

**SECOND SUPPLEMENT TO THE BASE PROSPECTUS DATED 14 JUNE 2012
RELATING TO THE DEBT ISSUANCE PROGRAMME OF SNS BANK N.V. AND
SNS REAAL N.V.**

DATED 31 August 2012



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)

Debt Issuance Programme

Under their Debt Issuance Programme (the "**Programme**") described in the prospectus dated 14 June 2012, as supplemented by a first supplement to the prospectus dated 19 June 2012 (together, the "**Prospectus**") 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 Issuer and the relevant Dealer (as defined in the Prospectus), if any. Notes may be distributed by way of a public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution and the specific terms and conditions of each relevant series of Notes (a "**Series**") (or tranche thereof (a "**Tranche**")) will be stated in the relevant final terms (the "**Final Terms**").

2012 interim financial report of SNS REAAL and SNS Bank

This second supplement (the "**Supplement**") to the Prospectus is, *inter alia*, prepared in connection with the publication on 16 August 2012 of the 2012 interim financial report of SNS REAAL (the "**SNS REAAL 2012 interim financial report**") and with the publication on 16 August 2012 of the 2012 interim financial report of SNS Bank (the "**SNS Bank 2012 interim financial report**" and together with the SNS REAAL 2012 interim financial report, the "**2012**

Interim Financial Reports"), and is supplemental to, forms part of and should be read in conjunction with, the Prospectus and any other supplement to the Prospectus issued by the Issuers.

Information included on page 1 up to and including page 69 of the SNS REAAL 2012 interim financial report and information included on page 1 up to and including page 33 of the SNS Bank 2012 interim financial report qualifies as a significant new factor relating to the information included in the Prospectus set forth on page 13, 14, pages 53 up to and including page 65 and page 81, which is capable of affecting the assessment of any Notes to be issued.

The 2012 Interim Financial Reports are available on www.snsreaal.com under the heading "investor relations". The 2012 Interim Financial Reports have been filed with the AFM and will be deemed to be incorporated in, and to form part of, the Prospectus. Terms defined in the Prospectus shall have the same meaning in this Supplement, unless specified otherwise.

Revised outlook and expected rating of the Notes

Further, this Supplement to the Prospectus is prepared in connection with the revised (outlooks of the) long-term and short-term credit ratings for SNS REAAL and SNS Bank and its other operating entities and the expected rating of the Notes assigned by Moody's in June 2012 and Standard & Poor's and Fitch in July 2012, and is supplemental to, forms part of and should be read in conjunction with, the Prospectus.

The ratings of SNS REAAL and SNS Bank are revised as follows:

Long term credit rating of SNS REAAL: from BBB (stable) to BBB (negative) by Standard & Poor's, from Baa2 (rating under review) to Baa3 (stable) by Moody's and from BBB+ (stable) to BBB+ (RWN) by Fitch.

Long term credit rating of SNS Bank: from BBB+ (stable) to BBB+ (negative) by Standard & Poor's and from Baa1 (rating under review) to Baa2 (stable) by Moody's.

Short term credit rating of SNS REAAL: from P-2 to P-3 by Moody's.

The ratings of the Notes of SNS REAAL and SNS Bank are revised as follows:

SNS REAAL Senior unsecured long term Notes: from BBB+ to BBB by Standard & Poor's.

SNS REAAL Senior unsecured short term Notes: from Prime-2 to Prime-3 by Moody's.

SNS REAAL Non-perpetual Subordinated Notes: from BBB to BBB- by Standard & Poor's and from Baa3 to Ba2 by Moody's.

SNS REAAL Perpetual Subordinated Notes: from BB+ to BB+ (watch neg) by Standard & Poor's.

SNS Bank Senior unsecured long term Notes: from Baa1 to Baa2 by Moody's.

SNS Bank Non-perpetual Subordinated Notes: from BBB+ to BBB by Standard & Poor's and from Baa2 to Ba2 by Moody's.

SNS Bank Perpetual Subordinated Notes: from BBB- to BBB- (watch neg) by Standard & Poor's.

This information qualifies as a significant new factor relating to the information included in the Prospectus set forth on page 45, which is capable of affecting the assessment of any Notes to be issued. Terms defined in the Prospectus shall have the same meaning in this Supplement, unless specified otherwise.

In the Chapter "SNS REAAL N.V. and SNS Bank N.V.", section "Rating Agencies", page 45, table 1 and table 2 shall be deleted in their entirety and replaced by the following:

Table 1. Ratings of SNS REAAL and SNS Bank

Long term credit ratings	S&P	Moody's	Fitch
SNS REAAL	BBB (negative)	Baa3 (stable)	BBB+ (RWN)
SNS Bank	BBB+ (negative)	Baa2 (stable)	BBB+ (stable)

Short term credit ratings	S&P	Moody's	Fitch
SNS REAAL	A-3	P-3	F2
SNS Bank	A-2	P-2	F2

Table 2. Expected ratings of the Notes

SNS REAAL	S&P	Moody's
Senior unsecured long term Notes	BBB	Baa3
Senior unsecured short term Notes	A-3	Prime-3
Non-perpetual Subordinated Notes	BBB-	Ba2
Perpetual Subordinated Notes	BB+ (watch neg)	Ba3

SNS Bank	S&P	Moody's
Senior unsecured long term Notes	BBB+	Baa2
Senior unsecured short term Notes	A-2	Prime-2
Non-perpetual Subordinated Notes	BBB	Ba2
Tier 1 Notes	BBB- (watch neg)	B1

Other amendments

In "Chapter 1 Information relating to the Debt Issuance Programme and the Issuers", section "Risk factors regarding SNS Bank and SNS REAAL Group", page 25, the following wording shall be deleted:

"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."

and shall be replaced with:

“The core Tier 1 ratio of SNS Bank at the end of June 2012 was 9.6%. However, applying the EBA methodology, SNS Bank had to address a capital shortfall. SNS Bank was able to fully address the remaining EBA capital shortfall by the end of June 2012 (See Chapter 6. "SNS Bank N.V. – Recent Developments"). Nevertheless, strengthening capital and solvency remains a key objective of SNS Bank given the challenging financial environment and outlook and stringent regulatory solvency requirements.”

