNS REAAL, the former holding company of SNS Bank, withdrew the 403-guarantee for SNS Bank. Any remaining liabilities on the basis of this 403-guarantee prior to 7 August 2014 will remain in full force and effect until SNS REAAL terminates this remaining liability in accordance with the relevant statutory proceedings for such termination. For the avoidance of doubt, Noteholders will therefore not be able to invoke a claim against SNS REAAL on the basis of a 403-guarantee with respect to a claim of such Noteholder against SNS Bank as these have been issued after the date of withdrawal of the 403-guarantee.

Following the share transfer of the shares of Propertize via the Dutch State to NLFI on 31 December 2013, SNS Bank withdrew the 403-guarantee for Propertize on 31 December 2013 and initiated the proceedings provided for in Article 2:404 of the Dutch Civil Code to terminate the remaining liability. SNS Bank also withdrew the 403-guarantees for four subsidiaries of Propertize on 31 December 2013, and initiated the proceedings to terminate the remaining liability. The Issuer also issued separate guarantees to a number of counterparties of Propertize in the past, certain of which are still outstanding.

Some creditors have objected to the termination of the remaining liability of SNS Bank on the basis of its 403-guarantee prior to the date of its withdrawal. SNS Bank will only remain liable to these creditors which have objected towards withdrawal of the 403-guarantee and/or termination of the remaining liability. SNS Bank expects Propertize to be able to meet its obligations to these counterparties as Propertize is adequately capitalised at the time of the share transfer. SNS Bank, therefore, deems it unlikely that a guarantee will be invoked. Some counterparties of Propertize who conduct legal proceedings against Propertize have thereby also arraigned SNS REAAL and/or SNS Bank. The legal basis of this is unclear and SNS Bank considers the potential success of these claims against SNS Bank to be limited. No specific agreements were made about these claims upon the transfer of Propertize on 31 December 2013. See also chapter 'SNS Bank N.V.' under 'Legal Proceedings - Guarantees pursuant to section 2:403 of the Dutch Civil Code for Propertize et al.'

Significant or material adverse change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 30 June 2015 and there has been no material adverse change in the prospects of the Issuer since 31 December 2014, the last day of the financial period in respect of which audited financial statements of the Issuer have been prepared.

Legal proceedings

Save as disclosed under 'Legal Proceedings' starting on page 54, there have not been any governmental, legal and arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in such period a significant effect on the financial position or profitability of the Issuer.

Listing

Application may be made to Euronext Amsterdam for Notes to be issued under the Programme up to the expiry of 12 months from the date of this Prospectus to be admitted to listing and trading on Euronext in Amsterdam. In addition, Notes issued under the Programme may be listed and admitted to trading on the Luxembourg Stock Exchange. The Issuer may also issue unlisted Notes under the Programme.

Documents Available

So long as Notes are outstanding under the Programme, copies of the following documents will, when published, be available free of charge, from the specified office of the Agent and the Other Paying Agent, from the specified offices of the Netherlands Listing Agent and the Luxembourg Listing Agent and at the office of the Issuer at Croeselaan 1, 3521 BJ, Utrecht, the Netherlands:

- (i) the Dutch language version and an English translation of the most recent articles of association of the Issuer;
- (ii) the audited annual reports of the Issuer for the three most recent financial years and the unaudited (semi-annual) interim financial statements for the period ended 30 June 2015 and 30 June 2014 (in English) of the Issuer;
- (iii) the Dealership Agreement and the Agency Agreement (which contains the forms of the temporary and permanent global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (iv) a copy of this Prospectus;
- (v) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Prospectus and any other documents incorporated herein or therein by reference; and
- (vi) the applicable Final Terms for each Tranche of Notes which are offered to the public or admitted to trading on a regulated market.

Clearing and Settlement Systems

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

Clearing systems addresses

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

Ratings*Description of the ratings*

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

Rating definitions Fitch:

Long-Term Ratings

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

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

Short-Term Ratings

- F1: Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
- F2: Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.
- F3: Indicates an adequate capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. However, such capacity is more susceptible to near-term adverse changes than for financial commitments in higher rated categories.

Rating definitions Moody's

Long-Term Ratings

- Baa: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
- Ba: Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Short-Term Ratings

- Prime-1 (P-1): Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
- Prime-2 (P-2): Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
- Prime-3 (P-3): Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term debt obligations.

Rating definitions Standard & Poor's

Long-Term Ratings

- A: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
- BBB: An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

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

Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Short-Term Ratings

- A-1: A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
- A-2: A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.
- A-3: A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Ratings of the Notes

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Senior Notes issued under the Programme and will be specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Ratings in relation to the Issuer and certain Notes are described in the chapter headed 'SNS Bank N.V.', section 'Rating Agencies'.

Ratings of the Issuer

Ratings in relation to the Issuer and certain Notes are described in the chapter headed 'SNS Bank N.V.', section 'Rating Agencies'.

