

## Final Terms

26 July 2012

### Nederlandse Waterschapsbank N.V.

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

### Issue of JPY300,000,000 Callable Fixed and Step-Up Reverse Floating Rate Note due 02 August 2027 under the €50,000,000,000 Debt Issuance Program

This document constitutes the Final Terms relating to the Issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 10 May 2012 which constitutes a base prospectus for the purposes of the Directive 2003/71/EC (the 'Prospectus Directive' which term includes Directive 2010/73/EU (the '2010 PD Amending Directive') to the extent implemented in a relevant member state of the European Economic Area in which the Notes are issued (each, a 'Relevant Member State')). 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 offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer at Rooseveltplantsoen 3, 2517 KR The Hague, the Netherlands and copies may be obtained from Citibank N.A., 14th floor, Citigroup Centre Canada Square, Canary Wharf, London E14 5LB, United Kingdom and, only with respect to Tranches of Notes which are solely offered and sold by the Issuer and/or the Dealers in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S, Banque Internationale à Luxembourg SA, 69, route d'Esch, 2953 Luxembourg, Grand Duchy of Luxembourg.

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| 1.  | Issuer:  | Nederlandse Waterschapsbank N.V.  |
| 2.  | (a) Series Number:   | 1275  |
|     | (b) Tranche Number:  | 1   |
| 3.  | Specified Currency or Currencies:                                | Japanese Yen ("JPY")  |
| 4.  | Aggregate Nominal Amount:  |   |
|     | • Tranche:   | JPY300,000,000  |
|     | • Series:  | JPY300,000,000  |
| 5.  | (a) Issue Price of Tranche:                                      | 100.00 per cent. of the Aggregate Principal amount  |
|     | (b) Net proceeds:  | JPY300,000,000  |
| 6.  | (a) Specified Denominations:                                     | JPY100,000,000  |
|     | (b) Calculation Amount: (Applicable to Notes in definitive form) | JPY100,000,000  |
| 7.  | (a) Issue Date:  | 02 August 2012  |
|     | (b) Interest Commencement Date:                                  | 02 August 2012  |
| 8.  | Maturity Date:   | 02 August 2027  |
| 9.  | Interest Basis:  | 0.71 per cent. Fixed Rate for the period from (and including) 02 August 2012 to (but excluding) 02 August 2013<br><br>Variable Rate minus 6 month JPY-LIBOR-BBA Floating Rate for the period from (and including) 02 August 2013 to (and including) 02 August 2027 (the Maturity Date)<br>(further particulars specified below) |
| 10. | Redemption/Payment Basis:  | Redemption at par   |

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| 11. | Change of Interest Basis or Redemption/Payment Basis:               | Unless the Notes are redeemed, the Interest Basis will automatically convert from a Fixed Rate basis to a Floating Rate basis on 02 August 2013   |
| 12. | Put/Call Options:   | Issuer Call<br>(further particulars specified below)  |
| 13. | Status of the Notes:  | Senior  |
| 14. | Listing and admission to trading:                                   |   |
|     | (a) Listing and admission to trading                                | Not Applicable  |
|     | (b) Estimate of total expenses related to admission to trading      | Not Applicable  |
| 15. | Offer solely outside the United States in Reliance on Regulation S: | Applicable  |
|     |   | The Notes will be in bearer form and in substantially the form set forth in schedule 3 to the agency agreement entered into between the Issuer and the Non-U.S. Paying Agent on 10 May 2012 |
|     |   | Non-U.S. Paying Agent: Banque Internationale à Luxembourg SA.   |
| 16. | Method of distribution:   | Non-syndicated  |

