

FIRST SUPPLEMENT TO THE BASE PROSPECTUS DATED 7 MAY 2014



**SNS BANK N.V.**

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



**SNS REAAL N.V.**

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

Under their Debt Issuance Programme (the “**Programme**”), SNS Bank N.V. (an “**Issuer**” or “**SNS Bank**”) and SNS REAAL N.V. (an “**Issuer**” or “**SNS REAAL**” and together with SNS Bank the “**Issuers**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the relevant Issuer and the relevant Dealer, if any. This first supplemental prospectus (the “**First Supplemental Prospectus**”) is based on Article 5:23 of the Dutch Financial Supervision Act (the “**DFSA**”) and prepared in connection with the issue by the Issuers of Notes and is supplemental to, forms part of, and should be read in conjunction with the prospectus in relation to the Programme dated 7 May 2014 (the “**Base Prospectus**”). The purpose of this First Supplemental Prospectus is (A) to incorporate by reference (a) the final decision of the European Commission on the nationalisation measures for SNS REAAL (as published on 27 May 2014 and made available on [http://ec.europa.eu/competition/state\\_aid/cases/249726/249726\\_1544400\\_217\\_2.pdf](http://ec.europa.eu/competition/state_aid/cases/249726/249726_1544400_217_2.pdf) (the “**EC Decision**”)), (b) SNS Bank’s publicly available semi-annual financial statements for the period ended 30 June 2014, (c) SNS REAAL’s publicly available semi-annual financial statements for the period ended 30 June 2014 and (d) a press release published by SNS REAAL on 30 June 2014 regarding the appointment of new managing boards of SNS Bank, REAAL N.V., SRLEV N.V. and Reaal Schadeverzekeringen N.V., into the Base Prospectus and (B) to amend certain sections of the Base Prospectus, both as described in more detail below. The supplemental wording is the result of (i) recent developments, (ii) clarifications of the Risk Factors and Terms and Conditions of the Base Prospectus and (iii) the increase of textual compliance with applicable laws and regulations with respect to Subordinated Notes.

Terms defined elsewhere in the Base Prospectus shall have the same meaning in this First Supplemental Prospectus, unless specified otherwise.

This First Supplemental Prospectus 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 Directive 2003/71/EC (the “**Prospectus Directive**” which term includes

amendments thereto, including Directive 2010/73/EU to the extent implemented in a relevant Member State of the European Economic Area) and relevant implementing measures in the Netherlands, as a supplemental prospectus issued in compliance with the Prospectus Directive, Commission Regulation EC No. 809/2004 (as amended) (the “**Prospectus Regulation**”) and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Notes under the Programme.

The AFM has been requested by the Issuers to provide the Luxembourg Commission de Surveillance du Secteur Financier (the “**CSSF**”) with a certificate of approval attesting that this First Supplemental Prospectus has been drawn up in accordance with the Prospectus Directive and the Prospectus Regulation so that the Notes issued under the Programme may be listed on NYSE Euronext in Amsterdam (“**Euronext Amsterdam**”), the regulated market of Euronext Amsterdam N.V. and the Official List of the Luxembourg Stock Exchange (the “**Luxembourg Stock Exchange**”). Each Issuer may also issue unlisted Notes under the Programme.

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

**PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION HEADED “RISK FACTORS” IN THE BASE PROSPECTUS.**

This First Supplemental Prospectus is supplemental to, forms part of, and should be read in conjunction and construed together with the Base Prospectus including any documents incorporated by reference therein, (which can be found on <http://www.snsreaal.nl/investors/debt-information/funding-programmes.html> and may be obtained by contacting the Issuers by telephone (+31 30 291 42 46) or by email: [investorrelations@snsreaal.nl](mailto:investorrelations@snsreaal.nl)), and in relation to any Tranche, the Base Prospectus and this First Supplemental Prospectus should be read and construed together with the relevant Final Terms.

## **IMPORTANT NOTICES**

SNS Bank accepts responsibility for the information contained in the Base Prospectus and this First Supplemental Prospectus. SNS Bank declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Base Prospectus and this First Supplemental Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. SNS REAAL accepts responsibility for the information contained in the Base Prospectus, other than the information contained in the following sections of the Base Prospectus, for which only SNS Bank is responsible: under “Overview of the Programme” which specifically relates to SNS Bank, the section “SNS REAAL N.V. and SNS Bank N.V.” which specifically relates to SNS Bank, the section “Selected Financial Information of SNS Bank”, under (a) through (f) in the section “Documents Incorporated by Reference” and Chapter 2 of the Base Prospectus and this First Supplemental Prospectus. SNS REAAL declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Base Prospectus (other than in the sections mentioned above) and this First Supplemental Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

The Base Prospectus and this First Supplemental Prospectus should be read and understood in accordance with any amendment or supplement thereto and with any other documents incorporated therein by reference. Full information on the Issuers and any Series or Tranche of Notes is only available on the basis of the combination of the Base Prospectus, this First Supplemental Prospectus and the applicable Final Terms.

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

The Base Prospectus (as supplemented by this First Supplemental Prospectus) is valid for 12 months following the date of the Base Prospectus and the Base Prospectus, this First Supplemental Prospectus, any other supplement to the Base Prospectus as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of the Base Prospectus (as supplemented by this First Supplemental Prospectus) or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances imply that the information contained in such documents is correct at any time subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuers since such date or that any other information supplied in connection with the Programme or the Notes is correct at any time subsequent to the date on which it is supplied

or, if different, the time indicated in the document containing the same. The Arranger and any Dealer expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuers when deciding whether or not to purchase any Notes.

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

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

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

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

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial

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

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

The Base Prospectus and this First Supplemental Prospectus may only be used for the purpose for which it has been published.