CRA Regulation

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) The Issuer's publicly available financial statements and auditor's report for the years ended 31 December 2014 (set forth on pages 109 up to and including 186 and pages 187 up to and including 193 of its 2014 annual report) and 31 December 2013 (set forth on pages 70 up to and including 205 and pages 206 and 207 of its 2013 annual report);
- (b) The Issuer's publicly available reviewed condensed consolidated interim financial statements for the period ended 30 June 2015 and 30 June 2014;
- (c) The transparency statement in respect of the consolidated and company financial statements of the Issuer issued by the Managing Board of the Issuer as set forth on page 22 of its 2014 annual report and as set forth on page 69 of its 2013 annual report;
- (d) The Issuer's articles of association as per the date of approval of this Prospectus (in the original Dutch language version as well as in English translation);
- (e) A press release published by SNS REAAL on 18 December 2013 regarding the EC's decision on nationalisation measures in support of SNS REAAL;
- (f) A press release published by SNS REAAL on 26 October 2014 regarding the asset quality review and the stress tests performed by the ECB; SNS Bank meets the capital thresholds set out by the EU-wide stress test;
- (g) A press release published by SNS REAAL on 26 July 2015 regarding SNS REAAL's completed sale of VIVAT to Anbang Insurance Group;
- (h) A press release published by SNS REAAL on 17 August 2015 regarding the change of chairman of the Issuer's Managing Board and Supervisory Board;
- (i) A press release published by the Issuer on 27 August 2015 regarding the Issuer's 2015 half-year results published on 27 August 2015, which includes a review report dated 26 August 2015 from KPMG Accountants N.V.;
- (j) A press release published by SNS REAAL on 28 August 2015 regarding the sale of the shares in the Issuer to the Dutch State; and
- (k) A press release published by SNS REAAL on 1 October 2015 regarding the transfer of the Issuer to the Dutch State.

These documents can be obtained without charge at the offices of the Issuer (Croeselaan 1, 3521 BJ Utrecht, the Netherlands, SNS Bank Investor relations, tel: +31 30 291 42 46/ +31 30 291 42 47, jacob.bosscha@sns.nl and kagan.koktas@sns.nl) and the Agent (Banque Internationale à Luxembourg SA, 69 Route d'Esch, L-2953 Luxembourg, Luxembourg, Transaction Execution Group, tel: +352 4590 1), each as set out at the end of this Prospectus. In addition all these documents and the Prospectus are available on the Issuer's website at www.snsbanknv.nl, under the heading 'investor relations' – 'debt information' - 'funding programmes'.

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

Any information contained in or accessible through any website, including www.snsbanknv.nl, does not form a part of the Prospectus, unless specifically stated in the Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Prospectus that all or any portion of such information is incorporated by reference in the Prospectus.

CHAPTER 2: NOTES ISSUED BY SNS BANK

PART 1: TERMS AND CONDITIONS

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

This Note is one of a series of Notes issued by SNS Bank N.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated on or about 19 October 2015 (as supplemented from time to time, the "**Agency Agreement**") and made between the Issuer and Banque Internationale à Luxembourg SA ("**BIL**") as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

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

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

The Final Terms for this Note are endorsed hereon, attached hereto, applicable hereto or incorporated by reference herein and supplement these Terms and Conditions.

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

Copies of the Agency Agreement and the applicable Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant

Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them.

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

Any references in these Terms and Conditions to any particular provision, article, clause, section or paragraph of a law, directive, regulation or other legislation shall include such provision, article, clause, section or paragraph as consolidated, amended, re-enacted or replaced.

General Definitions

In these Terms and Conditions the following expressions shall have the following meanings.

Additional Financial Centre	any financial centre, specified as such in the applicable Final Terms.
Accrual Yield	the accrual yield specified as such in the applicable Final Terms.
Additional Business Centre	any business centre, specified as such in the applicable Final Terms.
Amortised Face Amount	has the meaning specified in Condition 7(g)(iii).
Broken Amount	the amount specified as such in the applicable Final Terms.
Business Day	a day which is both: (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and (B) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency and any Additional Business Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating. In these Conditions, " TARGET2 System " means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereof.
Business Day Convention	The Following Business Day Convention, Modified Following Business Day Convention, No Adjustment or the Preceding Business Day Convention as specified in the applicable Final

