



EXECUTION COPY

N.V. BANK NEDERLANDSE GEMEENTEN

(incorporated with limited liability under the laws of The Netherlands and having its statutory domicile in The Hague)

Euro 80,000,000,000

Debt Issuance Programme

Series No.: 964

CHF 100,000,000 2.25 per cent. Notes 2011 due 14 October 2020

to be consolidated and form a single series with the

CHF 200,000,000 2.25 per cent. Notes 2005 due 14 October 2020 issued on 14 October 2005, the CHF 300,000,000 2.25 per cent. Notes 2005 due 14 October 2020, comprising

CHF 200,000,000 (Tranche A) and CHF 100,000,000 (Tranche B), issued on 29 December 2005, the CHF 200,000,000 2.25 per cent. Notes 2006 due 14 October 2020 issued on 10 February 2006, the CHF 100,000,000 2.25 per cent. Notes 2006 due 14 October 2020 issued on 4 December 2006, the CHF 100,000,000 2.25 per cent. Notes 2010 due

14 October 2020 issued on 5 March 2010 and the CHF 125,000,000 2.25 per cent. Notes 2010 due 14 October 2020 issued on 23 December 2010

FINAL TERMS

The date of these Final Terms is 29 April 2011



These Final Terms, under which the medium term notes described herein (the "**Notes**") are issued, should be read in conjunction with the Base Prospectus dated 12 August 2010, as supplemented by the Supplementary Prospectus dated 16 September 2010 and the Supplementary Prospectus dated 23 March 2011 (together the "**Base Prospectus**") issued in relation to the Euro 80,000,000,000 debt issuance programme of N.V. Bank Nederlandse Gemeenten. Terms defined in the Base Prospectus have the same meaning in these Final Terms. Together, the Base Prospectus and these Final Terms constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing, upon the oral or written request of any persons, at the specified offices of the Swiss Paying Agents. Copies may be obtained at the specified offices of the Swiss Paying Agents.

Terms used herein shall be deemed to be defined as such in the terms and conditions as referred to on pages 16 up to and including 31 of the base prospectus of the Issuer relating to the Programme, dated 11 July 2005 (the "**2005 Terms and Conditions**") as set out in Annex A hereto. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus, save in respect of the 2005 Terms and Conditions which are attached hereto. Together, the Base Prospectus, these Final Terms and the 2005 Terms and Conditions constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitute the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus.

These Final Terms do not constitute, and may not be used for the purposes 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; and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.

In connection with the issue of Notes under the Programme, the Dealer who is specified in the Final Terms as the Stabilising Manager (or any person acting for the Stabilising Manager) in relation to the relevant series of Notes may over-allot Notes provided that the aggregate principal amount of the Notes does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche or effect transactions with a view to supporting the market price of the Notes of such series at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

Any stabilisation activity in connection with the Notes listed or to be listed on Euronext Amsterdam by NYSE Euronext will be conducted (on behalf of the Stabilising Manager) by a member of Euronext Amsterdam which shall be The Royal Bank of Scotland N.V. (formerly known as ABN AMRO Bank N.V.). Any loss or profit sustained as a consequence of any such over-allotment or stabilising shall, as against the Issuer, be for the account of the Stabilising Manager.



The terms of the Notes are as follows:

- | | | |
|----|--|---|
| 1. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | <p>The Royal Bank of Scotland plc,
Edinburgh, Zurich Branch
Lerchenstrasse 24
P.O. Box 2921
CH-8022 Zurich
Switzerland</p> <p>Raiffeisen Switzerland Cooperative
Raiffeisenplatz 4
CH-9001 St. Gall
Switzerland</p> |
| | (ii) Date of Subscription Agreement: | 29 April 2011. |
| | (iii) If non-syndicated, name and address of Dealer: | Not Applicable |
| 2. | (i) Series No: | 964 |
| | (ii) Tranche Number: | 7 |
| | | <p>As of 5 May 2011, the Notes will be consolidated and form a single series with the CHF 200,000,000 2.25 per cent. Notes 2005 due 14 October 2020 issued on 14 October 2005, the CHF 300,000,000 2.25 per cent. Notes 2005 due 14 October 2020, comprising CHF 200,000,000 (Tranche A) and CHF 100,000,000 (Tranche B), issued on 29 December 2005, the CHF 200,000,000 2.25 per cent. Notes 2006 due 14 October 2020 issued on 10 February 2006, the CHF 100,000,000 2.25 per cent. Notes 2006 due 14 October 2020 issued on 4 December 2006, the CHF 100,000,000 2.25 per cent. Notes 2010 due 14 October 2020 issued on 5 March 2010 and the CHF 125,000,000 2.25 per cent. Notes 2010 due 14 October 2020 issued on 23 December 2010.</p> |
| 3. | Principal Amount of Notes: | CHF 100,000,000 (aggregate nominal amount of Series: CHF 1,125,000,000). |
| 4. | Temporary Global Note exchangeable for Definitive Notes: | Not Applicable - only a Permanent Global Note will be issued. |
| 5. | Temporary Global Note exchangeable for Permanent Global Note: | Not Applicable - only a Permanent Global Note will be issued. |
| 6. | Permanent Global Note exchangeable for | Yes, but only in the limited circumstances as set out in Condition |



Definitive Notes:

1(d)(i) and (ii) or in the events specified below.

The Issuer undertakes to arrange for the printing of Definitive Notes with Coupons attached at its expense (i) if the Principal Swiss Paying Agent (as defined below) considers the printing of Definitive Notes necessary or useful, after consultation with the Issuer, or (ii) if the presentation of Definitive Notes and Coupons is either required by Swiss or foreign laws or regulations in connection with the enforcement of rights (e.g. in cases of bankruptcy, consolidation or reorganisation of the Issuer) or (iii) if it is the Issuer which requires the exchange of the Permanent Global Note for Definitive Notes as a result of changes to the tax regime in the United States of America.

The Issuer undertakes to procure that the relevant Definitive Notes will be duly issued and printed in accordance with the rules and regulations of the SIX Swiss Exchange Ltd (formerly known as SWX Swiss Exchange Ltd), the Conditions, the provisions hereof and the Issuing and Paying Agency Agreement dated 7 December 1993, as amended and restated on 11 July 2005 made between, amongst others, the Issuer and the Issuing and Paying Agent as supplemented by the Supplemental Issuing and Paying Agency Agreement dated 6 October 2005 between the Issuer, the agents named therein and BNP Paribas (Suisse) SA, as Principal Swiss Paying Agent.

