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SECOND SUPPLEMENT

TO THE BASE PROSPECTUS DATED 25 November 2011

SNS BANK N.V.
(incorporated under the laws of the Netherlands with limited liability
and having its statutory seat in Utrecht, the Netherlands)

€ 15,000,000,000 Covered Bond Programme
guaranteed as to payments of interest and principal by

SNS COVERED BOND COMPANY B.V.
(incorporated under the laws of the Netherlands with limited liability
and having its statutory seat in Amsterdam, the Netherlands)

This supplement (the "**Supplement**") is the second supplemental prospectus of the € 15,000,000,000 Covered Bond Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**") and is prepared to update and amend the base prospectus dated 25 November 2011 2012 (the "**Base Prospectus**") as updated and supplemented following the first supplemental prospectus dated 16 February and is supplemental to, forms part of and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus shall have the same meaning in this Supplement, unless specified otherwise.

This document is an amendment and a supplement to the Base Prospectus within the meaning of article 16 of Directive 2003/71/EC including Directive 2010/73/EU (the "**PD Amending Directive**") (the "**Prospectus Directive**") This Supplement has been approved by the Netherlands Authority for the Financial Markets ("**Stichting Autoriteit Financiële Markten**", the "**AFM**"), which is the Netherlands competent authority for the purpose of the Prospectus Directive and relevant implementing measures in the Netherlands, as a supplemental prospectus issued in compliance with the Prospectus Directive, Commission Regulation EC No. 809/2004 (the '**Prospectus Regulation**') and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Covered Bonds under the Programme.

Subscribers for any Covered Bonds to be issued have the right to withdraw such subscription within two (2) business days following the publication of this Supplement.

The Issuer has requested the AFM to provide the competent authorities in Luxembourg with a certificate of approval, attesting that this Supplement has been drawn up in accordance with the Prospective Directive, the Prospectus Regulation and relevant implementing measures in the Netherlands.

The Base Prospectus and this Supplement are available on the website of the Issuer at www.snsreaal.com as of 27 June 2012 and are available for viewing at the specified office of the Agent (69 Route d'Esch, L-2953 Luxembourg, Luxembourg), the Security Trustee (Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands) and the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ Amsterdam, the Netherlands, where copies of the Base Prospectus and this Supplement and any documents incorporated by reference may also be obtained free of charge.

The date of this Supplement is 27 June 2012.

IMPORTANT INFORMATION

The Issuer and the CBC accept responsibility for the information contained in this Supplement. To the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties identified in this Supplement as such has been accurately reproduced and as far as the Issuer and the CBC are aware and are able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer and the CBC accept responsibility accordingly.

Neither the Arranger, the Dealers (other than the Issuer) nor the Security Trustee has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers (other than the Issuer) or the Security Trustee as to the accuracy or completeness of the information contained or referred to in this Supplement or any other information provided by the Issuer and the CBC in connection with the Programme. Neither the Arranger, the Dealers (other than the Issuer) nor the Security Trustee accepts any liability in relation to the information contained in this Supplement or any other information provided by the Issuer and the CBC in connection with the Programme.

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

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Supplement or any other information supplied in connection with the Programme or the offering of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the CBC, the Arranger or any of the Dealers.

Neither this Supplement nor any other information supplied in connection with the Programme or any Covered Bonds should be considered as a recommendation by the Issuer or the CBC that any recipient of this Supplement or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the CBC. Neither this Supplement nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Covered Bonds.

The distribution of this Supplement and the offering, sale and delivery of the Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession the Base Prospectus, this Supplement or any Covered Bond comes must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on distribution of this Supplement and other offering material relating to the Covered Bonds, see *Subscription and Sale* in the Base Prospectus.

The Covered Bonds have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the accuracy or adequacy of this Supplement. Any representation to the contrary is unlawful.

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and include Covered Bonds in bearer form that are subject to United States tax law requirements. The Covered Bonds may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by US tax regulations and the Securities Act. See *Subscription and Sale* in the Base Prospectus.