Calculation Amount	Terms.
Change of Interest Basis Option	the amount specified as such in the applicable Final Terms.
Change of Interest Basis Option Date	has the meaning specified in Condition 5(e).
Clearstream, Luxembourg	the date specified as such in the applicable Final Terms.
Competent Authority	Clearstream Banking, société anonyme.
	means the ECB, DNB or such other regulatory authority or governmental body having primary responsibility for the prudential oversight and supervision of the Issuer.
Day Count Fraction	in respect of the calculation of an amount of interest for any Interest Period: any day count fraction specified as such in the applicable Final Terms calculated in accordance with the method set out in Condition 5(a) or 5(b) as applicable.
Determination Period	means the period from and including an Interest Payment Date in any year to, but excluding, the next Interest Payment Date; and if "30/360" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30- day month or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).
DNB	means the Dutch Central Bank (<i>De Nederlandsche Bank</i>).
Dual Currency Note	a Note in respect of which payments of interest and/or principal (as specified in the applicable Final Terms) will be made in any other currency than the Specified Currency. Such currency or currencies and the exchange rate ("Rate of Exchange") used to calculate payments of interest or principal will be specified in the applicable Final Terms.
Early Redemption Amount	an amount calculated in accordance with Condition 7(g).
ECB	means the European Central Bank.
Established Rate	the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations), shall be as established by the Council of the European Union pursuant to Article 140 of the Treaty.
EURIBOR	the Euro-zone inter-bank offered rate.
euro	the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty on the functioning of the European Union, as amended from time to time, and as defined in Article 2 of Council Regulation (EC) no.974/98 of 3 May 1998 on the

	introduction of the euro as amended from time to time.
Euroclear	Euroclear Bank S.A./N.V.
Event of Default	has the meaning specified in Condition 10.
Exchange Notice	has the meaning specified in Condition 4(a).
Extraordinary Resolution	means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions in the Agency Agreement contained by a majority consisting of not less than 75%. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75%. of the votes given on such poll.
Final Redemption Amount	an amount specified as such in the applicable Final Terms.
Fixed Coupon Amount	the amount specified as such in the applicable Final Terms.
Fixed Rate(s) of Interest	the Fixed Rate(s) of Interest specified as such in the applicable Final Terms.
Fixed Rate Note	any Note to which a Fixed Rate of Interest applies as specified in the applicable Final Terms.
Floating Rate Convention	has the meaning specified in Condition 5(b)(i)(B).
Floating Rate Note	any Note to which a Floating Rate applies as specified in the applicable Final Terms.
Following Business Day Convention	has the meaning specified in Condition 5(a) or 5.(b) as applicable.
Initial Interest Basis	the initial interest basis as specified in the applicable Final Terms.
Instalment Amount	the amount specified as such in the applicable Final Terms.
Instalment Date(s)	the date(s) specified as such in the applicable Final Terms.
Instalment Note	a Note that may be redeemable in instalments as specified in the applicable Final Terms.
Interest Amount	has the meaning specified in Condition 5(b)(iv).
Interest Basis Option Period	the interest basis option period as specified in the applicable Final Terms.
Interest Commencement Date	the Issue Date unless otherwise specified in the applicable Final Terms.
Interest Determination Date	means the applicable interest determination date as specified in the applicable Final Terms.
Interest Payment Date(s)	means the applicable interest payment date(s) as specified in the applicable Final Terms.
Interest Period	means the applicable interest period as specified in the applicable Final Terms.
ISDA Determination	the method for determining the interest rate of Floating Rate Notes as specified in Condition 5(b)(ii)(a).
Issue Date	the issue date specified as such in the applicable Final Terms.
Issue Price	the issue price of the Notes specified as such in the applicable Final Terms.
Issuer	SNS Bank N.V. and any Substituted Debtor pursuant to Condition 17).
LIBOR	the London inter-bank offered rate.

Long Maturity Note Margin	has the meaning specified in Condition 6(b). the margin applicable to the Notes specified as such in the applicable Final Terms.
Maturity Date	the date of maturity of the Notes as specified in the applicable Final Terms.
Maximum Rate of Interest	the maximum Rate of Interest specified as such in the applicable Final Terms.
Maximum Redemption Amount	the maximum redemption amount specified as such in the applicable Final Terms.
Minimum Rate of Interest	the minimum rate of interest specified as such in the applicable Final Terms or if no such rate is stated the Minimum Rate of Interest shall be deemed zero.
Minimum Redemption Amount	the minimum redemption amount specified as such in the applicable Final Terms.
Modified Following Business Day Convention	has the meaning specified in Condition 5(a) or 5.(b) as applicable.
Optional Redemption Amount	an amount (if any) specified as such in the applicable Final Terms.
Optional Redemption Date(s)	if specified as applicable in the applicable Final Terms, the date(s) designated and notified by the Issuer to the Noteholders (in the event Redemption at the Option of the Issuer is applicable) or by the Noteholders to the Issuer (in the event Redemption of Notes at the Option of the Noteholders is declared applicable).
Part Payment Amount	means the amount specified as such in the applicable Final Terms.
Part Payment Date	means the date specified as such in the applicable Final Terms.
Payment Day	has the meaning specified in Condition 6(c).
Preceding Business Day Convention	has the meaning specified in Condition 5(a) or 5.(b) as applicable.
Rate of Exchange	means the exchange rate specified as such in the applicable Final Terms.
Rate(s) of Interest	either the Fixed Rate of Interest or Floating Rate of Interest as specified in the applicable Final Terms.
Redeemed Notes	has the meaning specified in Condition 7(d).
Redenomination Date	means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4(a) and which in case of (i) the New Currency being euro, falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union and in case of (ii) the New Currency being a currency other than euro, shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender.
Reference Price	the reference price specified as such in the applicable Final Terms.

