

24 September 2014

**Nederlandse Waterschapsbank N.V.**

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

**Issue of JPY 1,000,000,000 Callable Fixed Rate to Floored and Capped FX Linked Interest Dual Currency Notes due March 2025 (the “Notes”) under the €60,000,000,000 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 Terms and Conditions of the Notes (the ‘Conditions’) set forth in the Base Prospectus dated 28 April 2014 and the supplemental base prospectuses dated 3 June 2014, 25 August 2014 and 8 September 2014, which together constitute a base prospectus for the purposes of 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 as so supplemented. 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 as so supplemented. The Base Prospectus as so supplemented is available for viewing at the registered office of the Issuer at Rooseveltplantsoen 3, 2517 KR The Hague, the Netherlands. A copy will also be available from the Issuer's website <https://www.nwbbank.com/funding-programmes.html>. In addition, copies may be obtained from Citibank N.A., 14th floor, Citigroup Centre Canada Square, Canary Wharf, London E14 5LB, United Kingdom (“The Principal Paying Agent”) and, only with respect to Tranches of Notes which are solely offered and sold by the Issuer and/or the Dealers in bearer form outside the United States to non-U.S. persons in reliance on Regulation S, from Banque Internationale à Luxembourg, 69, route d’Esch, 2953 Luxembourg, Grand Duchy of Luxembourg (“The Non-U.S. Paying Agent”).

1. Issuer: Nederlandse Waterschapsbank N.V.
  2. (a) Series Number: 1398  
(b) Tranche Number: 1
  3. Specified Currency or Currencies: Japanese Yen (“JPY”)
  4. Aggregate principal amount:
    - Tranche: JPY 1,000,000,000
    - Series: JPY 1,000,000,000
  5. (a) Issue Price of Tranche: 100.00 per cent. of the Aggregate Principal amount  
(b) Net proceeds: JPY 1,000,000,000
  6. (a) Specified Denominations: JPY 100,000,000
- The Notes may not be subdivided or reissued in a smaller denomination.
- The Aggregate Principal amount of this Series

of Notes shall not exceed the product of the Specified Denomination and forty-nine (49) with the issue of any additional tranches(s) of notes that become fungible to this series of Notes.

	(b) Calculation Amount:	JPY 100,000,000
7.	(a) Issue Date:	26 September 2014
	(b) Interest Commencement Date:	26 September 2014
8.	Maturity Date:	26 March 2025
9.	Interest Basis:	3.00 per cent. Fixed Rate and FX Linked Interest (further particulars specified below)
10.	Redemption/Payment Basis:	Dual Currency (further particulars specified below)
11.	Change of Interest Basis:	Applicable  The Interest Basis shall change from Fixed Rate to FX Linked Interest (further particulars specified below)
12.	Investor Put/Issuer Call Options:	Issuer Call Option (further particulars specified below)
13.	Automatic Early Redemption:	Not Applicable
14.	Dual Currency Note Provisions:	Applicable
	(a) Principal payable in other currency than Specified Currency:	Applicable  Final Redemption Amount will be payable in United States Dollars (“USD”).
	(b) Interest payable in other currency than Specified Currency:	Not Applicable
	(c) Rate of Exchange:	JPY 75.00
15.	Status of the Notes:	Senior
16.	(a) Listing and admission to trading:	Not Applicable
	(b) Estimate of total expenses related to admission to trading:	Not Applicable
17.	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 dated 28 April 2014.

- |     |   |   |
|-----|---|---|
| 18. | Method of distribution:   | Non-syndicated  |
| 19. | Name, address and contact details of Calculation Agent if not the Issuer: | JPMorgan Chase Bank, N.A.<br>25 Bank Street<br>Canary Wharf<br>London E14 5JP |

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

- |     |                                     |  |
|-----|-------------------------------------|--|
| 20. | Fixed Rate Note Provisions:         | Applicable   |
|     | (a) Fixed Rate(s) of Interest:      | 3.00 per cent. per annum payable semi-annually in arrear |
|     | (b) Interest Payment Date(s):       | 26 March 2015 and 26 September 2015                      |
|     | (c) Fixed Coupon Amount(s):         | JPY 1,500,000 per Calculation Amount                     |
|     | (d) Broken Amount(s):               | Not Applicable   |
|     | (e) Day Count Fraction:             | 30/360, unadjusted                                       |
|     | (f) Interest Determination Date(s): | Not Applicable   |
| 21. | Floating Rate Note Provisions:      | Not Applicable   |
| 22. | Zero Coupon Note Provisions:        | Not Applicable   |
| 23. | FX Linked Interest Note Provisions: | Applicable   |