CERTAIN MODIFICATIONS TO THE BASE PROSPECTUS

The following are amendments to the text of the Base Prospectus.

Amendments in connection with the downgrade by Moody's of the rating of SNS Bank

1. On the frontpage, page 1, the first sentence of the eighth paragraph shall be replaced by the following:

   "It is expected that each issue of a Series of Covered Bonds will, on issue, be assigned an "Aa2" rating by Moody's Investors Service Limited ("Moody's") and an "AAA" rating by Fitch Ratings Limited ("Fitch"), unless otherwise specified in the applicable Final Terms."

2. In Chapter 1. SUMMARY OF THE PROGRAMME, page 6, the fifth paragraph shall be replaced by the following:

   "**Rating**
   It is expected that each issue of a Series of Covered Bonds, on issue, be assigned an "Aa2" rating by Moody's and an "AAA" rating by Fitch, unless otherwise specified in the applicable Final Terms. The Rating Agencies are established in the European Union. The Rating Agencies have been registered by the European Securities and Markets Authority as credit rating agencies in accordance with the CRA Regulation."

3. In Chapter 2. RISK FACTORS, page 13-14, the seventh paragraph shall be replaced by the following:

   "**A downgrade of any of the Issuer's credit ratings may impact the Issuer's funding ability and have an adverse effect on the Issuer's financial condition**
   The Issuer is currently rated Baa2/P-2 by Moody's (stable outlook), BBB+/F2 by Fitch (stable outlook) and BBB+/A-2 (negative outlook) by Standard & Poor's Rating Services. A downgrade of any of the Issuer's ratings (for whatever reason) would result in higher funding and refinancing costs for the Issuer in the capital markets. In addition, a downgrade of any of the Issuer's ratings may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse affect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse affect on the Issuer's financial condition and/or results of operations."

4. In Chapter 2. RISK FACTORS, page 26, at the end of the second paragraph the following will be added:

   "As a result of the downgrade by Moody's of the rating of SNS Bank's long term unsecured, unsubordinated and unguaranteed debt obligations below Baa1, an Assignment Notification Event occurred and the transfer of the Mortgage Receivables by the Issuer to the CBC should be notified to the Borrowers, unless the Security Trustee instructs otherwise. SNS Bank, the CBC and the Security Trustee are discussing the consequences of the occurrence of such Assignment Notification Event and the Security Trustee agrees that pending such discussions Borrowers will not be notified of the transfer of the Mortgage Receivables."

5. In Chapter 4. OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE PROGRAMME, page 52, the fourth paragraph shall be replaced by the following:

   "Ratings: It is expected for each issue of a Series of Covered Bonds that the Covered Bonds, on issue, are assigned an "Aa2" rating by Moody's and an "AAA" rating by Fitch."

6. In Chapter 8. COVERED BONDS and FORM OF FINAL TERMS, page 82, paragraph number 38 shall be replaced by the following:

   "38. Ratings: The Covered Bonds to be issued are rated:

[Moody's: Aa2]
[Fitch: AAA]
[Other]: [...]
[Registration of Rating Agency: […]/[The entities of Moody's and Fitch established in the European Union have been registered under the CRA Regulation]"

7. In Chapter 11. GUARANTEE SUPPORT, page 135, at the end of the second paragraph the following will be added:

   "As a result of the downgrade by Moody's of the rating of SNS Bank's long term unsecured, unsubordinated and unguaranteed debt obligations below Baa1, an Assignment Notification Event occurred and the transfer of the Mortgage Receivables by the Issuer to the CBC should be notified to the Borrowers, unless the Security Trustee instructs otherwise. SNS Bank, the CBC and the Security Trustee are discussing the consequences of the occurrence of such Assignment Notification Event and the Security Trustee agrees that pending such discussions Borrowers will not be notified of the transfer of the Mortgage Receivables."