Reference Rate	the rate specified as such in the applicable Final Terms being either EURIBOR or LIBOR.
Relevant Date	has the meaning specified in Condition 8.
Relevant Screen Page	such page, section, caption or column or other part of a particular information service as may be specified in the applicable Final Terms.
Relevant Time	the time specified as such in the applicable Final Terms.
Resolution Authority	means, the European Single Resolution Board (consisting of representatives from the ECB, the European Commission (the "EC") and the relevant national authorities, "SRB"), the ECB, DNB or such other regulatory authority or governmental body having the power to impose resolution measures, such as Statutory Loss Absorption on the Subordinated Notes, or other resolution tools or resolution action pursuant to the Applicable Resolution Framework.
Senior Note	Notes (and the relative Receipts and Coupons) issued by the Issuer that constitute unsecured and unsubordinated obligations of the Issuer and that rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law
Screen Rate Determination	the method for determining the interest rate of Floating Rate Notes as specified in Condition 5(b)(ii)(b).
Selection Date	has the meaning specified in Condition 7(d).
Specified Currency	the currency of the Notes specified as such in the applicable Final Terms.
Specified Denomination	the denomination of the Notes specified as such in the applicable Final Terms.
Specified Interest Payment Date	the interest payment date specified as such in the applicable Final Terms.
Specified Period	has the meaning specified in Condition 5(b)(i)(B).
Subordinated Notes	Notes (and the relative Receipts and Coupons) issued by the Issuer that constitute unsecured subordinated obligations of the Issuer. Subordinated Notes of one Series rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.
Subsequent Interest Basis	subject to the conditions set out in Condition 5(e) the interest basis specified as such in the applicable Final Terms that shall commence to apply upon exercise of the Change of Interest Basis Option.
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.
Treaty	means the Treaty on the functioning of the European Union, as amended from time to time.

Wft

means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)

Zero Coupon Notes

notes during the term of which no interest shall become due and payable. The applicable Final Terms will specify whether the Tranche constitutes Zero Coupon Notes or not.

1. **Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s) save that in the case of any Note the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of the issue of the Notes).

Each Note is a Senior Note or a Subordinated Note (where certain Subordinated Notes may qualify as Tier 2 capital ("**Tier 2 Notes**") (as specified in the applicable Final Terms) for the purposes of the regulatory capital rules applicable to the Issuer from time to time).

Each Note is either a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Note or an Instalment Note or a combination of any of the foregoing, as specified in the applicable Final Terms.

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

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

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

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

2. **Status of the Senior Notes**

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

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

The Subordinated Notes and the relative Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Subordinated Notes) and (ii) junior to those subordinated obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

As a result, in the event:

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

the claims of the holders of Subordinated Notes of each Series and the relative Receipts and Coupons (the "**Subordinated Noteholders**") against the Issuer are subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes (collectively, the "**Senior Claims**").

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied.

The Subordinated Notes may qualify as Tier 2 Notes (as specified in the applicable Final Terms) for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

4. **Redenomination**

(a) **Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Nederland and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes, the Receipts and the Coupons denominated in the

Specified Currency (or Specified Currencies) (each the "**Old Currency**") shall be redenominated in any other currency (the "**New Currency**") being either euro, or, in the event of redenomination upon the occurrence of a Convertibility Event, any other currency, as the case may be.

The election will have effect as follows:

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

- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(a)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding; and
- (vii) if the Notes are Floating Rate Notes, the Issuer may adjust the reference rate of the Notes to any of LIBOR or EURIBOR and, if required, any or all Interest Payment Dates as it deems necessary in accordance with the then pertaining market practice taking into account the redenomination and in order to preserve the economic equivalent of the obligations of the Issuer in respect of interest under such Notes; and
- (viii) the applicable Final Terms will specify the exact date on which the redenomination will occur in case the Notes were issued in a currency other than euro and in a currency in which the TARGET2 System does not apply.

(b) Definitions

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

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

"Established Rate" means the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations), shall be as established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty and as defined in Article 2 of Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time;

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

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

5. Interest

(a) Interest on Fixed Rate Notes

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

"**Calculation Amount**" is specified in the Final Terms.

(b) Interest on Floating Rate Notes

- (i) Interest Payment Dates
Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:
 - (A) the Specified Interest Payment Date(s) in each year; or

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

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

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

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

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

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

(ii) Rate of Interest

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

(a) *ISDA Determination For Floating Rate Notes*

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

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

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

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

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

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

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

Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph 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. The following summarizes the most relevant provisions of the Agency Agreement with regard to this matter. In such an event the Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

The expression "**Reference Banks**" means, in the case of (1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(iii) Minimum and/or Maximum Rate of Interest

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

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

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

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

(vi) **Certificates to be Final**

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

(c) **Interest on Dual Currency Notes**

In the case of Dual Currency Notes, payments by the Issuer of interest and/or principal (as specified in the applicable Final Terms) will be made in another currency or currencies than the Specified Currency. Such currency or currencies and the exchange rate ("**Rate of Exchange**") used to calculate payments of interest or principal will be specified in the applicable Final Terms.