The Base Prospectus and this First Supplemental Prospectus and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.

The Base Prospectus, this First Supplemental Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuers, the Arranger and the Dealers represent that the Base Prospectus and this First Supplemental Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, further action may be required under the Programme which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required.

The Base Prospectus and this First Supplemental Prospectus have been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in the Base Prospectus or this First Supplemental Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in

either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms and the Issuer has consented in writing to its use for the purpose of such offer.

To the extent sub-paragraph (i) or (ii) apply, all offers remain subject to restrictions set out in the section headed “Subscription and Sale” in the Base Prospectus. Except to the extent sub-paragraph (ii) above may apply, neither the Issuers nor any Dealer have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuers or any Dealer to publish or supplement a prospectus for such offer.

## SUPPLEMENTAL INFORMATION

References to page numbers are to page numbers of the Base Prospectus.

- Each reference to 'Core Tier 1' should be read as a reference to 'Common Equity Tier 1'.
- On page 6, the paragraphs in the risk factor “**Nationalisation of the Issuers**” beginning with “*The Dutch State and SNS REAAL commit to the Divestment of REAAL N.V.*” and “*CRD IV introduces new prudential rules*” respectively shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

The Dutch State and SNS REAAL commit to the Divestment of REAAL N.V. (REAAL) and commit to use the future proceeds of the Divestment ~~of REAAL N.V.~~ to reduce the double leverage on the balance sheet of SNS REAAL and to repay the Bridgeloan SNS REAAL received from the Dutch State as part of the nationalisation process, taking into account the risk that this Divestment could result in a significant loss. The Divestment may also have an impact on the solvency position of SNS Bank. The impact of the Divestment depends on, inter alia, (i) the proceeds of the sale of REAAL ~~N.V.~~ and the ability of SNS REAAL to fully repay the Bridgeloan to the Dutch State with these proceeds, (ii) the thereafter (remaining) balance sheet position of SNS REAAL and (iii) the duration of which SNS REAAL and SNS Bank will belong to the same group. After the sale of REAAL any remaining double leverage in SNS REAAL will then be deducted from available Core Tier 1 capital of SNS Bank.

CRD IV introduces new prudential rules which include amended requirements for the calculation of the Core Tier 1 capital ratio and the leverage ratio of a bank, which is a subsidiary of a mixed financial holding company. SNS REAAL, the sole shareholder of SNS Bank, is a mixed financial holding company. Therefore its assets and liabilities, including its participation in REAAL ~~N.V.~~, and its capital position have to be taken into account in the calculations of the capital ratio's of SNS Bank. ~~Considering that there may be a phased capital deduction, the double leverage~~ SNS REAAL and SNS Bank have reported on the basis of these new rules for the first time in their half year results over the first half of 2014, which ~~will be~~ have been published ~~around~~ in August ~~of 2014.~~ 2014 and which are incorporated by reference herein.

For the purpose of calculating own funds at the prudential consolidated group level of SNS REAAL Bank, which includes SNS REAAL, SNS REAAL and SNS Bank have received permission from the Dutch Central Bank to apply article 49 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("CRR"), since all the conditions as set out in article 49 CRR are met (see also the risk factor - 'Regulated entities within the SNS REAAL Group 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'.).

In due course, the holding company SNS REAAL will be wound down. The entity resulting from the restructuring will be a stand-alone bank focused on banking for retail clients and self-employed. In the course of time, the Dutch State is committed to privatising SNS Bank. These measures could cause dissynergy and associated disintegration risks in the Issuers' business (see also the risk factor 'The issuers are exposed to (dis)integration risks following (de)mergers' and 'Recent developments - REAAL sale process has started this summer'.).

- SNS REAAL withdrew the 403-guarantee for SNS Bank, therefore on page 14-15, under the risk factor **"The Issuers have issued guarantees"** the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

SNS REAAL and SNS Bank have provided guarantees as referred to in Book 2, Section 403 of the Dutch Civil Code ("**403-guarantee**").

SNS REAAL has provided 403-guarantees for ~~SNS Bank~~, SNS Asset Management N.V., SNS Beleggingsfondsen Beheer B.V., SNS Global Custody N.V., SNS REAAL Invest N.V., and for some of the subsidiaries of SNS Bank. SNS REAAL also provided 403-guarantees for SNS Verzekeringen B.V. and Foresta Investerings Maatschappij N.V.

On 7 August 2014, SNS REAAL withdrew the 403-guarantee for SNS Bank. Any residual liabilities on the basis of this 403-guarantee prior to 7 August 2014 will remain in full force and effect. For the avoidance of doubt, holders of Notes to be issued by SNS Bank under this Programme will therefore not be able to invoke a claim against SNS REAAL on the basis of a 403-guarantee with respect to a claim of such noteholder against SNS Bank.

REAAL ~~N.V.~~ has provided 403-guarantees for some of its subsidiaries.

SNS Bank has issued 403-guarantees for ASN Bank N.V., RegioBank N.V., Pettelaar Effectenbewaarbedrijf N.V. and SNS Securities N.V.

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

Following the transfer of the shares of Property Finance via the Dutch State to NLFI on 31 December 2013, SNS Bank withdrew the 403-guarantee (exemption from filing and publishing financial statements) for Property Finance on 31 December 2013 and initiated the proceedings provided for in Article 2:404 of the Dutch Civil Code to terminate the remaining guarantees. SNS Bank and SNS REAAL, respectively, also withdrew the 403-guarantees for four subsidiaries of Property Finance on 31 December 2013, and initiated the proceedings to terminate the remaining guarantees.