8. In Chapter 19. Cashflows, after the second paragraph of item 13 of the supplemental prospectus dated 16 February 2012 inserted in the Base Prospectus on page 189 the following shall be added:

   "As a result of the downgrade by Moody's of the rating of SNS Bank's long term unsecured, unsubordinated and unguaranteed debt obligations below Baa1, a Trigger Event occurred and the Collection Foundation Accounts maintained by the Collection Foundation with SNS Bank and RegioBank should be transferred to the Rabobank. SNS Bank, the CBC and the Security Trustee are discussing the consequences of the occurrence of a Trigger Event and prepare the transfer of the Collection Foundation Accounts to Rabobank."

Amendment in relation to the role of Administrator

9. In Chapter 17. ASSET MONITORING, page 160, after the sixth paragraph the following paragraph shall be added:

   "Its is envisaged that in the second half of 2012 ATC Financial Services B.V. will assume the role of SNS Bank N.V. in its capacity as Administrator and will agree to provide certain administration, calculation and cash management services for the CBC on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Covered Bonds, subject to and in accordance with the Administration Agreement and that such assumption will be effective as of January 2012 (retroactive). When ATC Financial Services B.V. has assumed the role as Administrator any reference in the Base Prospectus to Admininistrator or to SNS Bank in its capacity as Administrator should be read as a reference to ATC Financial Services B.V. or to ATC Financial Services B.V. in its capacity as Administrator."

Other amendments

10. In Chapter 2. RISK FACTORS, page 8, the third, fourth and fifth paragraph shall be replaced by the following:

   "**The Issuer's business is primarily concentrated in the Netherlands**
   The Issuer generates most of its income in the Netherlands and therefore is particularly exposed to the economic conditions in the Netherlands. Economic conditions in the Netherlands have been difficult. Due to the credit crisis over the past four to five years, growth of the Dutch gross domestic product ("**GDP**") has been subdued. Following a contraction of 3.5% in 2009, GDP grew by 1.6% in 2010 and by 1.3% in 2011. Any deterioration or merely a long-term persistence of the difficult economic environment in the Netherlands could negatively affect the demand for the Issuer's products and services.

   As a consequence of the acquisition of SNS Property Finance B.V. as of 1 December 2006 the Issuer is not only exposed to the economic conditions in the Netherlands, but also to those in certain foreign countries. In 2009, Property Finance took measures to reduce risks and decided to focus on the domestic market, and to run off its international loan portfolio. Since then, total international exposure of Property Finance has been reduced to € 2.3 billion as of the end of 2011, representing less than 3% of the balance sheet of SNS Bank N.V. The future run-off of the remaining international exposure may entail further impairments, depending on economic conditions and developments in the relevant international real estate markets. The international exposure is located in selected Western EU-countries, the United States of America and Canada ("**Certain Foreign Countries**").

In addition, the Issuer is also exposed to the risk of a significant deterioration of the financial position of the Issuer's customers which are small and medium-sized enterprises ("**SMEs**") in the Netherlands."

11. In Chapter 2. RISK FACTORS, page 8, the sixth paragraph shall be replaced by the following:

"**A significant portion of the Issuer's results relates to the Issuer's mortgage loan products**
Mortgage loans constitute approximately 79.3% of the Issuer's total loan portfolio at year-end 2011. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans, increased interest rates or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. Further, a decrease in the general level of interest rates could affect the Issuer through, among other things, increased pre-payments on the loan and mortgage portfolio.

In addition, a general decrease in the production of mortgage loans in the Netherlands may also result in a decrease in the production of mortgage loan related products, including mortgage loan insurance."

12. In Chapter 2., RISK FACTORS, page 14, after section "Litigation or other proceedings or actions may adversely affect the business, financial condition and results of operations of the Issuer or its affiliates", the following paragraphs shall be added:

"Regulated entities within the SNS REAAL Group, including SNS Bank, are required to maintain significant levels of capital and to comply with a number of regulatory requirements relating to their solvency. If any of these entities would be in danger of failing, or fails, to meet its minimum capital requirements, it may have to consider taking measures to protect its capital and solvency position, and the supervisory authorities have authority to require it to take steps to compensate for capital shortfalls.