(d) **Accrual of Interest**

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

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

(e) **Change of Interest Basis Option**

If "Change of Interest Basis Option" is specified in the applicable Final Terms, after having given notice to the stock exchange where the Notes are listed, the Issuer will have to give:

- (1) notice to the Noteholders in accordance with Condition 14, not less than the number of Business Days equal to the Interest Basis Option Period prior to the date on which the Change of Interest Basis Option shall be effective; and

- (2) notice to the Agent, not less than the number of Business Days equal to the Interest Basis Option Period prior to the date on which the Change of Interest Basis Option shall be effective, (both of which notices shall be irrevocable) exercise the Change of Interest Basis Option upon which exercise the Interest Basis of the Notes changes from the Initial Interest Basis (which shall cease to apply) to the Subsequent Interest Basis (which shall commence to apply), effective as of the Change of Interest Basis Option Date immediately following the date on which the notice referred to above is given.

6. Payments

(a) Method of Payment

Subject as provided below:

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

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

(b) Presentation of Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States but for certain limited circumstances described below.

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

Fixed Rate Notes in definitive form (other than Dual Currency Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in

full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the date on which such principal first became due (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

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

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

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

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at

such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(c) Payment Day

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

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

(d) Interpretation of Principal and Interest

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

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

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

7. Redemption and Purchase

(a) At Maturity

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

(b) Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 14 if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes. With respect to Subordinated Notes which qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given pursuant to Article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer. The Competent Authority may only permit the Issuer to redeem the Subordinated Notes at any time within five years after the Issue Date if, without prejudice to this Condition 7(b), there is a change in the applicable tax treatment of the Subordinated Notes which the Issuer demonstrates to the satisfaction of the Competent Authority is material and was not reasonably foreseeable at the time of their issuance.

(c) Redemption for Illegality Reasons

The Notes (other than Subordinated Notes which qualify as Tier 2 Notes) may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 14 if it becomes or will within 21 days become unlawful for the Issuer to have Notes outstanding or make payments on the Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any change in the application of official interpretation of such laws or regulations or in the position of any regulator, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

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

(d) Redemption at the Option of the Issuer

If the Issuer is specified in the applicable Final Terms as having an option to redeem, the Issuer may, having given:

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

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

Additionally, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given pursuant to Article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer.

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

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

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

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

(f) *Redemption, substitution and variation for regulatory purposes of Subordinated Notes*

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined below) redeem the Subordinated Notes, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Subordinated Noteholders, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14. Additionally, redemption of the Subordinated Notes is subject to (i) the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given pursuant to Article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRD IV Regulation, which may include requiring the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer. The Issuer will redeem the Subordinated Notes in accordance with the Terms and Conditions at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

If "Variation or Substitution" is specified in the applicable Final Terms and if a Capital Event or a CRD IV Capital Event (as defined below) has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given (but without any requirement for the permission of the Subordinated Noteholders) and on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes in accordance with this Condition 7(f), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favourable to the Subordinated Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will permit any such substitution or variation of the Subordinated Notes.

Following such variation or substitution the resulting securities shall (1) have a ranking at least equal to that of the Subordinated Notes, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Subordinated Notes, (3) have the same maturity date and redemption rights as the Subordinated Notes, (4) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution and (6) be listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

A "**Capital Event**" shall occur if there is a change in the regulatory classification of the Subordinated Notes that has resulted or would be likely to result in the Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD IV Regulation) of the Issuer or reclassified as a

lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date, (ii) is considered by the Competent Authority to be sufficiently certain and (iii) was not reasonably foreseeable at the time of their issuance as demonstrated by the Issuer to the satisfaction of the Competent Authority as required by Article 78(4) CRD IV Regulation;

"**CRD IV Capital Event**" is deemed to have occurred if the whole of the outstanding nominal amount of the Subordinated Notes can no longer be included in full in the Tier 2 capital of the Issuer by reason of their non-compliance with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time;

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

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time);

"**CRD IV Regulation**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time); and

"**Future Capital Requirements Regulations**" means any regulatory capital rules implementing the CRD IV Regulation or the CRD IV Directive which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the EC, national laws and regulations, and regulations and guidelines issued by ECB, DNB, EBA or other competent authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

(g) *Early Redemption Amounts*

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

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

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

(h) *Instalments*

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

(i) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. The purchase by the Issuer or any of its subsidiaries of Subordinated Notes qualifying as Tier 2 Notes shall be subject to the prior written permission of the Competent Authority, provided that at the relevant time such permission is required to be given pursuant to Article 77 CRD IV Regulation, and may not take place within five years after the Issue Date unless permitted under applicable laws and regulations (including CRD IV as then in effect).