The Issuer undertakes to reproduce on any Definitive Notes the signatures deposited with the Principal Swiss Paying Agent. Should Definitive Notes and Coupons be printed, the Principal Swiss Paying Agent will then arrange for the exchange of the Permanent Global Note deposited with SIX SIS Ltd (formerly known as SIS SegInterSettle AG) against delivery of the Definitive Notes and Coupons and thereupon will arrange for the cancellation of the Permanent



		Global Note and its return to the Issuer.
7.	Coupons attached to interest bearing Definitive Notes:	Yes.
8.	Form and Denomination(s):	The Notes will be issued in the denomination of CHF 5,000 and multiples thereof.
9.	Specified Currency/Currencies:	Swiss Francs (" CHF ").
10.	Issue Price:	99.943 per cent. of the Principal Amount of the Notes plus 201 days of accrued interest for the period from (and including) 14 October 2010 to (but excluding) the Issue Date.
11.	Effective Yield to maturity of the Notes:	2.2560 per cent. per annum.
12.	(i) Issue Date:	5 May 2011.
	(ii) Interest Commencement Date:	14 October 2010.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Interest-bearing:	Yes.
14.	In the case of interest-bearing Notes, applicable Condition:	Condition 5A (<i>Fixed Rate</i>) is applicable.
15.	Day count fraction:	30/360.
16.	Fixed Rate Note Provisions (Condition 5A)	
	(i) Rate(s) of Interest:	2.25 per cent. per annum.
	(ii) Interest Payment Dates:	Interest will be payable annually in arrear on 14 October in each year up to and including 14 October 2020.
	(iii) Fixed Coupon Amount(s):	CHF 112.50 for each Note in a denomination of CHF 5,000.
	(iv) Broken Amount(s):	Not Applicable.
17.	Floating Rate Note Provisions (Condition 5B)	Not Applicable.
18.	Swap Related Note Provisions (Condition 5C)	Not Applicable.
19.	Provisions for other Notes (Condition 5D)	Not Applicable.
20.	Calculation Agent, if not the Issuing and	Not Applicable.



Paying Agent:

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|---|---|
| 21. | Higher redemption amount (if not principal amount): | Not Applicable. |
| 22. | Redemption date(s): | 14 October 2020. |
| 23. | Date after which change in tax law will trigger Issuer's early redemption option: | 7 September 2005.
Condition 6(b) applies. |
| 24. | Additional redemption provisions (e.g. for Notes to be redeemed in instalments): | Not Applicable. |
| 25. | Higher redemption amount on early termination for taxation reasons: | 100 per cent. of the Principal Amount of the Notes, together with accrued interest (if any). |
| 26. | Issuer's optional early redemption: | For Taxation Reasons only, as more fully set out in Condition 6(b). Early redemption applies to all Notes, but not some only. |
| 27. | Notice period for Issuer's optional early redemption (if not 30 days): | Not Applicable. |
| 28. | Higher redemption amount on Issuer's optional early redemption (if not principal amount): | Not Applicable. |
| 29. | Holder's optional early redemption: | Not Applicable. |
| 30. | Redemption amount on Holder's optional early redemption (if not principal amount): | Not Applicable. |



- | | | |
|-----|--|--|
| 31. | In the case of Definitive Notes in CF-Form, payment of principal will be made through the following Paying Agent(s): | Not Applicable. |
| 32. | In the case of non-interest bearing Notes, redemption amount on Event of Default: | Not Applicable. |
| 33. | Special tax consequences (if any): | Not Applicable. |
| 34. | Modification of definition of " Relevant Financial Centre " (if applicable): | Not Applicable. Condition 9(f)(iv) applies. |
| 35. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable. |
| 36. | Alternative means of effective communication (if any): | Not Applicable. |
| 37. | (i) Details of any other additions or variations to the Terms and Conditions:

(including whether Condition 9(g)(i) (<i>Redenomination</i>) is applicable for Notes denominated in the currency of a member state not yet participating in Euro) | See the Annex B to these Final Terms.

The additional Agents appointed in respect of the Notes are BNP Paribas (Suisse) SA, Selnaustrasse 16, CH-8001 Zurich, Switzerland (the " Principal Swiss Paying Agent ") and Basler Kantonalbank, Cantonalbanks of Switzerland, The Royal Bank of Scotland, Edinburgh, Zurich Branch (formerly known as ABN AMRO Bank N.V., Amsterdam, Zurich Branch), Credit Suisse, Raiffeisen Switzerland (formerly known as Schweizer Verband der Raiffeisenbanken SVRB), UBS AG, UniCredit Bank AG, Munich, Zurich Branch (formerly known as Bayerische Hypo- und Vereinsbank AG, Munich, Zurich Branch), and UGP Unione Gestori Patrimoniali SA (formerly known as LMF Servizi Finanziari SA) (together with the Principal Swiss Paying Agent, the " Swiss Paying Agents "). |
| | (ii) Details of provisions relating to Consolidation if Condition 9(g)(ii) is applicable: | Not Applicable. |
| 38. | Managers' Commission: | A combined management and underwriting commission of 1.00 per cent. of the Principal Amount of the Notes. |
| 39. | Net price payable to the Issuer: | CHF 100,149,250 (including 201 days accrued interest). |



40. Applicable selling restrictions: As set out in the Base Prospectus.
41. Listing: Euronext Amsterdam by NYSE Euronext and SIX Swiss Exchange Ltd.
42. Admission to trading: Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext and application has been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to provisional trading on the SIX Swiss Exchange Ltd. The last trading day is expected to be 9 October 2020.
43. Listing Agent: The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, in relation to the SIX Swiss Exchange Ltd and the Royal Bank of Scotland N.V., Amsterdam (formerly known as ABN AMRO Bank N.V., Amsterdam), in relation to the Euronext Amsterdam by NYSE Euronext.
44. ISIN: Before Issue Date: CH0128393581.
After Issue Date: CH0022721762.
45. Swiss Security Number: Before Issue Date: 12.839.358.
After Issue Date: 2.272.176.
46. Common Code: Before Issue Date: 061712160.
After Issue Date: 022975757.
47. a. New Global Note applicable: No.
b. New Global Note intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable.
48. Clearing System (if not Euroclear/ Clearstream Banking, société anonyme, Luxembourg): SIX SIS Ltd, in addition to Euroclear and Clearstream Banking, société anonyme, Luxembourg.