Regulated entities within the SNS REAAL Group, including SNS Bank, are required to maintain significant levels of capital and to comply with a number of regulatory requirements relating to their solvency. SNS REAAL must make sure that these requirements are observed by the regulated entities within the SNS REAAL Group and that the SNS REAAL Group as a whole maintains a sufficient level of capital.

At the end of 2011, the core Tier 1 ratio of SNS REAAL Group's banking activities stood at 9.2%, and the BIS ratio at 14.4%. The regulatory solvency of SNS REAAL Group's insurance activities was 203% at year-end 2011. The European Banking Authority ("**EBA**") required banks to establish buffers such that their core Tier 1 ratio reaches 9% by the end of June 2012, valuing sovereign debt exposures at market prices as per 30 September 2011. SNS Bank's EBA core Tier 1 ratio was 8.8% at the end of 2011 (See Chapter 6. "SNS Bank N.V. - Recent developments"). While SNS Bank expects to have addressed the remaining EBA capital shortfall by the end of June 2012, it cannot be guaranteed that SNS Bank will have an EBA core Tier 1 ratio of at least 9% at the end of June 2012.

If any of the regulated subsidiaries within the SNS REAAL Group is unable to meet any of its regulatory requirements, it and/or SNS REAAL may have to consider taking measures to protect its capital and solvency position. These measures may include divesting parts of its business, which may only be possible on unfavourable terms as it may have to be undertaken quickly. SNS REAAL or any of its regulated entities within the SNS REAAL Group may also have to raise additional capital in the form of subordinated debt or equity. Raising additional capital from external sources may be impossible due to factors outside SNS REAAL Group's control, such as market conditions, or it may be possible only on unfavourable terms. Any of these measures could have a material adverse effect on SNS REAAL Group's business, revenues and results.

The supervisory authorities could require SNS REAAL or regulated entities within the SNS REAAL Group to take remedial action if it breaches any of the regulatory capital requirements. The remedial action could be to work closely with the authorities to protect customers and policyholders' interests and to restore SNS REAAL Group's or the individual subsidiary's capital and solvency positions to acceptable levels. This may have a negative impact on the payments on the Covered Bonds.

SNS REAAL has committed to repurchase the capital support by the Dutch State. SNS REAAL may not be able to do so by the end of 2013

In 2008, SNS REAAL issued € 750 million in capital securities to the Dutch State. At year-end 2011, the Dutch State's capital support was € 565 million. SNS REAAL and the Dutch State have committed to the repurchase by SNS REAAL of the capital support by the Dutch State by the end of 2013. While SNS REAAL is employing measures to facilitate repayment of the capital support by the Dutch State by the end of 2013, the turmoil on the financial markets, higher capital thresholds and a deteriorated economic environment may negatively impact the capital position and ability to realise future repurchase of the capital securities issued to the Dutch State. In case the capital support by the Dutch State will not be repurchased in full by the end of 2013, renotification to the European Commission will be required in January 2014. It is uncertain what would be the consequences hereof. It cannot be excluded that the European Commission would impose certain restrictions or take remedial action, which may have a negative impact on payments on the Covered Bonds."

13. In Chapter 2. RISK FACTORS, page 19, the second paragraph shall be replaced by the following:

"Amendments to regulatory framework

The regulatory framework applicable to financial institutions such as the Issuer is worldwide, in the EU as well as in the Netherlands subject to various amendments, most of which ensue from the financial and economic crisis.

Additional powers of regulatory authorities
An act on special measures regarding financial institutions (the "*Wet bijzondere maatregelen financiële ondernemingen*", hereinafter the "**Special Measures Financial Institutions Act**") entered into force on 13 June 2012 (with the exception of some provisions which will enter into force on a later date). On 6 June 2012, the European Commission published a proposal for a comprehensive framework for crisis management in the financial sector (the "EU Proposal") which contains a number of legislative proposals similar to the Special Measures Financial Institutions Act.