(j) *Cancellation*

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

(k) *Late Payment on Zero Coupon Notes*

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

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

(l) ***Statutory Loss Absorption of Subordinated Notes***

Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that all or part of the nominal amount of the

Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) Subordinated Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption.

Upon any write down or conversion of a proportion of the outstanding nominal amount of the Subordinated Notes, any reference in these Conditions to principal, nominal amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount of the Subordinated Notes shall be deemed to be to the amount resulting after such write down or conversion.

In addition, subject to the determination by the Resolution Authority and without the consent of the Noteholders, the Subordinated Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework, such as replacement or substitution of the Issuer, transfer of the Subordinated Notes, expropriation of Noteholders, modification of the terms of the Subordinated Notes and/or suspension or termination of the listings of the Subordinated Notes. Such determination, the implementation thereof and the rights of Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Noteholder shall be entitled to claim any indemnification or payment in respect of any tax or other consequences arising from any such event and that any such event shall not constitute an Event of Default.

In these Conditions:

"Applicable Resolution Framework" means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, or any other resolution or recovery rules which may from time to time be applicable to the Issuer, including Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.

8. Taxation

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

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction;

except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (i) by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
- (ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- (iv) where such withholding or deduction is imposed on a payment to an individual or a residual entity if such deduction or withholding is required to be made pursuant to a directive or regulation of the European Union relating to the taxation of interest income or an inter-governmental agreement on its taxation in which the Netherlands or the European Union is involved or any provision implementing or complying with or introduced in order to conform to such directive, regulation or agreement; or
- (v) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

For the avoidance of doubt, no additional amounts will be paid by the Issuer, any Paying Agent or any other person on account of any deduction or withholding from a payment on, or in respect of, the Notes, Receipts or Coupons where such deduction or withholding is required pursuant to an agreement described in Section 1471(b) of the Revenue Code or otherwise imposed pursuant to sections 1471 through 1474 of the Revenue Code, any regulations thereunder, any official interpretations thereof, any intergovernmental agreement with respect thereto or any law implementing, or relating to, an intergovernmental agreement ("**FATCA**").

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

9. Prescription

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

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

10. Events of Default

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

- (i) default is made for more than 14 days in the payment of interest or principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 30 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer is declared bankrupt or a declaration in respect of the Issuer under Article 3:163(1)(b) of the Wft is made by a competent court; or
- (iv) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(g)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, provided that repayment of Subordinated Notes that qualify as Tier 2 Notes under this Condition will only be effected after the Issuer has obtained the prior written permission of the Competent Authority provided that at the relevant time such permission is required.

11. Replacement of Notes, Receipts, Coupons and Talons

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

12. Agent and Paying Agents

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

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

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) there will at all times be a Paying Agent with a specified office situated outside the Netherlands; and
- (v) the Issuer will ensure that it maintains a paying agent with a specified office in an EU Member State that will not be obliged to withhold or deduct tax pursuant to a directive or regulation of the European Union relating to the taxation of interest income or an inter-governmental agreement on its taxation in which the Netherlands or the European Union is involved or any provision implementing or complying with or introduced in order to conform to such directive, regulation or agreement.

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

13. Exchange of Talons

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

14. Notices

All notices regarding the Notes shall be published (i) if and for so long as the Notes are listed on Euronext in Amsterdam in at least one daily newspaper of wide circulation in the Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock

Exchange (www.bourse.lu). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made or on the date of publication on the website of the Luxembourg Stock Exchange.

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

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

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

15. Meetings of Noteholders, Modification and Waiver

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

on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

- (i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (iii) in accordance with Condition 7(f), substitution of the Subordinated Notes or variation of the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

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

Any amendment to Condition 7(l) or which impacts upon the eligibility of the Notes for eligibility as Tier 2 Notes is subject to the prior written permission of the Competent Authority (provided that, at the relevant time, such permission is required to be given).

16. Further Issues

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

17. Substitution of the Issuer

- (a) The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default and after written permission of the Competent Authority, in case of Subordinated Notes that qualify as Tier 2 Notes (provided that, at the relevant time, such permission is required to be given), be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Notes and the relative Receipts and Coupons provided that:
 - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons and the Agency Agreement as the principal debtor in respect of the

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

- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 with the substitution for the references to the Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
- (iv) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Notes, Receipts and Coupons will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent;
- (vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) will constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent; and
- (vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch

law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent.

- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3 of the Terms and Conditions.
- (d) With respect to Subordinated Notes that qualify as Tier 2 Notes, the Issuer shall be entitled, after written permission of the Competent Authority (provided that, at the relevant time, such permission is required to be given) by notice to the Noteholders given in accordance with Condition 14, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Receipts and Coupons save that any claims under the Notes and the relative Receipts and Coupons prior to release shall inure for the benefit of Noteholders and Couponholders.
- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.
- (g) Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

18. *Governing Law and Submission to Jurisdiction*

The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Netherlands, including the choice of court agreement set out below in Condition 18(b).