Some creditors have objected to the termination of the remaining guarantees. SNS Bank issued separate guarantees to a number of counterparties of Property Finance in the past. Following the withdrawal of the 403-~~declaration-guarantee~~ and termination of the remaining commitments arising from the 403-~~declaration-guarantee~~, these guarantees will remain in place. SNS Bank expects Property Finance to be able to meet its obligations to these counterparties as Property Finance is adequately capitalised at the time of the share transfer. SNS Bank, therefore, deems it unlikely that a guarantee will be invoked. Some counterparties of Property Finance who conduct legal proceedings against Property Finance have thereby also arraigned SNS REAAL and/or SNS Bank. The legal basis of this is unclear and SNS REAAL and SNS Bank consider the potential success of these claims against SNS REAAL and/or SNS Bank to be limited. No specific agreements were made about these claims upon the transfer of Property Finance on 31 December 2013.

- On page 21-22, under the risk factor “**Regulated entities within the SNS REAAL Group 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**” the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

Regulated entities within the SNS REAAL Group 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.

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.

Regulatory solvency (Solvency I) of the insurance activities at REAAL N.V. level was 172% at year-end 2013, compared to 176% at year-end 2012. This solvency is slightly below the internally set



target of a minimum of 175% and market conditions are to remain challenging in the insurance industry. As a result, profit and solvency at the insurance activities are likely to remain under pressure. REAAL ~~N.V.~~ is currently investigating all possible alternatives to strengthen and protect its solvency in anticipation of the Divestment.

Further, the Divestment may also have an impact on the solvency position of SNS Bank. The impact of the Divestment depends on, inter alia, (i) the proceeds of the sale of REAAL ~~N.V.~~ and the ability of SNS REAAL to fully repay the Bridgeloan to the Dutch State with these proceeds, (ii) the thereafter (remaining) balance sheet position of SNS REAAL and (iii) the duration of which SNS REAAL and SNS Bank will belong to the same group. After the sale of REAAL any remaining double leverage in SNS REAAL will then be deducted from available Core Tier 1 capital of SNS Bank.

CRD IV introduces new prudential rules which include amended requirements for the calculation of the Core Tier 1 capital ratio and the leverage ratio of a bank, which is a subsidiary of a mixed financial holding company. SNS REAAL, the sole shareholder of SNS Bank, is a mixed financial holding company. Therefore its assets and liabilities, including its participation in REAAL ~~N.V.~~, and its capital position have to be taken into account in the calculations of the capital ratio's of SNS Bank.

~~Considering that there may be a phased capital deduction, the double leverage~~

For the purpose of calculating own funds at the prudential consolidated group level of SNS REAAL Bank, which includes SNS REAAL, SNS REAAL and SNS Bank have received permission from the Dutch Central Bank to apply article 49 CRR, since all the conditions as set out in article 49 CRR are met. These conditions relate to, amongst others, an adequate integrated management of SNS REAAL and its group entities. On the basis of article 49 CRR, SNS REAAL and SNS Bank are allowed to adopt a 400% risk weighting for calculating its own funds instruments, such own funds instruments being capital shares and other capital instruments issued by REAAL being held by SNS REAAL.

If, for any reason, SNS REAAL, SNS Bank and REAAL will no longer comply with the conditions set out in article 49 CRR, a capital deduction will be applied for the holdings in own funds instruments of REAAL, which holdings will then be fully deducted from the capital ratio's of the prudential consolidated group of SNS Bank ~~in five years~~, which includes SNS REAAL. This may have a significant impact on the Common Equity Tier 1 capital ratio of SNS Bank. Noteholders may be affected by consequential actions of the supervisory authorities that could require SNS REAAL or regulated entities within the SNS REAAL Group to take remedial action if it, because of such deductions, breaches any of the regulatory capital requirements.

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 Notes.

- On page 25, under the risk factor “**Notes subject to optional redemption**” the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

Each relevant Issuer may redeem the relevant Subordinated Notes at the amount and on the date(s) specified in the applicable Final Terms, (i) if the applicable Final Terms in respect of Subordinated Notes indicates that such Subordinated Notes are redeemable at the option of the relevant Issuer, and in respect of SNS Bank only, ~~(a) if the whole or at least the minimum percentage of the outstanding nominal amount of the Notes (as specified in the applicable Final Terms) is fully excluded from qualifying as Tier 2 capital of SNS Bank for the purposes of the regulatory capital rules applicable to SNS Bank at the relevant time (other than the regulatory capital rules in force on the issue date of the relevant Notes) or (b) if DNB or other relevant authority has determined that the whole or at least the minimum percentage of the outstanding nominal amount of the relevant Subordinated Notes (as specified in the applicable Final Terms) is~~ should be fully excluded from qualifying as Tier 2 capital of SNS Bank for the purposes of the regulatory capital rules applicable to SNS Bank at the relevant time (other than the regulatory capital rules in force on the issue date of the relevant Subordinated Notes) and (ii) provided the relevant Issuer has notified the holders of the relevant Subordinated Notes accordingly. ~~Such~~ In all situations described above, redemption is subject to (i) the Issuer demonstrating to the satisfaction of DNB or other relevant authority (as the case may be) ~~being satisfied that such disqualification as Tier 2 capital~~ that the regulatory reclassification of those instruments was not reasonably foreseeable at the relevant issue date (in respect of SNS Bank only), and (ii) the prior ~~consent~~ permission of DNB or other relevant authority (as the case may be) ~~provided that at the relevant time such consent is~~ unless the permission currently imposed by CRD IV is no longer required at the relevant time.