In deviation of Condition 5.2(c) and 5.2(g), the Interest Amount per Calculation Amount (“I”) for each Interest Period, payable in arrear on each Specified Interest Payment Date shall be calculated by the Calculation Agent in accordance with the following formula, provided that (1) the resultant figure of the formula shall be rounded to the nearest whole JPY, with half a JPY being rounded upwards, (2) the resultant figure of the square bracket shall be rounded to the nearest six decimal places of one per cent., and (3) the resultant figure of the square bracket shall never be less than zero and never be more than the relevant Maximum Rate (please see paragraph 23(p))

below):

$$I = \text{JPY } 100,000,000 \times [\text{Multiplier1} \times (\text{Reference Price/FX Level1}) - \text{Margin1}] \times \text{Day Count Fraction}$$

Where:

“**Reference Price**” means, in relation to an Interest Determination Date, an amount equal to the arithmetic mean of the offered rate and bid rate of exchange appearing on the Relevant FX Screen Page at the Relevant Time on that Interest Determination Date for the exchange of such Specified Currency into the Base Currency (expressed as the number of units (or part of units) of the Specified Currency for which one unit of the Base Currency can be exchanged).

- |   |   |
|---|---|
| (a) Specified Interest Period(s):                         | From and including 26 September 2015 to but excluding the first Specified Interest Payment Date and each successive period from and including a Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date up to and excluding the Maturity Date (each an “ <b>Interest Period</b> ”). For the avoidance of doubt, each Interest Period is subject to no adjustment. |
| (b) Specified Interest Payment Dates:                     | 26 March and 26 September in each year commencing 26 March 2016 up to and including the Maturity Date   |
| (c) Interest Determination Date(s):                       | Ten (10) Business Days prior to each Specified Interest Payment Date for the relevant Interest Period. For this purpose, the Specified Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified below.   |
| (d) Business Day Convention:                              |   |
| - Business Day Convention:                                | Modified Following Business Day Convention  |
| - Adjusted or Unadjusted for Interest Period calculation: | Unadjusted  |
| (e) Business Centre(s):                                   | Tokyo, London, New York and a day on which the TARGET2 System is open.  |

- (f) Multiplier1: 23.00 per cent.
- (g) Base Currency: USD
- (h) Specified Currency: JPY
- (i) Relevant FX Screen Page: Reuters Screen “JPNU” Page, which shall mean the display page “JPNU” designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying USD/JPY exchange rates).

In the event that Reuters Screen “JPNU” Page (or such successor page) should not be available, or no such Reference Price appears on Reuters Screen “JPNU” Page (or any successor page), in each case on the relevant Interest Determination Date at or around 3:00 p.m. Tokyo time, then the Calculation Agent shall determine the Reference Price by requesting each of the five leading banks in the relevant currency and foreign exchange markets (the “**Reference Banks**”), as selected by the Calculation Agent, to provide a quotation for the Reference Price.

If five or four such quotations are provided as requested, after disregarding the highest of such quotations and the lowest of such quotations (provided that, if two or more such quotations are the highest quotations, then only one of such quotations shall be disregarded, and if two or more such quotations are the lowest quotations, then only one of such lowest quotations shall be disregarded), the applicable rate shall be determined by the Calculation Agent as the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining quotations of such rate.

If only three or fewer such quotations are provided as requested, the applicable rate shall be the arithmetic mean of such quotations as determined by the Calculation Agent.

If no such quotations are provided as requested, and the Calculation Agent determines in its sole discretion that no

suitable replacement Reference Banks who are prepared to quote are available, the Calculation Agent shall be entitled to calculate the applicable rate in good faith and a commercially reasonable manner.

(j) Relevant Time:	3:00 p.m. Tokyo Time
(k) Margin1:	20.00 per cent.
(l) FX Level1:	106.80
(m) Minimum Interest:	0.00 per cent. per annum
(n) Maximum Interest:	3.00 per cent. per annum
(o) Day Count Fraction:	30/360
24. Inflation Linked Note Provisions:	Not Applicable
25. CMS Linked Note Provisions	Not Applicable

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

26. Issuer Call Option:	Applicable
(a) Optional Redemption Date	26 September 2024, subject to adjustment in accordance with Modified Following Business Day Convention
(b) Optional Redemption Amount of each Note	JPY 100,000,000 per Calculation Amount
(c) Notice Period	10 Business Days prior to the Optional Redemption Date
27. Investor Put Option:	Not Applicable
28. Early Redemption:	Applicable
(a) Early Redemption Amount(s) payable on redemption:	JPY 100,000,000 per Calculation Amount
(b) Redemption for tax reasons (Condition 7.2) permitted on days other than Interest Payment Dates:	Applicable in respect of the period from and including the Interest Commencement Date to but excluding 26 September 2015 and Not Applicable in respect of the period from and including 26 September 2015 to but excluding the Maturity Date.