- | | | |
|-----|--|--|
| 49. | The aggregate principal amount of Notes issued has been translated into Euro at the rate of 1 EUR = CHF 1.3097, producing a sum of : | EUR 76,353,363.37 |
| 50. | Applicable TEFRA Rules: | TEFRA C applies. |
| 51. | Other relevant Terms and Conditions: | Not Applicable. |
| 52. | Date of the Resolution of the Executive Board: | 6 April 2011 |
| 53. | Ratings: | The Programme under which the Notes are to be issued has been rated:

S & P: AAA

Moody's: Aaa |

Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- | | | |
|-----|---------------------------------|---|
| 54. | (i) Reasons for the offer: | See "Use of Proceeds" wording in the Base Prospectus. |
| | (ii) Estimated net proceeds: | CHF 100,149,250 (including accrued interest of CHF 2,260,000 for 201 days). |
| | (iii) Estimated total expenses: | CHF 50,000. |

1. NOTIFICATION

The Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the "**AFM**") has provided the Luxembourg *Commission de Surveillance du Secteur Financier* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed under "Plan of Distribution" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

3. DOCUMENTS AVAILABLE

Copies of the Final Terms and the Base Prospectus are available at The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, CH-8022 Zurich, or can be ordered by telephone (+41 44 286 12 09) or fax (+41 44 285 56 18).

4. REPRESENTATIVE

In accordance with article 43 of the Listing Rules of the SIX Swiss Exchange Ltd, The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, has been appointed by the Issuer as representative to lodge the listing application with the Regulatory Board of the SIX Swiss Exchange Ltd.

5. NO MATERIAL ADVERSE CHANGE / MATERIAL CHANGES SINCE THE MOST RECENT ANNUAL FINANCIAL STATEMENTS

Except as disclosed in the Base Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since 31 December 2010, which would materially affect its ability to carry out its obligations under the Notes.

Responsibility

The Issuer accepts responsibility for the information contained herein and hereby certifies that to the best of its knowledge and belief, the information in these Final Terms which, when read together with the Base Prospectus referred to above, is correct and that no material facts or circumstances have been omitted.

Confirmed

N.V. BANK/NEDERLANDSE GEMEENTEN



By: B.P.M. van Dooren

Date: 29 April 2011



Annex A to the Final Terms

Terms and Conditions of the Notes

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be attached to or incorporated by reference into each Note in global form and which will be attached to or endorsed upon each definitive Note in K-form and will be applicable to each definitive Note in CF-form, provided that the relevant Final Terms in relation to any Series of Notes may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Series of Notes. The applicable Final Terms will be endorsed or incorporated by reference into or attached to each Global Note and definitive Note in K-form and will be applicable to each definitive Note in CF-form.

The Notes are issued in accordance with an issuing and paying agency agreement (the "Issuing and Paying Agency Agreement"), (which expression shall include any amendments or supplements thereto) dated 7 December 1993 and amended and restated on 5 December 2001 and further amended and restated on 11 July 2005 and made between N.V. Bank Nederlandse Gemeenten (the "Issuer"), Deutsche Bank AG, London Branch (formerly Bankers Trust Company) (Winchester House, 1 Great Winchester Street, London EC2N 2DB, England), in its capacity as issuing and paying agent (the "Issuing and Paying Agent", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and certain other financial institutions named therein in their capacities as paying agents (the "Paying Agents", which expression shall include the Issuing and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issuing and Paying Agency Agreement). A copy of the Issuing and Paying Agency Agreement is available for inspection at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of and to be bound by all of the provisions of the Issuing and Paying Agency Agreement insofar as they relate to the relevant Notes.

The Notes are issued in series (each a "Series"), and each Series will be the subject of the final terms (each the "Final Terms") prepared by or on behalf of the Issuer, a copy of which will be available free of charge at the specified office of each of the Paying Agents and:

- (i) a copy of which will, in the case of a Series in relation to which application has been made for admission to the regulated market of the Luxembourg Stock Exchange, be lodged with the Luxembourg Stock Exchange; or
- (ii) a copy of which will, in the case of a Series in relation to which application has been made for admission to Eurolist by Euronext Amsterdam, be lodged with Euronext Amsterdam N.V.; or
- (iii) a copy of which will, in the case of a Series in relation to which application has not been made for admission to any such listing, be attached to or incorporated by reference into each Note of such Series.

1. FORM AND DENOMINATION

(a) Notes are issued in bearer form. A Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Variable Coupon Amount Note, a High Interest Note, a Low Interest Note, a Step-up Note or a Step-down Note depending upon the Interest Basis shown on its face, and a Fixed Redemption Amount Note or a Variable Redemption Amount Note depending on the Redemption Basis shown on its face. All payments in respect of such Note shall, without prejudice to Article 3.1 of Council Regulation no. 974/98 of 3 May 1998, be made in the currency shown on its face unless it is stated on its face to be a Dual Currency Note (which for the purposes of these Terms and Conditions shall include Reverse Dual Currency Notes, Optional Dual Currency Notes and any other Note in respect of which payments shall, or may at the option of the Issuer or any holder, be made in more than one currency) or a Note where Condition 9(g) has been applied, in which case payments shall be made on the basis stated in the relevant Final Terms.

(b) Notes will be represented upon issue by a temporary global instrument (a "Temporary Global Note") in substantially the form (subject to amendment and completion) scheduled to the Issuing and Paying Agency Agreement. On or after the date (the "Exchange Date") which is expected to be, but shall not be less than, 40 days after the original issue date of the Notes of the relevant Series and provided certification as to the beneficial ownership thereof as required by US Treasury regulations (in the form set out in the Temporary Global Note) has been received, interests in the Temporary Global Note may be exchanged for:



BANK

Terms and Conditions of the Notes

(i) interests in a permanent global instrument (a "Permanent Global Note") representing the Notes in that Series and in substantially the form (subject to amendment and completion) scheduled to the Issuing and Paying Agency Agreement; or

(ii) if so specified in the relevant Final Terms, definitive Notes ("Definitive Notes") in substantially the form (subject to amendment and completion) scheduled to the Issuing and Paying Agency Agreement.

(c) If any date on which a payment of interest is due on the Notes of a Series occurs whilst any of the Notes of that Series are represented by the Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by US Treasury regulations (in the form set out in the Temporary Global Note) has been received by Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg") or any other agreed clearing system, as applicable. Payments of principal or interest (if any) on a Permanent Global Note will be made without any requirement for certification. 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.