An optional redemption feature of Notes is likely to limit their market value. During any period when an Issuer may elect to redeem Notes it has issued, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

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

- On page 28, under the risk factor “**Loss absorbency at the point of non-viability**” the following sentence shall be deleted: *“There is no assurance that having no contractual provisions regarding Statutory Loss Absorption, to the extent applicable, will also in the future be sufficient to satisfy CRD IV requirements. This may lead to redemption of the Subordinated Notes.”*
- On page 36, next to “Redemption:” reference shall also be made to Condition 7(c), therefore the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specific instalments, if applicable, or for tax reasons or if having Notes outstanding or making payments on the Notes becomes unlawful as described in Condition 7(b) and

Condition 7(c) respectively of the applicable Terms and Conditions of the Notes or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders (as defined under applicable Terms and Conditions of the Notes) upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period, if any, as is indicated in the applicable Final Terms) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

- On page 36, next to “Redemption for regulatory purposes:” the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

~~The applicable Final Terms in respect of Subordinated Notes will indicate whether such Notes will be redeemable at the option of SNS Bank at the amount and on the date(s)~~ If "Regulatory Call" is specified in the applicable Final Terms ~~if SNS Bank~~ and if the Issuer notifies the Noteholders as referred to below that DNB or other relevant authority has determined that the whole ~~or at least the minimum percentage~~ of the outstanding nominal amount of the relevant Subordinated Notes, as specified in the applicable Final Terms, ~~is~~ should be fully excluded from qualifying as Tier 2 capital of SNS Bank ~~the Issuer~~ for the purposes of the regulatory capital rules applicable to SNS Bank the Issuer at the relevant time (other than the regulatory capital rules in force on the Issue Date of the Subordinated Notes), then the Issuer may, subject to (i) ~~DNB being satisfied that such disqualification as Tier 2 capital~~ the Issuer demonstrating to the satisfaction of DNB or other relevant authority that the regulatory reclassification of those instruments was not reasonably foreseeable at the Issue Date and (ii) the prior ~~consent of DNB provided that~~ permission of DNB or other relevant authority (as the case may be) unless the permission currently imposed by CRD IV is no longer required at the relevant time ~~such consent is required, and upon giving notice, and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable)~~ to the Noteholders, redeem, in accordance with the Conditions. — Terms and Conditions, all, but not some only, of the Subordinated Notes, and in whole, but not in part, on the date of redemption at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

- On page 37, next to “Status and Characteristics relating to Subordinated Notes:” the paragraph beginning with “*The Subordinated Notes will constitute unsecured and subordinated obligations of an Issuer*” shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

The Subordinated Notes will constitute unsecured and subordinated obligations of an Issuer and will rank pari passu without any preference among themselves and with all other present and future unsecured and subordinated obligations of that Issuer (other than those subordinated obligations expressed by their terms to rank lower than the Subordinated Notes, including subordinated obligations arising under tier 1 instruments issued by that Issuer), save for those preferred by mandatory and/or overriding provisions of law.

- On page 37-38, next to “Status and Characteristics relating to Subordinated Notes:” the paragraph beginning with “*By virtue of such subordination*” shall be replaced with the

following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of ~~an~~the relevant Issuer or in the event of a Moratorium with respect to ~~an~~the relevant Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of ~~an~~the relevant Issuer resulting from ~~higher ranking~~ deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

- On page 47, under “**Management Board of SNS Bank**” the table setting out the management board members of SNS Bank shall be replaced with the following table (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

Mr. D.J. Okhuijsen	<i>Chairman of the Management Board</i> , also member Executive Board of SNS REAAL – see above <u>Member Supervisory Board SNS Securities N.V.</u>
<del>Mr. M.G.B.M. Oostendorp</del> <u>Mr. R. Langezaal</u>	<del>also member Executive Board of SNS REAAL – see above</del> <u>Chief Commercial Officer</u> <u>Chairman Supervisory Board of ASN BANK N.V., Regio Bank N.V. and SNS Beleggingsfondsen N.V.</u> <u>Member of the Advisory Council of XS4all Internet B.V.</u> <u>Member Consumer Affairs Committee Dutch Banking Association</u> <u>Member of the Board of the Foundation Know What You Spend</u>
<del>Mr. A. Steenpoorte</del> <u>Mr. W.H. Baas</u>	<del>also member Executive</del> <u>Chief Operations Officer</u> <u>Chairman Advisory Council HBO-i (Higher Professional Education - ICT programmes)</u> <u>Chairman Advisory Board of SNS REAAL – see above</u> <u>Association of Dutch universities of applied ICT sciences</u>
<u>Ms. A. van Melick</u>	<u>Chief Finance Officer</u> <u>Member Supervisory Board ASN Bank N.V., Regio Bank NV and SNS Securities N.V.</u> <u>Member Advisory Council Radio Netherlands Worldwide</u>
<u>Mr. M. Wissels</u>	<u>Chief Risk Officer</u> <u>Member of Programme Advisory Council for a supervisory board training programme of Nyenrode University</u>

- On page 47-48, under the heading “**Supervisory Board of SNS REAAL and SNS Bank**” the wording shall be replaced with the following wording:

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

*Mr. J.J.P.S. Nooitgedagt*

Chairman Supervisory Board of SNS Bank

Member Supervisory Board of N.V. Bank Nederlandse Gemeenten

Member Supervisory Board Telegraaf Media Groep N.V.  
Member Supervisory Board Robeco N.V.  
Member of the Board Association for Securities Issuing Companies (*Vereniging van Effecten Uitgevende Ondernemingen*)  
Chairman Supervisory Board Nyenrode Foundation

*Ms. C.M. Insinger*

Independent management consultant and interim manager  
Member Supervisory Board of Ballast Nedam  
Member supervisory committee of Rijnland zorggroep  
Member supervisory council of Air traffic control Nederland (*Luchtverkeersleiding Nederland*)  
Member of the Strategic Audit Committee of the Dutch Ministry of Foreign Affairs