Under the Special Measures Financial Institutions Act, substantial additional powers are granted to DNB and the Dutch Minister of Finance aimed at either an individual financial institution or at ensuring the stability of the financial system. The Special Measures Financial Institutions Act aims to empower DNB or the Minister of Finance, as applicable, to: (i) commence proceedings leading to transfer of all or a part of the business (including deposits) of the relevant financial institution to a private sector purchaser or a "bridge bank", (ii) commence proceedings leading to transfer of shares in the relevant financial institution to a private sector purchaser or a "bridge bank", (iii) commence proceedings leading to public ownership (nationalisation) of the relevant financial institution, or also its parent company, and (iv) take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant financial institution. In order to increase the efficacy of these special measures, the proposed Special Measures Financial

Institutions Act contains provisions restricting the contractual rights of counterparties of a bank or insurer, including, without limitation, the right to invoke certain contractual provisions or notification events as a result of the bank or insurer having been subjected to certain measures pursuant to the Special Measures Financial Institutions Act (a "*gebeurtenis*"). There is therefore a risk that the enforceability of the rights and obligations of the parties to the Relevant Documents, including without limitation the Seller, may be affected on the basis of the proposed Special Measures Financial Institutions Act, which may lead to losses under the Covered Bonds. If a transfer of Mortgage Receivables is completed prior to the occurrence of a "*gebeurtenis*", such transfer will not be affected by the rules described in the previous two sentences. The Special Measures Financial Institutions Act has retroactive effect as of 20 January 2012.

The EU Proposal includes proposals to give regulators powers to write down debt of failing banks and certain investment firms (or to convert such debt into equity) to strengthen their financial position and allow such institutions to continue as a going concern subject to appropriate restructuring. Covered Bonds currently issued or to be issued under the Programme may be affected by the exercise of these Powers. At this stage it is uncertain if the EU Proposal will be adopted and if so, when and in what form.

It is possible that, given the entering into force of the Special Measures Financial Institutions Act and/or upon the entering into force of the EU Proposal in its current form, the relevant regulator may use its powers under the new regime in a way that could result in subordinated and/or senior debt instruments of the Issuer absorbing losses. The Special Measures Financial Institutions Act and/or the entering into force of the EU Proposal could also in other ways negatively affect the position of Covered Bondholders and the credit rating attached to Covered Bonds then outstanding, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments to the EU Proposal, which may add to these effects.

Basel Capital Accord

On 26 June 2004, the Basel Committee on Banking Supervision published the text of the new capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"). Basel II, which places enhanced emphasis on market discipline and sensitivity to risk, serves as a basis for national and supra-national rulemaking and approval processes for banking organisations. Basel II has been put into effect for credit institutions in Europe via the recasting of a number of prior directives in a consolidating directive referred to as the Capital Requirements Directive. The Basel Committee on Banking Supervision proposed new rules amending the existing Basel II Accord on bank capital requirements ("**Basel III**"). The changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio, respectively). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. It is uncertain when the European Commission's corresponding proposals to implement the changes (through amendments to the Capital Requirements Directive known as CRD IV) will be implemented. Pursuant to these new rules, even more stringent capital requirements will apply to the Issuer. In addition, more stringent rules will apply to instruments in order to constitute regulatory capital (*toetingsvermogen*). As a result, the Issuer may be required to maintain additional capital and/or certain instruments may no longer constitute regulatory capital. This may have a negative effect on payments on the Covered Bonds. In addition, insurance companies to which the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) will apply might be less interested in investing in instruments such as Covered Bonds.

Basel II, as published, and Basel III even to a greater extent, will affect risk-weighting of the Covered Bonds for investors subject to the new framework following its implementation (whether via the Capital Requirements Directive or otherwise by non-EU regulators if not amended from its current form when or if implemented by non-EU regulators).

There can be no assurance that, prior to the implementation of the Basel III, the Basel Committee on Banking Supervision (the "**Basel Committee**") will not amend the Basel III. Any such amendment is likely to affect CRD IV and/or the application of CRD IV and the rules and regulations based thereon. Further, the European Union and/or authorities in the Netherlands may implement the Basel III, including the terms which subordinated debt instruments are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on Dutch banks.