(d) The Permanent Global Note will be exchangeable in whole but not in part for Definitive Notes (i) if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant Permanent Global Note or, (ii) if any of the events referred to in Condition 7 takes place, unless such event is remedied within seven days of its occurrence, or (iii) if so specified in the relevant Final Terms at any time at the request of the Holder of the relevant Permanent Global Note. In order to make such request the Holder must, not less than forty-five days before the date on which delivery of Definitive Notes is required, deposit the relevant Permanent Global Note with the Issuing and Paying Agent at its specified office for the purposes of the Notes with the form of exchange notice endorsed thereon duly completed. In the event that the relevant Permanent Global Note is not, in the case of (i) or (ii) above, duly exchanged for Definitive Notes or, in the case of (iii) above, duly exchanged for Definitive Notes by 6:00 p.m. (London time) on the thirtieth day after the time at which the preconditions to such exchange are first satisfied then the terms of such Permanent Global Note provide for relevant account holders (which, for purposes hereof, shall be deemed to be the Holder of the relevant Note as referred to in Condition 7 below) with Euroclear and Clearstream, Luxembourg and any other agreed clearing system as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding Definitive Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

(e) Interest-bearing Definitive Notes will, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery coupons ("Coupons"), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Definitive Notes will be either in K-form (with Coupons) and/or in CP-form (with Coupon sheets). Definitive Notes and Global Notes will be bearer instruments. Notes in K-form may, if applicable, have talons ("Talons") for further Coupons attached, but will not be issued with receipts ("Receipts") attached. Notes in CP-form will have neither Talons nor Receipts attached on issue and will be governed by the rules of the *Algemeen Obligatiekenners van het Centrum voor Fondsenadministratie B.V.* in Amsterdam. References in these Terms and Conditions to "Coupons" will include references to "Coupon Sheets".

(f) Notes will be in the denomination or denominations (each of which denominations must be integrally divisible by each smaller denomination) specified in the relevant Final Terms ("Specified Denomination"). Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notes of one denomination will not be exchangeable after their initial delivery for Notes of any other denomination.

(g) Notes may be denominated in any currency (including, without limitation, the Australian Dollar, the Euro, the Japanese Yen, the New Zealand Dollar, the Pound Sterling, the Swiss Franc and the United States Dollar) subject to compliance with all applicable legal or regulatory requirements.

(h) For the purposes of these Terms and Conditions, references to Notes shall, as the context may require, be deemed to be to Temporary Global Notes, Permanent Global Notes, interests in Temporary Global Notes, interests in Permanent Global Notes or, as the case may be, Definitive Notes.



Terms and Conditions of the Notes

2. TITLE

(a) Subject as set out below, title to Notes and Coupons passes *inter alia* by delivery. References herein to the "Holders" of Notes or of Coupons or "Noteholders" or "Couponholders" signify the bearers of such Notes or such Coupons.

(b) The Holder of any Note or Coupon will (except as otherwise required or allowed by applicable law, stock exchange regulation or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. STATUS

The Notes of each Series constitute direct and unsecured 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 operation of law.

4. NEGATIVE PLEDGE

So long as any Notes remain outstanding the Issuer will not secure any other loan or indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without securing the Notes equally and ratably with such other loan or indebtedness.

5. INTEREST

Notes may be interest-bearing or non-interest-bearing, as specified in the relevant Final Terms. The Final Terms in relation to each Series of interest-bearing Notes shall specify which one (and one only) of Conditions 5A, 5B, 5C or 5D shall be applicable, provided that Condition 5E will be applicable as specified therein and save to the extent inconsistent with the relevant Final Terms.

5A. Interest Rate - Fixed Rate

Notes in relation to which this Condition 5A is specified in the relevant Final Terms as being applicable shall bear interest from their Issue Date (as specified in the relevant Final Terms) at the rate or rates *per annum* specified in the relevant Final Terms. Such interest will be payable in arrear on each Interest Payment Date as specified in the relevant Final Terms and on the date of final maturity thereof. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the redemption amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

Fixed Coupon Amount: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

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 principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5B. Interest Rate - Floating Rate

5B(i) Notes in relation to which this Condition 5B is specified in the relevant Final Terms as being applicable shall bear interest at the rates *per annum* determined in accordance with this Condition 5B.



BANK

Terms and Conditions of the Notes

5B.(2) Such Notes shall bear interest from their Issue Date (as specified in the relevant Final Terms). Such interest will be payable on each Interest Payment Date. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the redemption amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5B.(3) The Final Terms in relation to each Series of Notes in relation to which this Condition 5B is specified as being applicable shall specify which page (the "Relevant Screen Page") on the Reuters Screen or Telerate or any other information vending service shall be applicable. For these purposes, "Reuters Screen" means the Reuters Money Market Rates Services and "Telerate" means the Bridge's Telerate Service (or such other service as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).

5B.(4) The rate of interest (the "Rate of Interest") applicable to such Notes for each Interest Period shall be determined by the Issuing and Paying Agent on the following basis:

- (i) the Issuing and Paying Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandths of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11:00 am (London time) on the second day on which commercial banks are open for general business in London (a "London Banking Day") (or, in the case of Notes denominated in Euro as of 11:00 am (Brussels time), on the second TARGET Business Day (as defined in Condition 9)) before (or, in the case of Notes denominated in Pounds Sterling, on) the first day of the relevant Interest Period (the "Interest Determination Date");
- (ii) if no such rate for deposits so appears and there is no designated successor screen page on which such rate or any successor rate appears (or, as the case may require, if fewer than two such rates for deposits so appear), the Issuing and Paying Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market, or otherwise as set out in the relevant Final Terms selected by the Issuing and Paying Agent and agreed with the Issuer at approximately 11:00 am (London time) on the Interest Determination Date to prime banks in the London interbank market or otherwise as set out in the relevant Final Terms for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time; and
- (iii) if fewer than two rates are so quoted, the Issuing and Paying Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by major banks in the Relevant Financial Centre (as defined in Condition 9), selected by the Issuing and Paying Agent and agreed with the Issuer at approximately 11:00 am (Relevant Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks or otherwise as set out in the relevant Final Terms for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Notes during each Interest Period will be the sum of the relevant margin (the "Relevant Margin") specified in the relevant Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid)) so determined (the "Floating Rate") provided that, if the Issuing and Paying Agent is unable to determine a rate (or, as the case may be, an arithmetic mean) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid)) last determined in relation to such Notes in respect of the preceding Interest Period.

5B.(5) The Issuing and Paying Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the "Interest Amount") payable in respect of the principal amount of the smallest or minimum denomination of such Notes specified in the relevant Final Terms for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to such principal amount, multiplying the product by the relevant Day Count Fraction.