*Mr. J.A. Nijhuis*

President of the Schiphol Group  
Member Supervisory Committee of Stichting Kids Moving the World  
Board Member Stichting Common Purpose  
Member Supervisory Board Muziektheater Amsterdam  
Non-executive board member of Aéroports de Paris

*Mr. L. Wijngaarden*

Chairman Supervisory Board of Oasen  
Chairman Supervisory Board of LTP  
Member Supervisory Board of the residential building cooperative Rochdale  
Member Executive Board of DAK  
Member advisory council of College Bescherming Persoonsgegevens  
Member advisory council of Oracle Nederland

*Mr. J.A. Nijssen*

Partner and shareholder of Montae  
Chairman Board of Directors of Three Wheel United (India)  
Member Supervisory Board of Garanti Emeklilik (Turkey)  
Member internal supervision committee of Shell Pension Fund  
Chairman Board of the Sustainable Micro Pensions Scheme in Developing Countries Foundation (*Stichting Duurzame Micropensioenen Ontwikkelingslanden*)  
Member Supervisory Board of Prodeba

*Mrs. M.R. Milz*

Professional supervisor and management consultant  
Member Supervisory Board Amsterdam University of Applied Sciences  
Member Supervisory Board University of Amsterdam  
Member Supervisory Board ConQuaestor B.V.  
Chairman Green Deal Board

*Mr. J.C.M. van Rutte*

Member Supervisory Board ORMIT Holding B.V.

Member Supervisory Board Royal Theatre the Hague (*Koninklijke Schouwburg Den Haag*)  
 Member of the Board of ABN AMRO Foundation

- On page 50, table 1 (with respect to **Long term credit ratings** only) shall be replaced with the following table (reflecting the change in outlook from ‘stable’ to ‘negative’ by Moody’s Investors Service for SNS Bank’s long-term credit rating):

Long term credit ratings	S&P	Moody's	Fitch
SNS REAAL	BB+ (negative)	Ba2 (stable)	BBB+ (negative)
SNS Bank	BBB (negative)	Baa2 (negative)	BBB+ (negative)

- On page 50, table 2 (with respect to **SNS Bank** only) shall be replaced with the following table (reflecting changes in ratings by S&P for SNS Bank’s long-term credit rating):

SNS Bank	S&P	Moody's
Senior unsecured long term Notes	BBB	Baa2
Senior unsecured short term Notes	A-3	Prime-2

- On page 50-51 under the section “**Company Structure and Profile - SNS REAAL**” the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

SNS REAAL is a major financial bank-insurance company in The Netherlands. As a bank and insurer, SNS REAAL holds a distinct position in its market by quickly and effectively translating client needs into accessible and transparent products. In-depth knowledge of products and efficient processes lead to effective standardisations and combination options within product and client groups. SNS REAAL is a decisive and flexible organisation that through its core brands SNS Bank and REAAL and specialised sales labels enjoys strong positions in the Dutch market. ~~Furthermore, the combination has involved the following:~~

- ~~• a single group management centre has been established in Utrecht;~~
- ~~• centralisation of staff departments within the SNS REAAL Group such as risk management, audit, finance, legal affairs, compliance, fiscal affairs and human resources; and;~~
- ~~• creation of centralised competence centres and service centres.~~

Currently, there are four segments within the SNS REAAL Group: SNS Retail Bank, REAAL, Zwitserleven and Group activities. This structure is similar to the structure used for the SNS REAAL Group's financial reporting. The segments SNS Retail Bank, REAAL and Zwitserleven each have their own management board. The segment Group Activities is managed directly by the Executive Board. The (former segment) Property Finance and its activities have been transferred to NLFI on 31 December 2013.

The business units of SNS REAAL are preparing themselves for a separate future as described above under the Divestment. As a result SNS REAAL does not have an operational strategy for the Group as a whole. The Dutch State and SNS REAAL have committed themselves to use the proceeds of the Divestment to reduce the double leverage in SNS REAAL’s balance sheet. In due course, the holding company of SNS REAAL will be dismantled and wound down.

- On page 59, after the paragraph “*DNB additional systemic capital buffer requirements*”, which forms part of “**Recent developments**” and begins on page 55, the following paragraphs shall be added:

*European Commission publishes final approval decision*

On 27 May 2014, the European Commission (EC) published its final decision on the nationalisation measures for SNS REAAL. This follows the publication of the main outlines of the decision on 19 December 2013.

*REAAL sale process has started this summer*

On 6 June 2014, the Minister of Finance has sent a letter to the House of Representatives announcing his intention to start the process that will lead to the sale of insurer REAAL N.V. including all the insurance and asset management activities of SNS REAAL N.V. (for the purpose of this paragraph together referred to as “**REAAL**”) this summer, in accordance with the advice given by NLFI and the restructuring plan of the EC. The Minister of Finance will mandate NLFI to start and execute the sale process. REAAL will be sold by means of a controlled auction. A broad range of parties will be invited to bid in cash.

The proceeds from the sale of REAAL will accrue to SNS REAAL as the seller. SNS REAAL will have to use these proceeds to reduce its double leverage. The double leverage is financed by the €1.1 billion bridge loan granted by the State to SNS REAAL. Dependent on the amount received upon sale of REAAL, a reduction of the double leverage will lead to (partial) repayment of the bridge loan as well.

*Interim unaudited financial report over the first half year of 2014 of SNS REAAL and SNS Bank*

On 28 August 2014 SNS REAAL and SNS Bank both published a press release including their interim unaudited financial report over the first half year of 2014, which press releases are incorporated by reference herein.