The EBA publishes rules and guidelines in relation to capital requirements. In the event of changes in these rules or guidelines, EBA may decide that implementation may have to be effected within a relative short period of time.

Any of the above factors may materially adversely affect the Issuer financial position and results of operations. Potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel II, as implemented by their own regulator or following implementation, and any changes thereto pursuant to Basel III, and the application of Solvency II, to their holding of any Covered Bonds. Neither the Issuer, the Arranger, the CBC nor the Security Trustee are responsible for informing Covered Bondholders of the effects on the changes to risk-weighting of regulatory capital which will result for investors from the adoption by their own regulator of Basel II, Basel III or Solvency II (whether or not implemented by them in its current form or otherwise)."

14. In Chapter 2. RISK FACTORS, page 19, after paragraph "Change of law and jurisdiction", the following paragraphs shall be added:

"**Risk of downgrade Covered Bonds due to changes in applicable rating agency criteria**
On 30 May 2012 Fitch published its Exposure Draft to Global Covered Bonds Rating Criteria, outlining a number of enhancements proposed by Fitch to make to its criteria for rating covered bonds. The enhancements are intended primarily to increase transparancy and to reflect Fitch's updated views of systemic risk and cover pool liquidity. One of the proposed changes is the simplification of its 'discontinuity' framework that addresses the likelihood of covered bonds surviving an issuer default without an interruption of payments. Fitch expects to finalise the revised criteria in August 2012. According to Fitch, this will increase the minimum issuer default rating to 'A1' to achieve a 'AAA' Covered Bond Rating. Fitch announced that if all enhancements proposed were to be adopted into criteria, approximately 22 covered bond programmes, including the covered bond programme of SNS Bank, would be downgraded by one to two notches. The final revised criteria could lead to a higher or a lower number of rating actions.

Changes to tax treatment of interest may impose various risks
The Netherlands tax system allows borrowers to deduct all mortgage interest payments for owner-occupied residences from their taxable income. There is currently a tendency within certain political parties in the Netherlands to end (part of) the favourable tax treatment of mortgage debts or to introduce other changes to the tax treatment of such residences or the funding thereof that may affect the value of the tax deduction of mortgage interest payments (hereinafter: "changes in tax treatment"). It is not clear whether such changes in tax treatment will be effected in the future, but it is likely. In this respect it should be noted that five political parties (which together constitute a majority in parliament) have agreed to several new proposals to reduce the state deficit, including a proposal to limit the above described tax deduction for new loans as of January 2013 (see *Overview of the Dutch Residential Market*).

Changes in tax treatment could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans. In addition, changes in tax treatment may lead to increased (or decreased) prepayments by Borrowers on their Mortgage Loans. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets. However it is too early to predict what the implications of the current discussions on changes in tax treatment will be as the measures might be partly offset by other measures regarding the current taxation of housing or the tax system in general."

15. In Chapter 6., SNS Bank N.V., page 63, at the end of section "Recente developments SNS Bank", the following paragraphs shall be added:

"As per 30 September 2011, the EBA required banks to establish buffers such that their core Tier 1 ratio reaches 9% by the end of June 2012, valuing sovereign debt exposures at market prices. As per 30 September 2011, based on Basel II including the 80% transition floor of Basel I for RWA calculation, SNS Bank had reported a core Tier 1 ratio of 8.6%. Applying the EBA methodology, which includes the capital buffer in relation to sovereign debt, the core Tier 1 ratio was 8.2%. To reach the EBA core Tier 1 ratio of 9%, SNS Bank needed to address a capital shortfall of € 159 million. At the end of 2011, SNS Bank's EBA core Tier 1 ratio had increased from 8.2% to 8.8%, driven by both an increase of available core Tier 1 capital and a reduction of risk-weighted assets. In all, the EBA capital shortfall was reduced to € 32 million per 31 December 2011. SNS Bank expects to have addressed the remaining shortfall by the end of June 2012.

On 1 March 2012, Standard & Poor's lowered all ratings of SNS Bank and its other operating entities with one notch, while at the same time replacing the 'negative outlook' by a 'stable outlook.