BANK

Terms and Conditions of the Notes

5C. Interest Rate – Swap-Related (ISDA)

5C.(1) Notes in relation to which this Condition 5C is specified in the relevant Final Terms as being applicable shall bear interest at the rates per annum determined in accordance with this Condition 5C.

5C.(2) Each such Note shall bear interest from its Issue Date (as specified in the relevant Final Terms). Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer had it entered into a swap transaction (to which a 1992 or 2002 ISDA Master Agreement and the 2000 ISDA Definitions (as amended and supplemented from time to time), each as published by the International Swaps and Derivatives Association, Inc., applied) with the Holder of such Notes under which:

- the Issuer was the Fixed Rate Payer or, as the case may be, the Floating Rate Payer;
- the Issuing and Paying Agent was the Calculation Agent (or such other agent specified in the relevant Final Terms);
- the Effective Date was such date of issue;
- the principal amount of such Note was the Calculation Amount; and
- all other terms were as specified in the relevant Final Terms.

5D. Interest – Other Rates

Notes in relation to which this Condition 5D is specified in the relevant Final Terms as being applicable shall bear interest at the rates per annum and payable in the amounts and in the manner determined in accordance with the relevant Final Terms. In particular, in the case of Notes denominated in Euro, if the Floating Rate basis is to be "EURIBOR" rather than "LIBOR", the relevant provisions must be set out in full in the relevant Final Terms.

5E. Interest – Supplemental Provision and Notification of Rates of Interest, Interest Amounts and Interest Payment Dates

5E.(1) Condition 5E.(2) shall be applicable in relation to Notes in relation to which Condition 5E is specified in the relevant Final Terms as being applicable and Condition 5E.(3) shall be applicable in relation to all interest-bearing Notes.

5E.(2) The Issuing and Paying Agent (or such other agent as may be specified for the purpose in the relevant Final Terms) will cause such Rate of Interest, Floating Rate, Interest Payment Date, final day of a Calculation Period, Interest Amount or Floating Amount, as the case may be, determined by it to be notified to the other Paying Agents (from whose respective specified offices such information will be available) as soon as practicable after such determination, but in any event not later than the fourth London Banking Day thereafter and, in the case of Notes admitted to the listing on the Luxembourg Stock Exchange and/or Euroflat by Euronext Amsterdam, cause each such Rate of Interest, Floating Rate, Interest Amount or Floating Amount, as the case may be, to be notified to the Luxembourg Stock Exchange and/or Euronext Amsterdam N.V., as the case may be. The Issuing and Paying Agent will be entitled to amend any Interest Amount, Floating Amount, Interest Payment Date or last day of a Calculation Period (or to make appropriate alternative arrangements by way of adjustment) without notice in the event of the extension or abbreviation of the relevant Interest Period or Calculation Period.

5E.(3) The determination by the Issuing and Paying Agent (or such other agent as may be specified for the purpose in the relevant Final Terms) of all rates of interest and amounts of interest for the purposes of this Condition 5 shall, in the absence of manifest error, be final and binding on all parties.

5E.(4) In the case of partly-paid Notes (other than partly-paid Notes which are non-interest-bearing) interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as indicated in the applicable Final Terms.

5E.(5) In relation to Notes in relation to which Condition 5E.(2) shall not be specified as being applicable in the relevant Final Terms and in respect of which payments are to be made by reference to a variable rate of



BANK

Terms and Conditions of the Notes

interest or in respect of which redemption amounts fall to be calculated by reference to an index or in any case where sums payable in respect of Notes may vary in accordance with a formula or formulae, then the relevant Final Terms shall specify an agent for the purposes of the calculation of such rates of interest and/or redemption amounts and the notification of such rates and/or amounts to all appropriate parties.

SE.(6) Definitions

In this Condition 5 the following expressions have the following meanings:

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Relevant Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) "Preceding Business Day Convention" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) "FRN Convention", "Floating Rate Convention" or "Eurodollar Convention" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) "No Adjustment" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "Actual/Actual (ISMA)" is so specified, means:



BANK

Terms and Conditions of the Notes

- (a) where the Calculation Period is equal to or shorter than the Regular 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 Regular Period and (2) the number of Regular Periods in any year; and
- (b) where the Calculation Period is longer than one Regular Period, the sum of:
- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "Actual/365" or "Actual/Actual (ISDA)" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "30/360" is so specified, means 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 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)); and
- (vi) if "30E/360" or "Eurobond Basis" is so specified means, 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, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity 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);

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention as such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;



BANK

Terms and Conditions of the Notes

"Issue Date" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Specified Currency" has the meaning given in the relevant Final Terms; and

"Specified Period" has the meaning given in the relevant Final Terms.

6. REDEMPTION AND PURCHASE

(a) Redemption at Maturity

Unless previously redeemed, or purchased and cancelled, Notes shall be redeemed at their principal amount (or at such higher redemption amount as may be specified in the relevant Final Terms) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Final Terms.

(b) Early Redemption for Taxation Reasons

If, in relation to any Series of Notes and as a result of any change in or amendment to applicable law (which change or amendment occurs after the date of issue of such Notes or any earlier date specified in the relevant Final Terms), the Issuer determines that it would, on the occasion of the next payment in respect of such Notes, be required to pay additional amounts in accordance with Condition 8 and that such obligation is not avoidable by the taking of reasonable measures available to the Issuer, then the Issuer may, upon the expiry of the appropriate notice, redeem all (but not some only) of the Notes comprising the relevant Series at their principal amount (or at such other early higher redemption amount as may be specified in the relevant Final Terms), together with accrued interest (if any) thereon.

(c) Optional Early Redemption (Call)

If this Condition 6(c) is specified in the relevant Final Terms as being applicable, then the Issuer may, upon the expiry of the appropriate notice and subject to such conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only), of the Notes of the relevant Series.