For the first half of 2014 SNS REAAL posted a net profit excluding one-off items of €195 million. Due to the allocation of most of the holding company costs to the Banking and Insurance activities, the result of the holding company (Group activities) was limited at €4 million negative, mainly consisting of disentanglement and restructuring costs. Including the two one-off (i.e. a charge for the resolution levy on Dutch banks of €51 million and a charge of €269 million related to the LAT shortfall), SNS REAAL reported a net loss of €125 million.

SNS Retail Bank performed well during the first half year of 2014. Its market share in new retail mortgages gradually increased and its market share in retail savings edged up too. The customer satisfaction score of the SNS Bank brand continued the improving trend that started after the nationalisation in 2013. In the first half of 2014, SNS Retail Bank organised several management and strategy sessions, aimed at creating a common base for its independent future. Net interest income increased during the first half while adjusted operating costs were higher, driven mainly by regulatory projects including the asset quality review (AQR) and project costs for customer due diligence. Allocated holding company costs were also higher. Loan impairments were lower, due to a lower inflow of non-performing loans. In all, SNS Retail Bank posted a solid €165 million net profit

excluding one-off items. Net profit was €14 million and included a €51 million one-off charge for the resolution levy on Dutch banks, related to the nationalisation of SNS REAAL. Solvency as measured by the common equity Tier 1 ratio remained solid at 15.4%, compared to 16.6% reported year-end 2013. The decline was entirely due to the impact of new solvency regulations that apply to SNS Bank. Based on these regulations, SNS REAAL, a mixed financial holding company, is regarded as part of the prudential consolidated group of SNS Bank.

- SNS REAAL withdrew the 403-guarantee for SNS Bank, therefore on page 84, under “**403-guarantee**” the wording shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

SNS REAAL has provided 403-guarantees for ~~SNS Bank~~, SNS Asset Management N.V., SNS Beleggingsfondsen Beheer B.V., SNS Global Custody N.V., SNS REAAL Invest N.V., and for some of the subsidiaries of SNS Bank. SNS REAAL also provided 403-guarantees for SNS Verzekeringen B.V. and Foresta Investerings Maatschappij N.V.

On 7 August 2014, SNS REAAL withdrew the 403-guarantee for SNS Bank. Any residual liabilities on the basis of this 403-guarantee prior to 7 August 2014 will remain in full force and effect. For the avoidance of doubt, holders of Notes to be issued by SNS Bank under this Programme will therefore not be able to invoke a claim against SNS REAAL on the basis of a 403-guarantee with respect to a claim of such noteholder against SNS Bank.

REAAL ~~N.V.~~ has provided 403-guarantees for some of its subsidiaries.

SNS Bank has issued 403-guarantees for ASN Bank N.V., RegioBank N.V., Pettelaar Effectenbewaarbedrijf N.V. and SNS Securities N.V.

~~SNS REAAL has provided a 403-guarantee for SNS Bank. In this guarantee SNS REAAL declares itself to be jointly and severally liable for legal acts executed by SNS Bank. A copy of this guarantee can be obtained at the Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*).~~

Following the share transfer of the shares of Property Finance via the Dutch State to NLF on 31 December 2013, SNS Bank withdrew the 403-guarantee (exemption from filing and publishing financial statements) for Property Finance on 31 December 2013 and initiated the proceedings provided for in Article 2:404 of the Dutch Civil Code to terminate the remaining guarantees. SNS Bank and SNS REAAL, respectively, also withdrew the 403-guarantees for four subsidiaries of Property Finance on 31 December 2013, and initiated the proceedings to terminate the remaining guarantees.

Some creditors have objected to the termination of the remaining guarantees. SNS Bank issued separate guarantees to a number of counterparties of Property Finance in the past. Following the withdrawal of the 403-~~declaration~~ guarantee and termination of the remaining commitments arising from the 403-~~declaration~~ guarantee, these guarantees will remain in place. SNS Bank expects Property Finance to be able to meet its obligations to these counterparties as Property Finance is adequately capitalised at the time of the share transfer. SNS Bank, therefore, deems it unlikely that a guarantee



will be invoked. Some counterparties of Property Finance who conduct legal proceedings against Property Finance have thereby also arraigned SNS REAAL and/or SNS Bank. The legal basis of this is unclear and SNS REAAL and SNS Bank consider the potential success of these claims against SNS REAAL and/or SNS Bank to be limited. No specific agreements were made about these claims upon the transfer of Property Finance on 31 December 2013.

- On page 89 under the chapter “**Documents incorporated by reference**” reference should also be made to (i) SNS Bank’s publicly available semi-annual financial statements for the period ended 30 June 2014, (ii) SNS REAAL’s publicly available semi-annual financial statements for the period ended 30 June 2014, (iii) the final decision of the European Commission on the nationalisation measures for SNS REAAL dated 19 December 2013 and published on 27 May 2014; and (iv) a press release published by SNS REAAL on 30 June 2014 regarding the appointment of new managing boards of SNS Bank, REAAL N.V., SRLEV N.V. and Reaal Schadeverzekeringen N.V.

The documents referred to under (i)-(iv) above as filed with the AFM shall be deemed to be incorporated in, and to form part of, the Base Prospectus.

Due to a renumbering of and in certain Conditions of SNS Bank, references to a Condition in the following expressions need to be renumbered as well:

- On page 92, the meaning of “**Amortised Face Amount**” shall be replaced by the following wording:

has the meaning specified in Condition 7.(g)(iii).

- On page 93, the meaning of “**Early Redemption Amount**” shall be replaced by the following wording:

an amount calculated in accordance with Condition 7.(g).

- On page 95, the meaning of “**Redeemed Notes**” shall be replaced by the following wording:

has the meaning specified in Condition 7.(d).