On 8 March 2012, Fitch Ratings affirmed all Long- and Short-term IDRs of SNS Bank and its other operating entities and remained the 'stable outlook.

On 8 March 2012, SNS Bank published its annual report 2011, including SNS Bank's publicly available financial statements and auditors report for the year ended 31 December 2011.

On 23 March 2012, SNS Bank announced that it will redeem the first series of SNS Participation Certificates on 28 June 2012. These subordinated perpetual notes were issued on 28 June 2002 for a total nominal amount of EUR 125 million against 6.6% interest. SNS Bank has the option to call and redeem these notes as from ten years after the issue date.

On 15 May 2012, SNS REAAL published its trading update for the first quarter of 2012 and reported a net profit of EUR 23 million.

On 15 June 2012, Moody's lowered all ratings of SNS REAAL, SNS Bank and its other operating entities with one notch with a 'stable outlook'. These new ratings were the outcome of a wider review of the ratings of a number of European banks in relation to which Moody's wants to reassess the influence of a weakening macro-economic environment, more costly market funding and a pressure on profits. As a consequence of the lowering of the rating of SNS Bank below Baa1 and Assignment Notification Event and a Trigger Event occurred. SNS Bank, the CBC and the Security Trustee are discussing the consequences of the occurrence of the Assignment Notification Event and the Trigger Event and pending such discussions the assignment of the Mortgage Receivables will not be notified to the Borrowers."

16. In Chapter 12. OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET, page 146, after the first paragraph of section 'Tax deductibility of mortgage interest payments' the following paragraph shall be added:

"On the 26th of April 2012 five political parties agreed upon an austerity package to reduce the Dutch budget deficit to less than 3% in 2013. As part of the agreement from the 1st of January 2013 new mortgages will only qualify for tax deductibility if households redeem their mortgage on an annuity basis or faster. Furthermore, the maximum loan to value will be lowered step by step to 100%. The transfer tax that was already temporarily lowered from 6% to 2% on the 1st July 2011, will remain at 2%. The chance that the agreement will be converted into legislation before the 12th of September 2012 – polling day – is small. The agreement will instead probably be the starting point for negotiations of a new coalition. The new housing market measures need to be specified further and the CPB has yet to assess the economic effects of these measures. It is likely that the impact on the house price level will be negative, but the extent of any such impact is uncertain and depends amongst other things on the overall confidence level and the real disposable income development."

17. In Chapter 18., SWAPS, at the end of section "The Royal Bank of Scotland plc" the following paragraph shall be added:

    "On 21 June 2012, Moody's lowered the long-term deposit rating of the Royal Bank of Scotland plc, to A3 (from A2) with a outlook negative, and its short-term rating to P-2 (from P-1), as a result of which the Royal Bank of Scotland plc no longer meets the rating requirements by Moody's set forth in item (a) of the definition of Eligible Swap Counterparty and will pursuant to the Standby Total Return Swap Agreement and the Interest Rate Swap Agreement entered into by it with, amongst others, the CBC, be required to provide collateral under the relevant Credit Support Annex to the CBC in accordance with the criteria of Moody's upon loss of the first trigger required rating (provided that the exposure of the CBC is greater than zero) (the "**Standby RBS Collateral Amount**"). In addition, as a result of the aforementioned downgrade of the Royal Bank of Scotland plc, SNS Bank is required to provide collateral in an amount equal to the Standby RBS Collateral Amount less the amount posted by the Royal Bank of Scotland plc. The Royal Bank of Scotland plc continues to meet the Second Trigger Required Ratings required by Moody's."

18. In Chapter 20., DOCUMENTS INCORPORATED BY REFERENCE, in addition to item 18 of the supplemental prospectus dated 16 February 2012 in the Base Prospectus on page 189 the following shall be added after item (h):

    "(i) SNS Bank' publicly available consolidated audited annual financial statements and the auditor's report for the year ended 31 December 2011 (set forth on pages 66 up to and including 189 and page 192 and 193 of its 2011 annual report)."