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

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| 17. | Fixed Rate Note Provisions:  | Applicable   |
|     | (a) Fixed Rate(s) of Interest:   | For the period from (and including) 02 August 2012 to (but excluding) 02 August 2013, interest will accrue at the rate of 0.71 per cent. per annum payable semi-annually in arrear |
|     | (b) Interest Payment Date(s)   | 02 February 2013 and 02 August 2013 subject to adjustment in accordance with the Modified Following Business Day Convention with no adjustment to the Fixed Coupon Amount          |
|     | (c) Fixed Coupon Amount:   | JPY355,000 per Calculation Amount  |
|     | (d) Broken Amount(s):  | Not Applicable   |
|     | (e) Fixed Day Count Fraction:  | 30/360 (unadjusted)  |
|     | (f) Determination Date(s):   | Not Applicable   |
|     | (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: | None   |
| 18. | Floating Rate Note Provisions:   | Applicable   |
|     | (a) Specified Period(s)/Specified Interest Payment Dates:                            | Every 02 February and 02 August in each year commencing on 02 February 2014 to (and including) 02 August 2027 (Maturity Date)  |
|     | (b) Business Day Convention:   | Modified Following Business Day Convention   |
|     | (c) Additional Business Center(s):   | TARGET and Tokyo in addition to London   |
|     | (d) Manner in which the Rate of  | ISDA Determination   |

Interest and Interest Amount  
is to be determined:

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): Credit Agricole Corporate and Investment Bank S.A.
- (f) Screen Rate Determination: Yes
- Reference Rate: Variable Rate minus 6 month JPY LIBOR BBA  
“JPY LIBOR BBA” means the rate of deposits in JPY for a period of the Designated Maturity which appears on Reuters page 3750 as of 11:00 am (London time), two (2) London business days prior to the commencement of the relevant Interest Period,  
  
and where “Variable Rate”  
  
For the period from (and including) 02 August 2013 to (but excluding) 02 August 2014 is 0.86 per cent. per annum  
  
For the period from (and including) 02 August 2014 to (but excluding) 02 August 2015 is 1.01 per cent. per annum  
  
For the period from (and including) 02 August 2015 to (but excluding) 02 August 2016 is 1.16 per cent. per annum  
  
For the period from (and including) 02 August 2016 to (but excluding) 02 August 2017 is 1.31 per cent. per annum  
  
For the period from (and including) 02 August 2017 to (but excluding) 02 August 2018 is 1.46 per cent. per annum  
  
For the period from (and including) 02 August 2018 to (but excluding) 02 August 2019 is 1.61 per cent. per annum  
  
For the period from (and including) 02 August 2019 to (but excluding) 02 August 2020 is 1.76 per cent. per annum  
  
For the period from (and including) 02 August 2020 to (but excluding) 02 August 2021 is 1.91 per cent. per annum  
  
For the period from (and including) 02 August 2021 to (but excluding) 02 August 2022 is 2.06 per cent. per annum  
  
For the period from (and including) 02 August 2022 to (but excluding) 02 August 2023 is 2.21 per cent. per annum  
  
For the period from (and including) 02 August 2023 to (but excluding) 02 August 2024 is 2.36 per cent. per annum  
  
For the period from (and including) 02 August 2024 to (but excluding) 02 August 2025 is 2.51 per cent. per annum  
  
For the period from (and including) 02 August 2025 to (but excluding) 02 August 2026 is 2.66 per cent. per annum  
  
For the period from (and including) 02 August 2026 to (but excluding) 02 August 2027 is 2.81 per cent. per annum
  - Interest Determination Date: Two (2) London business days prior to the start of each Interest Period.
  - Relevant Screen Page: Reuters page 3750 as of 11:00 am (London time)
- (g) Margin(s): Not Applicable
- (h) Minimum Rate of Interest: 0.00 per cent. per annum
- (i) Maximum Rate of Interest: Not Applicable
- (j) Floating Day Count Fraction: 30/360 (unadjusted)

(k) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: Interest shall be calculated per Calculation Amount and rounded down to the next lower whole JPY

19. Zero Coupon Note Provisions: Not Applicable

20. Index Linked Interest Note Provisions: Not Applicable

21. Dual Currency Note Provisions: Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

22. Issuer Call: Applicable

(a) Optional Redemption Date(s): The Issuer has the option to redeem the Notes in whole but not in part on 02 August 2013 and each Specified Interest Payment Date falling on or after 02 February 2014 to (and including) 02 February 2027 (each such date an "Optional Redemption Date")

(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): JPY 100,000,000 per Calculation Amount

(c) If redeemable in part:

(i) Minimum Redemption Amount: Not Applicable

(ii) Maximum Redemption Amount: Not Applicable

(d) Notice period (if other than as set out in the Conditions): The Issuer must give the Noteholders no less than 5 London, TARGET and Tokyo Business Days prior notice

23. Investor Put: Not Applicable

24. Condition 6.2 (redemption for taxation reasons): Applicable

25. Final Redemption Amount: JPY100,000,000 per Calculation Amount

26. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6.5): JPY100,000,000 per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

27. Form of Notes:

(a) Form: Temporary Bearer Global Note exchangeable 40 days after the Issue date, upon certification as to non-U.S. beneficial ownership if Bearer Notes issued pursuant to the TETRA D Rules, for interests in a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes only upon the occurrence of an Exchange Event

(b) New Global Note: No

(c) New Safekeeping Structure: No

(d) Form of Definitive Bearer Notes: Standard Euromarket

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|-----|--|--|
| 28. | Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | TARGET and Tokyo in addition to London |
| 29. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):  | No                                     |
| 30. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any), of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable                         |
| 31. | Details relating to Installment Notes; amount of each installment, date on which each payment is to be made:   | Not Applicable                         |
| 32. | Redenomination:  | Redenomination not Applicable          |
| 33. | Whether Condition 7(a) of the Notes applies (in which case Condition 6.2) of the Notes will not apply) or whether Condition 7(b) and Condition 6.2 of the Notes applies:   | Condition 7(b) and Condition 6.2 apply |
| 34. | Other terms or special conditions:   | Not Applicable                         |

#### **DISTRIBUTION**

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|-----|--|------------------------------------|
| 35. | (a) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable                     |
|     | (b) Date of Subscription Agreement:  | Not Applicable                     |
|     | (c) Stabilising Manager(s) (if any):   | Not Applicable                     |
| 36. | If non-syndicated, name of Dealer:   | Shinkin International Ltd          |
| 37. | Non-exempt Offer:  | Not Applicable                     |
| 38. | Eligibility:   | Reg S only                         |
| 39. | U.S. Selling Restrictions:   | Reg.S Compliance Category; TEFRA D |
| 40. | Additional Selling Restrictions:   | Not Applicable                     |

#### **OPERATIONAL INFORMATION**

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|-----|---|--------------------------|
| 41. | Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant Identification number(s): | Not Applicable           |
| 42. | Delivery:   | Delivery against payment |
| 43. | Additional Paying Agent(s) (if any):  | Not Applicable           |
| 44. | Offer Period:   | Not Applicable           |
| 45. | Intended to be held in a manner which   | No                       |

would allow Eurosystem eligibility:

46. For the purposes of Condition 13, notices to be published in the Financial Times: No
- ISIN: XS0807313704
- Common Code: 080731370
- Any other relevant code: Not Applicable
47. Ratings: The Notes to be issued under the Program are expected to be rated:  
S & P: AAA  
Moody's: Aaa
48. 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
49. Reasons for the offer, estimated net proceeds and total expenses:
- (a) Reasons for the offer: See "Use of Proceeds" wording in Base Prospectus
- (b) Estimated net proceeds: JPY300,000,000
- (c) Estimated total expenses: Not Applicable
50. Indication of Yield:  
(Fixed Rate Notes only) Not Applicable
51. Historic Interest Rates:  
(Floating Rate Notes only)
- Details of historic 6 month JPY LIBOR rates can be obtained from Reuters.
- The Issuer does not intend to provide post-issuance information.
52. Performance of index/formula, explanation of effect on value of investment and associated risks and other information concerning the underlying (Index-Linked Notes only)
- Not Applicable
53. Performance of rate(s) of exchange and explanation of effect of investment (Dual Currency Notes only)
- Not Applicable
54. Additional U.S. Federal Income Tax consequences:
- Not Applicable

## **PURPOSE OF FINAL TERMS**

These final Terms comprise the final terms required for issue pursuant to the €50,000,000,000 Debt Issuance Program of Nederlandse Waterschapsbank N.V.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of the Issuer:

By:   
.....  
Duly authorized

**Lidwin van Velden**  
*Member of the Managing Board*