- On page 96, the meaning of “**Selection Date**” shall be replaced by the following wording:

has the meaning specified in Condition 7.(d).

- On page 98, the first paragraph of Condition 3 “*Status and Characteristics relating to Subordinated Notes*” shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

The Subordinated Notes and the relative Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those

subordinated obligations expressed by their terms to rank lower than the Subordinated Notes, including, for greater certainty, subordinated obligations arising under tier 1 instruments issued by the Issuer), save for those preferred by mandatory and/or overriding provisions of law.

- On page 113, Condition 7(b) “*Redemption for Tax Reasons*” shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

(b) *Redemption for Tax Reasons*

~~(i)~~—Subject as provided in paragraph ~~(f)~~g below Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Specified Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment (i) becomes effective on or after the Issue Date of the first Tranche of the Notes and (ii), with respect to Subordinated Notes ~~only, insofar applicable,~~which qualify as Tier 2 instruments for the purposes of the CRD IV, the Issuer demonstrates to the satisfaction of DNB or other relevant authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable at the Issue Date.

- On page 113, the wording under (ii) of Condition 7(b) “*Redemption for Tax Reasons*” shall be placed under a new Condition 7(c) as follows (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

(c) *Redemption for Illegality Reasons*

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

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

Conditions 7(c), 7(d), 7(e), 7(f), 7(g), 7(h), 7(i), 7(j), 7(k) for SNS Bank shall be renumbered accordingly to Condition 7(d), 7(e), 7(f), 7(g), 7(h), 7(i), 7(j), 7(k), 7(l) respectively.

- On page 113 the reference in Condition 7(c) “*Redemption at the Option of the Issuer*” to paragraph (f) shall be replaced by a reference to paragraph (g).
- On page 114, the reference in Condition 7(c) “*Redemption at the Option of the Issuer*” to sub-paragraph (c) shall be replaced by a reference to sub-paragraph (d).
- On page 114, the reference in Condition 7(d) “*Redemption of Notes at the Option of the Noteholders*” to sub-paragraph (e) shall be replaced by a reference to sub-paragraph (g).
- On page 114-115, Condition 7(e) “*Redemption for regulatory purposes of Subordinated Notes*” shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

If “Regulatory Call” is specified in the applicable Final Terms and if the Issuer notifies the Noteholders ~~immediately prior to the giving of notice referred to below that the whole or at least the minimum percentage of the outstanding nominal amount of the Notes, as specified in the applicable Final Terms, is fully excluded from qualifying as Tier 2 capital of the Issuer for the purposes of the regulatory capital rules applicable to the Issuer at the relevant time (other than the regulatory capital rules in force on the Issue Date of the Notes) or~~ as referred to below that DNB or other relevant authority has determined that the whole ~~or at least the minimum percentage~~ of the outstanding nominal amount of the relevant Subordinated Notes, as specified in the applicable Final Terms, ~~is~~ should be fully excluded from qualifying as Tier 2 capital of the Issuer for the purposes of the regulatory capital rules applicable to the Issuer at the relevant time (other than the regulatory capital rules in force on the Issue Date of the Subordinated Notes), then the Issuer may, subject to (i) the Issuer demonstrating to the satisfaction of DNB or other relevant authority ~~being satisfied that such disqualification as Tier 2 capital that the regulatory reclassification of those instruments~~ was not reasonably foreseeable at the Issue Date and (ii) the prior ~~consent~~ permission of DNB or other relevant authority ~~provided that~~ (as the case may be) unless the permission currently imposed by CRD IV is no longer required at the relevant time ~~such consent is required~~, and having given not less than 30 nor more than 60 days’ notice (which notice shall be irrevocable) to the Noteholders redeem, in accordance with the Terms and Conditions, all, but not some only, of the Subordinated Notes, and in whole, but not in part, on the ~~Optional Redemption Date(s)~~ date of redemption specified in the applicable Final Terms at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the ~~Optional Redemption Date~~ date of redemption.

On page 115, the reference in Condition 7(f) “*Early Redemption Amounts*” to paragraph (k) shall be replaced by a reference to paragraph (l) and the reference to paragraph (b) shall also be a reference to paragraph (c).

- On page 115, the reference in Condition 7(g) “*Instalments*” to paragraph (e) shall be replaced by a reference to paragraph (g).
- On page 115, the reference in Condition 7(i) “*Cancellation*” to paragraph (h) shall be replaced

by a reference to paragraph (i).

- On page 116, the reference in Condition 7(j) “*Late Payment on Zero Coupon Notes*” to paragraph (a), (b), (c) or (d) shall also be a reference to paragraph (e).
- On page 116, the reference in Condition 7(j) “*Late Payment on Zero Coupon Notes*” to paragraph (f)(iii) shall be replaced by a reference to paragraph (g)(iii).
- On page 118, the reference in Condition 10 “*Events of Default*” to Condition 7(e) shall be replaced by a reference to Condition 7(g).
- Item 15(i) of the Final Terms for SNS Bank on page 127 shall be replaced with the following wording (new wording is underlined and highlighted in blue):

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

(i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]

[From (and including) [ ] up to (but excluding) [ ]] [[% per annum] [the aggregate of [spread of issuance of [ ] ] per cent. and the Mid Swap Rate per annum] [determined by the Agent] [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]

[“Mid Swap Rate” means the annual mid swap rate for [Euro] [US dollar] swap transactions with a maturity of [ ] years, expressed as a percentage, displayed on Reuters screen page [ ] (or such other page as may replace that page on Reuters, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at [ ] [a.m./p.m.] ([ ] time) on the [second] Business Day prior to [ ].]