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

PART 2: FORM OF FINAL TERMS

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext in Amsterdam, the Final Terms will be displayed on the website of Euronext Amsterdam (<https://www.euronext.com/>) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu)].

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

Final Terms

SNS Bank N.V.

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

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

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of Article 5.4 of Directive 2003/71/EC, the "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State. It must be read in conjunction with the base prospectus pertaining to the Programme, dated 19 October 2015 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsbanknv.nl as well as at the office of the Issuer at Croeselaan 1, 3521 BJ, Utrecht, the Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there and on the Issuer's website at [www.snsbanknv.nl]. Any information contained in or accessible through any website, including [www.snsbanknv.nl], does not form a part of the Prospectus, unless specifically stated in the Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in the Prospectus that all or any portion of such information is incorporated by reference in the Prospectus.

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

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

[When completing any final terms, consideration should be given as to whether such terms constitute 'significant new factors' and consequently trigger the need for a supplement to the Prospectus under Article 16 of the

Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of two Business Days.]

[Consider whether a drawdown prospectus is necessary in order to issue fungible Notes where the first tranche was issued pursuant to a previous information memorandum/base prospectus. This could arise in circumstances where, for example, the Final Terms for the original tranche included information which is no longer permitted to be included in final terms under the Prospectus Directive or pursuant to guidance issued by ESMA]

- (1) Issuer: SNS Bank N.V.
- (2) (i) Series Number: []
- (ii) Tranche Number: [] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- (iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the *[insert earlier Tranches]* on *[[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [insert date]].]*
- (3) Specified Currency or Currencies: []
- (4) Aggregate Nominal Amount []
- (i) Series : [Up to]
- (ii) Tranche: [Up to]
- (5) Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)]
- (6) (i) Specified Denominations: []
- (Notes may not be issued in denominations less than €100,000 or the equivalent thereof in any other currency).*
- (Note – Please use the following sample wording: '[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].')*
- (ii) Calculation Amount [] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified*

Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

- (7) (i) Issue Date: []
- (ii) Interest Commencement Date (if different from the Issue Date): [Specify/Issue Date/ Not applicable]
- (8) Maturity Date: [Fixed rate – *specify date*/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
- (9) Interest Basis: [[] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
 [Dual Currency Interest]
 [Zero Coupon]
 [Non interest bearing]
 (further particulars specified below)
- (10) Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.]
 [Dual Currency Redemption]
 [Instalment]
- (11) Change of Interest Basis Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Interest Basis Option Period: [] Business Days
- (ii) Change of Interest Basis Option Period Date: []/Each Interest Payment Date]
- (iii) Initial Interest Basis: [[] per cent. Fixed Rate]
 [Floating Rate][LIBOR/EURIBOR] +/- [] per cent.
 [Zero Coupon]
 [Non interest bearing]
- (iv) Subsequent Interest Basis: [[] per cent. Fixed Rate]
 [Floating Rate][LIBOR/EURIBOR] +/- [] per cent.
 [Zero Coupon]
 [Non interest bearing]
- (12) Put/Call Options: [Investor Put]
 [Issuer Call]
 [Regulatory Call (*only for Tier 2 Notes*)]
 [Not Applicable]

[(further particulars specified below)]

- (13) Status of the Notes: [Senior/Subordinated [Tier 2] Notes]
- (14) Method of distribution: [Syndicated/Non-syndicated/Not applicable]
- (i) If syndicated, names and addresses of Dealers: [*insert names and addresses/if not applicable delete this sub-paragraph*]
- (ii) If non-syndicated, name and address of relevant Dealer: [*insert name and address/if not applicable delete this sub-paragraph*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- (15) Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub- paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- [From (and including) [] up to (but excluding) []] [[] per cent. per annum] [the aggregate of [spread of issuance of []] per cent. and the Mid Swap Rate [per annum] [determined by the Agent]] [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear on each Interest Payment Date [from (and including) [] up to (but excluding) [].]]
- ["Mid Swap Rate" means the annual mid swap rate for [Euro] [US dollar] swap transactions with a maturity of [] years, expressed as a percentage, displayed on Reuters screen page [] (or such other page as may replace that page on Reuters, or such other service as may be designated by the [Manager(s)/Dealer(s)] in consultation with the Issuer) at [] [a.m./p.m.] ([] time) on the [second] Business Day prior to [].]
- (ii) Interest Payment Date(s): [] in each year
- (NB: This will need to be amended in the case of long or short coupons)*
- (iii) Interest Period []
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] / [Not Applicable]

- (vi) Business Day Convention
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention]
 - Adjustment or [Adjusted] or [Unadjusted]
Unadjustment for Interest
Period
 - Additional Business []/Not Applicable
Centre(s)

(vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)]

(viii) Interest Determination Date(s): [] in each year/Not Applicable

(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration.

NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)

(16) Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Specified Period(s): []*[only applicable if no Specified Interest Payment Dates are set out]*

(ii) Specified Interest Payment Dates: []

(iii) Business Day Convention:

- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention]

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

(iv) Additional Business []/[Not Applicable]
Centre(s):

- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
- (vii) Screen Rate Determination: [Applicable/Not Applicable] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 System is operating prior to the start of each Interest Period if EURIBOR, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET2 System does not apply)
 - Relevant Screen Page: []

(subject to the fall-back provisions set out in Condition 5(b))

(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate)
 - Relevant Time: [] (For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis]

30E/360 or Eurobond Basis
30E/360 (ISDA)]

- (17) Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (18) Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Rate of Exchange [Give details]
- (ii) Name and address of Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
- (iii) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

- (19) Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): [] days (N.B. *If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing*)

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

- (20) Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption []
Date(s):
- (ii) Optional Redemption [] per Calculation Amount
Amount(s):
- (iii) Notice period (if other than [] days (N.B. *If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*):
- (21) Regulatory Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Amount(s): [] per Calculation Amount
- (ii) Notice Period (if other than as set out in the Conditions): [] days (N.B. *If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*)
- (22) Final Redemption Amount [[] per Calculation Amount]
- (23) Early Redemption Amount(s) [] per Calculation Amount
payable on redemption for taxation reasons, redemption for illegality reasons or on event of default and/or the method of calculating the same (if required):
- (24) Variation or Substitution: [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- (25) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]
- [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes upon the occurrence of an Exchange Event.]*
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]**
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event [and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]]
- [Permanent Global Note not exchangeable for Definitive Notes]***
- (26) New Global Note form: [Applicable/Not Applicable]
[Please refer to item 40(v) if applicable]
- (27) Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]
(Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii) and 16(ii) relate)
- (28) Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes (give details) /No,]
- (29) Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Applicable (give details)/ Not Applicable]
- (30) Redenomination: [Applicable/Not Applicable]
(i) Day Count Fraction applicable to Redenomination calculation: []

- (31) Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
- (32) Stabilising Manager (if any): [Applicable (*give legal name*)/Not Applicable]

OTHER PROVISIONS

- (33) Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C/TEFRA not applicable]
- (34) Listing
- (i) Listing [Euronext in Amsterdam/Luxembourg Stock Exchange]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext in Amsterdam/Luxembourg Stock Exchange] with effect from [___], [Not Applicable]. (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.) [___]]
- (iii) Estimate of total expenses related to admission to trading: []
- (35) Ratings: The Notes to be issued [have [not] been rated/are expected to be rated]:
- [S & P: []]
- [Moody's: []]
- [Fitch: []]
- [[Other]: []]
- [and endorsed by [*insert details including full legal name of credit rating agency/ies*]]
- [*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 Notes of the type issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

Insert one (or more) of the following options, as applicable:

[Insert full legal name of credit rating agency/ies] [is]/[are] established in the EEA and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]. *[[Insert full legal name of credit rating agency/ies]* [is]/[are] established in the EEA and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**.) *[[Insert full legal name of credit rating agency/ies]* [is]/[are] not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").]

- (36) Notification The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with [the update of] the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive as implemented in the Netherlands.]
- (37) Interests of Natural and Legal Persons Involved in the Issue [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]
- (38) Yield (Fixed Rate Notes only) Indication of yield: [] [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]
- (39) Operational Information
- (i) ISIN Code: []
 - (ii) Common Code: []
 - (iii) WKN Code: [] [Not Applicable]
 - (iv) Other relevant code: [] [Not Applicable]
 - (v) New Global Note intended to [Yes. Note that the designation "yes" simply means that

be held in a manner which would allow Eurosystem eligibility: the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

- (vi) [Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce))] [*If not applicable, delete this sub-paragraph*]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: [Method of settlement procedure]
- (x) Clearing System: [Euroclear / Clearstream Luxembourg/ Euroclear Nederland / other alternative clearing system]
- (40) Names and address(es) of initial Paying Agent(s) (if any): [[]/ Not Applicable]
- (41) Name and address of Additional paying agent (if any): [[]/ Not Applicable]
- (42) Use of proceeds: [General corporate purposes][*specify other*][*In case Green Bonds are issued, the category of Green Projects must be specified.*]

Responsibility

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

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Notes:

- * Do not use for Temporary Global Note deposited with Euroclear Nederland.
- ** If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- *** Do not use for Permanent Global Note deposited with Euroclear Nederland.

REGISTERED OFFICE OF THE ISSUER

SNS Bank N.V.

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3521 BJ Utrecht
The Netherlands

AGENTS

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Luxembourg

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Raiffeisen-

Boerenleenbank B.A.

(Rabobank)

Croeselaan 18
3521 CB Utrecht
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ARRANGER

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DEALERS

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