(d) The Appropriate Notice

The appropriate notice referred to in Conditions 6(b) and 6(c) is a notice given by the Issuer to the Issuing and Paying Agent and the Holders of the Notes of the relevant Series (in accordance with Condition 14(a)), which notice shall be signed by one member of the Executive Board of the Issuer and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes of the relevant Series which are to be redeemed;
- the date date for such redemption, which shall be a Business Day which is not less than thirty days (or such lesser period as may be specified in the relevant Final Terms) after the date on which such notice is



BANK

Terms and Conditions of the Notes

validity given, which is (in the case of a redemption pursuant to Condition 6(b)) not earlier than sixty days before the earliest date on which the Issuer would (if a payment were then to be made in respect of such Notes) be obliged to pay additional amounts in accordance with Condition 8, and which is (in the case of Notes which bear interest at a floating rate) a date upon which interest is payable;

- (in the case of a redemption pursuant to Condition 6(b)) the circumstances giving rise to the Issuer's entitlement to effect such redemption in accordance with Condition 6(b); and
- (in the case of a redemption pursuant to Condition 6(b)) that a stated firm of lawyers in the applicable jurisdiction of recognised standing has given an opinion (a copy of which is attached to the notice) to the effect that the Issuer would, on the occasion of the next payment in respect of such Notes, be obliged to pay additional amounts in accordance with Condition 8.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

(e) Partial Redemption

If some only of the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6(c), the Notes to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Notes may be listed.

(f) Optional Early Redemption (Put)

If this Condition 6(f) is specified in the relevant Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note of the relevant Series, redeem such Note on the date or the next of the dates specified in the relevant Final Terms, at its principal amount (or such other redemption amount as may be specified in the relevant Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Note (together, in the case of an interest-bearing Definitive Note, with any unexpired Coupons appertaining thereto) with any Paying Agent, together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, in the case of a Permanent Global Note, with the form of redemption notice endorsed thereon duly completed.

(g) Purchase of Notes

The Issuer may at any time purchase Notes in the open market or otherwise and at any price, provided that, in the case of interest-bearing Definitive Notes, any unexpired Coupons appertaining thereto are purchased therewith. Notes so purchased by the Issuer may be held or resold or surrendered for cancellation.

(h) Cancellation of Redeemed Notes

All unexpired Notes redeemed in accordance with this Condition 6 and, in the case of interest-bearing Definitive Notes, any unexpired Coupons attached thereto or surrendered therewith will be cancelled and may not be reissued or resold.

7. EVENTS OF DEFAULT

The Holder of any Note may give written notice to the Issuing and Paying Agent that such Note is, and such Note shall accordingly immediately become, without further notice being required, save as indicated in (ii) below, due and repayable at its principal amount, together with interest accrued to the date of repayment (or, in the case of a Note which is not interest-bearing, at such other amount as may be specified in the relevant Final Terms), upon the occurrence of any of the following events ("Events of Default") unless, prior to the giving of such notice, all Events of Default shall have been cured or otherwise made good:

- (i) if default is made in the payment of any interest due on the Notes or any of them and such default continues for a period of 30 days; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes and (except where such failure is incapable of remedy, when no such notice will be required) such failure continues for a period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or



BANK

Terms and Conditions of the Notes

(iii) if any order shall be made by a competent court or other authority or resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its respective assets or if the Issuer enters into a composition with its creditors or becomes subject to special measures (*bijzondere voorzieningen*) in the interests of all creditors as referred to in Chapter X of The Netherlands Act on the Supervision of the Credit System 1992 (*Wet toezicht kredietwezen 1992*) as amended, modified or re-enacted from time to time, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy, or is adjudicated bankrupt.

8. TAXATION

(a) All amounts payable (whether in respect of principal, redemption amount, interest or otherwise), in respect of the Notes, will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deductions, except that no such additional amounts shall be payable in respect of payment in respect of any Note or Coupon presented for payment:

- (i) by or on behalf of a Holder who is liable in such taxes, duties, assessments or charges in respect of such Note or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Note or Coupon; or
 - (ii) by or on behalf of a Holder to the extent that he would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption or reduction as foreseen in the laws of The Netherlands or in the relevant treaties for the avoidance of double taxation to the relevant tax authorities; or
 - (iii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
 - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (v) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the EU.
- (b) For the purposes of these Terms and Conditions, the "Relevant Date" means the date on which such payments first become due and payable, but if the full amount of the moneys payable has not been received by the Issuer and Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 14.
- (c) Any reference in these Terms and Conditions to principal and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 or any undertaking given in addition thereto or in substitution therefor.
- (d) The relevant Final Terms may set forth certain additional tax consequences to Holders of Notes of a particular Series.

9. PAYMENTS

(a) Payment of amounts (including accrued interest) due on the redemption of Notes (other than Definitive Notes in CP-form) will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds, surrender of the relevant Notes at the specified office of any of the Paying Agents.



BANK

Terms and Conditions of the Notes

Payments of principal in respect of Definitive Notes in CF-form will be made through the Paying Agent(s) as specified in the relevant Final Terms against surrender of Definitive Notes in CF-form together with the Coupon Sheet attached.

- (b) Payment of amounts due in respect of interest on Notes will be made:
- (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
 - (ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside the United States;
 - (iii) in the case of Definitive Notes, other than Definitive Notes in CF-form, delivered with Coupons attached thereto, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside the United States; and
 - (iv) in the case of Definitive Notes in CF-form, in accordance with the agreement concluded between the Issuer and the *Algemeen Obligatiekantoor van het Centrum voor Financienadministratie B.V.* in Amsterdam, under which agreement the Issuer has accepted the rules and regulations of the *Obligatiekantoor*.
- (c) If the due date for payment of any amount due (whether in respect of principal, interest or otherwise) in respect of any Notes is not a Payment Business Day in the place of presentation, then the Holder thereof will not be entitled to payment thereof in such place until the next following such Payment Business Day in such place and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions.
- (d) Each Definitive Note initially delivered with Coupons attached thereto should be surrendered for final redemption together with all unexpired Coupons appertaining thereto, failing which:
- (i) in the case of Definitive Notes which bear interest at a fixed rate or rates, the amount of any missing unexpired Coupons will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time prior to the fifth anniversary of the due date of such final redemption; and
 - (ii) in the case of Definitive Notes which bear interest at, or at a margin above or below, a floating rate, all unexpired Coupons relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.
- (e) Payments of amounts due (whether in respect of principal, interest or otherwise) in respect of Notes will be made by cheque drawn on, or by transfer to, an account maintained by the payee with a bank in the Relevant Financial Centre. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.
- (f) For the purposes of these Terms and Conditions:
- (i) "Additional Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;
 - (ii) "Euro-Zone" means the region comprised of the countries whose lawful currency is the Euro;
 - (iii) "Payment Business Day" means:
 - (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