- (c) Redemption for tax reasons (Condition 7.2) permitted on Interest Payment Dates: Not Applicable in respect of the period from and including the Interest Commencement Date to but excluding 26 September 2015 and applicable in respect of the period from and including 26 September 2015 to but excluding the Maturity Date.
- (c) Unmatured Coupons to become void upon early redemption: Applicable
- (d) Early Redemption Unwind Costs: Not Applicable
29. Whether Condition 8(a) of the Notes applies (in which case Condition 7.2 (Redemption for tax reasons) of the Notes will not apply) or whether Condition 8(b) of the Notes applies (in which case Condition 7.2 (Redemption for tax reasons) may be specified as being Applicable): Condition 8(b) and Condition 7.2 apply.
30. Final Redemption Amount: USD 1,333,333.33 per Calculation Amount
31. FX Linked Redemption Note Provisions: Not Applicable
32. Automatic Early Redemption Provisions: Not Applicable

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

33. Form of Notes:
- (a) Form: Bearer Notes
- Temporary Bearer Global Note exchangeable from 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership if Bearer Notes issued pursuant to the TEFRA 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: Not Applicable
- (c) New Safekeeping Structure: Not Applicable
- (d) Form of Definitive Bearer Notes: Standard Euromarket
34. Financial Centre(s) or other special provisions relating to Payment Dates: Applicable
- Tokyo, London, New York and a day on which the TARGET2 System is open.
- Notwithstanding Condition 6.7, if the date for

payment of any amount is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Payment Day.

- |     |  |                |
|-----|--|----------------|
| 35. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): | Not Applicable |
| 36. | Details relating to Partly Paid Notes:   | Not Applicable |
| 37. | Details relating to Installment Notes:   | Not Applicable |
| 38. | Redenomination:  | Not Applicable |

#### **DISTRIBUTION**

- |     |                                       |  |
|-----|---------------------------------------|--|
| 39. | (a) If syndicated, names of Managers: | Not Applicable   |
|     | (b) Date of Subscription Agreement:   | Not Applicable   |
|     | (c) Stabilizing Manager(s) (if any):  | Not Applicable   |
| 40. | If non-syndicated, name of Dealer:    | Applicable   |
|     |                                       | SMBC Nikko Capital Markets Limited<br>One New Change<br>London<br>EC4M 9AF |
| 41. | Names of Financial Intermediaries:    | Not Applicable   |
| 42. | Eligibility:                          | Reg. S only  |
| 43. | U.S. Selling Restrictions:            | Reg. S Compliance Category 2; TEFRA D                                      |

#### **OPERATIONAL INFORMATION**

- |     |  |                          |
|-----|--|--------------------------|
| 44. | Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V./ and Clearstream Banking, société anonyme and the relevant Identification numbers: | Not Applicable           |
| 45. | Delivery:  | Delivery against payment |
| 46. | Paying Agent(s):   | Non-U.S. Paying Agent    |
| 47. | Offer Period:  | Not Applicable           |



48. Reduction of subscriptions: Not Applicable, the terms of the offer do not provide for any reductions of subscriptions
49. Maximum and minimum subscription amount: Not Applicable
50. Intended to be held in a manner which would allow Eurosystem eligibility: No
51. For the purpose of Condition 14, notices to be published in the Financial Times: No
- ISIN: XS1111589328
- CUSIP: Not Applicable
- CINS: Not Applicable
- Common Code: 111158932
- Any other relevant code: Not Applicable
52. Ratings: The Program has been rated:  
S & P: AA+  
Moody's: Aaa  
Each of Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Limited is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended. As such, Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.
53. 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.
54. Reasons for the offer, estimated net proceeds and total expenses:  
(a) Reasons for the offer/Use of Proceeds: See 'Use of Proceeds' wording in the Base Prospectus

- (b) Estimated net proceeds: JPY 1,000,000,000
- (c) Estimated total expenses: Not Applicable
55. Indication of yield (*Fixed Rate Notes only*) Not Applicable
56. Historic Interest Rates (*Floating Rate Notes and CMS Linked Notes only*) Not Applicable
57. Performance of index, explanation of effect on value of investment and associated risks and other information concerning the underlying (*Inflation Linked Notes only*).
- Not Applicable
58. Performance of rates of exchange and explanation of effect on value of investment (*Dual Currency Notes, FX Linked Notes and notes to which Automatic Early Redemption provisions applies where the trigger level is an exchange rate only.*)
- Details of the past and future performance and volatility of the relevant rates can be obtained from the Reuters Screen “JPNU” Page (or any replacement page).
- The Issuer does not intend to provide post-issuance information.
59. TERMS AND CONDITIONS OF THE OFFER
- Not Applicable
60. FUNGIBLE ISSUES
- Issue fungible with previous issue: Not Applicable

#### **PURPOSE OF FINAL TERMS**

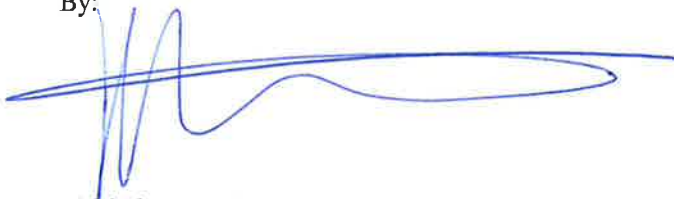
These Final Terms comprise the final terms required for issue of the Notes described herein pursuant to the €60,000,000,000 Debt Issuance Program of Nederlandse Waterschapsbank N.V.

#### **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:



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