- Item 22 of the Final Terms for SNS Bank on page 130-131 shall be replaced with the following wording (deleted wording is crossed out and highlighted in red):

(22) Regulatory Call: [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

~~(i) Minimum percentage of the [100 per cent./specify other]  
outstanding nominal amount of  
the Notes for the purposes of  
Condition 7(e):~~

~~(ii) Optional Redemption Date(s): [—]~~

~~(iii) Optional Redemption [ ] per Calculation Amount  
Amount(s):~~

~~(iv) Notice Period (if other than [ ] (N.B. If setting notice periods which are  
as set out in the Conditions): different to those provided in the Conditions, the Issuer  
is advised to consider the practicalities of distribution  
of information through intermediaries, for example,  
clearing systems and custodians, as well as any other  
notice requirements which may apply, for example, as  
between the Issuer and the Agent)~~

- Item 24 of the Final Terms for SNS Bank on page 131 shall be replaced with the following wording (new wording is underlined and highlighted in blue):

(24) Early Redemption Amount(s) per [ ]  
Calculation Amount payable on  
redemption for taxation reasons,  
redemption for illegality reasons  
or on event of default and/or the  
method of calculating the same (if  
required):

Due to a renumbering of and in certain Conditions of SNS REAAL as well, references to a Condition in the following expressions need to be renumbered as well:

- On page 137, the meaning of “**Amortised Face Amount**” shall be replaced by the following wording:

has the meaning specified in Condition 7.(f)(iii).

- On page 138, the meaning of “**Early Redemption Amount**” shall be replaced by the following wording:

an amount calculated in accordance with Condition 7.(f).

- On page 140, the meaning of “**Redeemed Notes**” shall be replaced by the following wording:

has the meaning specified in Condition 7.(d).

- On page 141, the meaning of “**Selection Date**” shall be replaced by the following wording:  
has the meaning specified in Condition 7.(d).

- On page 143, the first paragraph of Condition 3 “*Status and Characteristics relating to Subordinated Notes*” shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

The Subordinated Notes and the relative Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms to rank lower than the Subordinated Notes, including, for greater certainty, subordinated obligations arising under tier 1 instruments issued by the Issuer), save for those preferred by mandatory provisions of law.

- On page 157, number “(i)” in Condition 7(b) “*Redemption for Tax Reasons*” shall be deleted.
- On page 157-158, the wording under (ii) of Condition 7(b) “*Redemption for Tax Reasons*” shall be placed under a new Condition 7(c) as follows (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

(c) *Redemption for Illegality Reasons*

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

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

Conditions 7(c), 7(d), 7(e), 7(f), 7(g), 7(h), 7(i), for SNS REAAL shall be renumbered accordingly to Condition 7(d), 7(e), 7(f), 7(g), 7(h), 7(i), 7(j) respectively.

- On page 159, the reference in Condition 7(c) “*Redemption at the Option of the Issuer*” to sub-paragraph (c) shall be replaced by a reference to sub-paragraph (d).
- On page 159, the reference in Condition 7(d) “*Redemption of Notes at the Option of the Noteholders*” to paragraph (e) shall be replaced by a reference to paragraph (f).
- On page 159, the reference in Condition 7(e) “*Early Redemption Amounts*” to paragraph (b)

shall also be a reference to paragraph (c).

- On page 160, the reference in Condition 7(f) “*Instalments*” to paragraph (e) shall be replaced by a reference to paragraph (f).
- On page 160, the reference in Condition 7(i) “*Late Payment on Zero Coupon Notes*” to paragraph (a), (b), (c) or (d) shall also be a reference to paragraph (e).
- On page 160, the reference in Condition 7(i) “*Late Payment on Zero Coupon Notes*” to paragraph (e)(iii) shall be replaced by a reference to paragraph (f)(iii).
- On page 162, the reference in Condition 10 “*Events of Default*” to Condition 7(e) shall be replaced by a reference to Condition 7(f).
- Item 23 of the Final Terms for SNS REAAL on page 175 shall be replaced with the following wording (new wording is underlined and highlighted in blue, deleted wording is crossed out and highlighted in red):

- (23) Early Redemption Amount(s) per [ ]  
Calculation Amount payable on  
redemption for taxation reasons,  
redemption for illegality reasons  
or on event of default and/or the  
method of calculating the same (if  
required):

To the extent that there is any inconsistency between (a) any statement in this First Supplemental Prospectus or any statement incorporated by reference into the Base Prospectus by this First Supplemental Prospectus and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements under (a) above will prevail.

Save as disclosed in this First Supplemental Prospectus, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Save as disclosed under “Legal Proceedings” on pages 59-60 of the Base Prospectus, there have not been any governmental, legal and arbitration proceedings (including any such proceedings which are pending or threatened of which SNS REAAL or SNS Bank is aware) in the 12 months preceding the date of this First Supplemental Prospectus which may have, or have had in such period a significant effect on the financial position or profitability of SNS REAAL or SNS Bank.

There has been no significant change in the financial or trading position of SNS REAAL and its subsidiaries other than at SNS Bank, due to the transfer of SNS Bank’s former segment Property Finance (as further described under the heading “Company Structure and Profile” in the Base Prospectus) since 30 June 2014 and there has been no material adverse change in the prospects of SNS REAAL since 31 December 2013, the last day of the financial period in respect of which audited financial statements of SNS REAAL have been prepared.

There has been no significant change in the financial or trading position of SNS Bank and its subsidiaries other than due to the transfer of its former segment Property Finance (as further described under the heading “Company Structure and Profile” in the Base Prospectus) since 30 June 2014 and there has been no material adverse change in the prospects of SNS Bank since 31 December 2013, the last day of the financial period in respect of which audited financial statements of SNS Bank have been prepared.