Terms and Conditions of the Notes

- (B) in the case of payment by transfer to an account, a TARGET Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) If the currency of payment is not euro, any day which is:
- (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
- (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;
- (iv) "Relevant Financial Centre" means (unless varied or restated in the relevant Final Terms):
- in relation to Notes denominated in Australian Dollars, Melbourne;
 - in relation to Notes denominated in Japanese Yen, Tokyo;
 - in relation to Notes denominated in New Zealand Dollars, Wellington;
 - in relation to Notes denominated in Pounds Sterling, London;
 - in relation to Notes denominated in Swiss Francs, Zurich;
 - in relation to Notes denominated in United States Dollars, New York City;
 - in relation to Notes denominated in Canadian Dollars, Toronto; and
 - in relation to Notes denominated in any other currency, such financial centre or centres as may be specified in relation to the relevant currency and for the purposes of the definition of "Business Day" in the 2000 ISDA Definitions (as amended and updated from time to time), as published by the International Swaps and Derivatives Association, Inc.;
- (v) "TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System; and
- (vi) "TARGET Business Day" means a day on which the TARGET System is operating, and, in all cases, as the same may be modified in the relevant Final Terms.
- (g) Notes denominated in the currency of a member state of the European Union in relation to which this Condition 9(g)(i) is specified in the relevant Final Terms as being applicable shall, be redenominated into Euro in accordance with this Condition 9(g)(i).
- (i) Notwithstanding the provisions of Condition 13, the Issuer may, without the consent of the Holders of Notes or Coupons, on giving at least 30 days' prior notice to the Holders of Notes and Coupons in accordance with Condition 14, designate a Redenomination Date with respect to a Series of Notes.

With effect from the Redenomination Date:

- (a) each Note and, in the case of a Note bearing interest at a fixed rate (hereafter, a "Fixed Rate Note") each amount of interest specified in the Coupons, shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of Euro as is equivalent to its denomination in the relevant currency (as specified in the Final Terms) converted into Euro at the fixed rate for conversion of the relevant currency into Euro established by the Council of the European Union pursuant to Article 123(4) of the Treaty (as defined below) (including compliance with rules relating to roundings in accordance with European Union regulations);
- (b) all payments in respect of the Notes, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro, as though references in the Notes to the



BANK

Terms and Conditions of the Notes

relevant currency were to Euro. Such payments will be made in Euro by cheque drawn on or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee;

- (c) the Issuer may elect that the Notes shall be exchangeable for Notes expressed to be denominated in Euro in accordance with such arrangements as the Issuer may decide, after consultation with the Issuing and Paying Agent, and as may be specified in the notice, including arrangements under which Coupons unmatured at the date so specified become void and replaced by new Coupons;
- (d) if the Notes are Fixed Rate Notes and interest is required to be calculated for a period of less than one year, it will, if the Issuer so decides, be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365);
- (e) if the Notes are Floating Rate Notes, any applicable changes to the provisions relating to interest will be specified in the Final Terms; and
- (f) such other changes will be made to the Terms and Conditions of the Notes as the Issuer may decide, after consultation with the Issuing and Paying Agent, to conform such Notes to market conventions then applicable to instruments denominated in Euro including, without limitation, amending the definition of "Business Day" to be a day on which the TARGET System is operating and a day on which commercial banks and foreign exchange markets settle payments in Euro in the place of presentation instead of a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in London and in the relevant currency in the Relevant Financial Centre. Any such changes will not take effect until they have been notified to the Holders of Notes and Coupons and any relevant stock exchange(s) on which the Notes are listed in accordance with Condition 14.

As used in these Terms and Conditions:

"Redemption Date" means a date which:

- (a) in relation to interest-bearing Notes, shall be an Interest Payment Date;
- (b) is specified by the Issuer in the notice given to the Holders pursuant to this Condition 9(g); and
- (c) falls on or after the date on which the country of the relevant currency participates in the third stage of European Economic and Monetary Union; and

"Treaty" means the Treaty establishing the European Community, as amended.

and, in all cases, as the same may be modified in the relevant Final Terms.

- (g) Condition 9(g) notwithstanding, Notes issued in the national currency of one of the countries of the Euro-Zone may be redenominated by the Issuer in Euro without the consent of the Holders in accordance with and subject to The Netherlands Act on Redenomination of 26 November 1998 ("Wet schuldredenominatie");
- (ii) In connection with any such redenomination as set out in paragraph (i) above, and without prejudice to Condition 15, the Issuer may also from time to time, without the consent of the Holders of Notes or Coupons, consolidate the Notes with one or more issues of other notes ("Other Notes") issued by it, whether or not originally issued in the relevant currency or in Euro, provided that such Other Notes have been redenominated into Euro (if not originally denominated in Euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same or substantially the same terms and conditions as the Notes, and in all cases as set out in full in the relevant Final Terms.



Terms and Conditions of the Notes

10. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within five years after the due date for payment.

11. THE PAYING AGENTS

The initial Paying Agents and their respective initial specified offices are specified in the Base Prospectus. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent) and to appoint additional or other Paying Agents, provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Paying Agent with a specified office in continental Europe, (iii) so long as any Notes are listed on the Luxembourg Stock Exchange, a Paying Agent with a specified office in Luxembourg, (iv) so long as any Notes are listed on Eurolist by Euronext Amsterdam, a Paying Agent with a specified office in Amsterdam and (v) a Paying Agent in a EU member state that will not be obliged to withhold or deduct tax pursuant to the Savings Directive. The Paying Agents reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents will be notified promptly to the Holders.

12. REPLACEMENT OF NOTES

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent, subject to all applicable laws and the requirements of any stock exchange on which the relevant Notes are listed, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Issuing and Paying Agent may require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be delivered therefor.

13. MEETINGS OF HOLDERS

The Issuing and Paying Agency Agreement contains provisions, which are binding on the Issuer and the Holders of Notes or Coupons, for convening meetings of the Holders of Notes of any Series to consider matters affecting their interests, including the modification or waiver of the Terms and Conditions applicable to any Series of Notes.

14. NOTICES**(a) To Holders of Notes and Coupons**

Notices to Holders of Notes and Coupons will, save where another means of effective communication has been specified in the relevant Final Terms, be deemed to be validly given if published in a leading daily English language newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, if published in a leading English language newspaper having general circulation in Europe or, in the case of a Temporary Global Note or Permanent Global Note, if delivered to Euroclear, Clearstream, Luxembourg and any other agreed clearing system for communication by them to the persons shown in their respective records as having interests therein, provided that, in the case of Notes admitted to listing on Eurolist by Euronext Amsterdam, all notices to the Holders of Notes or Coupons will be validly given if published (in the English language) in at least one daily newspaper having general circulation in The Netherlands and in the Euronext Amsterdam Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V., and provided that, in the case of Notes admitted to listing on the Luxembourg Stock Exchange (for as long as the rules of the Luxembourg Stock Exchange require), all notices regarding a Note listed on the Luxembourg Stock Exchange will be published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *d'Wort*). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the second Business Day after the date of such delivery.

(b) To the Issuer

Notices to the Issuer will be deemed to be validly given if delivered at N.V. Bank Nederlandse Gemeenten, Koninginnegracht 2, 2514 AA, The Hague, The Netherlands and clearly marked on their exterior "Urgent - Attention: TVB Dealing Room" (or at such other address and for such other attention as may have been notified to the Holders of the Notes in accordance with this Condition 14) and will be deemed to have been validly given at the opening of business on the next day on which the Issuer's principal office is open for business.



BANK

Terms and Conditions of the Notes

under the Notes and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) Upon the Documents becoming valid and binding obligations of the Substituted Debtor and the Issuer (in respect of its provision of the Guarantee) (as "Guarantor") (and upon a legal opinion to that effect being issued by local counsel of recognised standing in the jurisdiction of incorporation of the Substituted Debtor), the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall, in the case of the substitution of the Issuer as principal debtor, operate to release the Issuer as issuer and, in the case of the substitution of a Substituted Debtor (if such Substituted Debtor is not the Issuer), operate to release such Substituted Debtor as principal debtor, from all of its obligations as principal debtor in respect of the Notes.

(d) The documents referred to in paragraph (a) above shall be deposited with and held by the Issuing and Paying Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor or (if the Substituted Debtor is not the Issuer) the Issuer by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and (if the Substituted Debtor is not the Issuer) the Issuer acknowledge the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.

(e) 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.

(f) For the purposes of this Condition 17, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company which, in the aggregate, entitle the holder thereof to elect a majority of its directors, and includes any company in like relationship to such first-mentioned company, and for this purpose "voting shares" means shares in the capital of a company having the right to elect the directors thereof, and "controlling", "controlled" and "under common control" shall be construed accordingly.

18. LAW AND JURISDICTION

(a) The Notes and the Issuing and Paying Agency Agreement are governed by, and shall be construed in accordance with, the laws of The Netherlands.

(b) The Issuer irrevocably submits, for the exclusive benefit of the Holders of the Notes, to the jurisdiction of the Court (Rechtbank) and its appellate courts at The Hague, The Netherlands.

(c) The Issuer is not entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process and the issue of this Note constitutes, and the performance by the Issuer of its obligations hereunder will constitute, commercial acts done and performed for private and commercial purposes.



Use of Proceeds

The net proceeds of the issue of each Series of Notes will be used by the Issuer for general corporate purposes.



Annex B to the Final Terms

The Notes will be initially represented by a Permanent Global Note, exchangeable for definitive Notes (*Wertpapiere*) in accordance with the provisions of paragraph 6 above. The Issuing and Paying Agency Agreement for the Issuer's Programme for the issuance of Notes and the Terms and Conditions for the Notes will be deemed to be amended and shall be construed accordingly.

- (a) The following shall be added to the opening lines of the Terms and Conditions on page 16 of the 2005 Base Prospectus:

"For the purpose of the Notes the Issuer has, together with the Issuing and Paying Agent and BNP Paribas (Suisse) SA (the "**Principal Swiss Paying Agent**"), enter into a supplemental issuing and paying agency agreement dated 6 October 2005. In relation to the Notes the address of the Principal Swiss Paying Agent is Selnaustrasse 16, CH-8001 Zurich, Switzerland".

- (b) The following shall be added to Condition 1(b) (*Form and Denomination*):

"unless otherwise specified in the Final Terms," before the words "Notes will be represented upon issue".

- (c) The following shall be added to Condition 1(d) (*Form and Denomination*):

- (d) "If so specified in the Final Terms, Notes may be represented upon issue by one or more Permanent Global Notes" before the first sentence of Condition 1(d).

- (e) The following shall be added to Condition 9 (*Payments*):

"Payments will be made without taking account of any future transfer restrictions and/or outside any bilateral or multilateral payment or clearing agreement (which for the avoidance of doubt means without regard to any bilateral or multilateral payment or clearing agreement) which may be applicable at the time of such payments.

Payment to the Principal Swiss Paying Agent by the Issuer and the receipt by the Principal Swiss Paying Agent of the due and punctual payment of the funds in CHF in Zurich shall release the Issuer of its obligations under the Notes and Coupons for the payment of principal and interest due on the respective payment dates to the extent of such payments.

Payment of principal and/or interest shall be made in CHF without collection costs in Switzerland to the Noteholders and/or Couponholders, without any restrictions, whatever the circumstances may be, irrespective of nationality, domicile or residence of the Noteholders and/or Couponholders and without requiring any certification, affidavit or the fulfilment of any other formality."

- (f) The following shall be added to Condition 11 (*The Paying Agents*):

"In respect of the Notes, the Issuer will at all times maintain Swiss Paying Agents having a specified office in Switzerland."



- (g) The following shall be added to Condition 14 (*Notices*):

"Notices to Noteholders will be deemed to have been validly given if published by the Principal Swiss Paying Agent at the expense of the Issuer, (i) by means of electronic publication on the internet website of the SIX Swiss Exchange Ltd (www.six-swiss-exchange.com, where notices are currently published under the address: www.six-swiss-exchange.com/news/official_notices/search_en.html), or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange Ltd. Notices shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first publication."

- (h) The following shall be added to Condition 18 (*Law and Jurisdiction*):

"In addition to the submission to the jurisdiction to the courts of The Netherlands, the Issuer agrees to the alternative jurisdiction of the Commercial Court of the Canton of Zurich, the place of jurisdiction being Zurich 1, with the right of appeal to the Swiss Federal Court of Justice in Lausanne where the law permits. In connection with the Notes the Issuer designates BNP Paribas (Suisse) SA as its representative for service of judicial documents, and elects legal and special domicile pursuant to article 50 of the Swiss Act on Debt Enforcement and Bankruptcy at the offices of BNP Paribas (Suisse) SA, 2, place de Hollande, CH-1204 Geneva, Switzerland. BNP Paribas (Suisse) SA undertakes to transmit to the Issuer as soon as possible any notice received by it in this connection.

For the purpose of any proceedings brought in Switzerland, Noteholders have the option to be collectively represented (in accordance with all applicable laws and customary practice in Switzerland) and (whether or not collectively represented) have equal status irrespective of their domicile."