In the Chapter “SNS REAAL N.V. and SNS Bank N.V.”, section "Recent developments", page 51, the following shall be added after the last paragraph:

“On 13 July 2012 SNS REAAL repeats that in line with its strategic priorities it focuses on the run off of property finance loans and the strengthening of its capital position. In doing so, SNS REAAL is exploring various possibilities together with advisors. The sale of parts of its business activities is one of the options that is being explored. No decision has been made on any of the various possibilities.

In July 2012 Standard & Poor’s and Fitch revised the outlooks for the long term credit ratings of SNS REAAL and SNS Bank and the expected rating of the notes in reaction to the announcement of SNS REAAL on 13 July 2012.

On 16 August 2012 SNS REAAL published its 2012 interim financial report and reported a net profit of EUR 115 million over the first half of 2012, which 2012 interim financial report is incorporated by reference herein. In relation to the phasing out of Property Finance and strengthening our capital position, SNS REAAL has started to explore a broad range of scenarios for both strategic restructuring and the enhancement and simplification of our capital base. The strategic restructuring scenarios could involve the sale of parts of our business activities. In this process, SNS REAAL is taking into consideration the interests of its stakeholders. At this stage, all scenarios are still under review and no decision has been made on any of the various possibilities. SNS REAAL expects to give an update later this year.”

On 16 August 2012, SNS Bank published its 2012 interim financial report and reported a net loss of EUR 53 million over the first half of 2012, which 2012 interim financial report is incorporated by reference herein. SNS Bank further reported that the core Tier 1 ratio of SNS Bank increased from 9.2% at year-end 2011 to 9.6%, due mainly to a decline in risk-weighted assets. Applying the EBA methodology, which includes the sovereign capital buffer, the core Tier 1 ratio was 8.2% as per 30 September 2011. To reach an EBA core Tier 1 ratio of 9%, SNS Bank needed to address a capital shortfall of € 159 million. By the end of June 2012 this EBA shortfall had been addressed, driven by an increase of available core Tier 1 capital and the reduction of risk-weighted assets.

On 24 August 2012, SNS Bank announced that it has placed € 1 billion of covered bonds, due 30 August 2017. The covered bonds were issued at a price of 99.995 per cent and will carry a coupon of 2.125 per cent per annum. The spread for the Covered Bonds was 115 basis points over mid-swaps. The Covered Bonds have an expected AAA Fitch rating and an expected Aa2 Moody’s rating and will be issued in

accordance with Dutch covered bond legislation (UCITS and CRD compliant). The Covered Bonds will be listed at Euronext Amsterdam and the Luxembourg Stock Exchange."

This Supplement has been approved by and filed with the Netherlands Authority for the Financial Markets (the *Stichting Autoriteit Financiële Markten*, the "**AFM**"). The Issuers have requested the AFM to provide the competent authorities in Luxembourg and Italy with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Financial Supervision Act and related regulations which implement Directive 2003/71/EC, including the amending EU Directive 2010/73/EU (the "**Prospectus Directive**") in Dutch law ("**Notification**"). The Issuers may request the AFM to provide competent authorities in additional Member States within The European Economic Area with a Notification.

Subscribers for any Notes to be issued have the right to withdraw such subscription within 2 business days following the publication of this Supplement.

The Prospectus and this Supplement are available on the website of the Issuers at www.snsreaal.com as of 31 August 2012 and are available for viewing at the specified office of the Agent (69 Route d'Esch, L-2953 Luxembourg, Luxembourg) and the Other Paying Agent (Croeselaan 18, 3521 CB Utrecht, The Netherlands), the Amsterdam office of the Issuers at Nieuwezijds Voorburgwal 162, 1021 SJ, Amsterdam, The Netherlands, where copies of the Prospectus, this Supplement and any documents incorporated by reference therein may also be obtained free of charge.

RESPONSIBILITY STATEMENT

Only the Issuers accept responsibility for the information contained in this Supplement. The Issuers declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

NOTICE

This Supplement should be read and understood in accordance with the Prospectus and with any documents incorporated by reference therein. Full information on the Issuers and any Series or Tranche of Notes is only available on the basis of the combination of the Prospectus, this Supplement and the relevant Final Terms.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Supplement, the Prospectus, 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 Prospectus is valid for 12 months following its Publication Date and this Supplement and any amendment as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Supplement 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 other than SNS Bank expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

Neither this Supplement 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 this Supplement 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 Issuer) and the information

contained or incorporated by reference in this Supplement, the relevant Final Terms and any supplements;

- (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 Prospectus).

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

This Supplement does not constitute an offer or an invitation to subscribe for or purchase the Notes.

This Supplement 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 this Supplement may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction other than in certain Member States of the EEA of which the competent authorities have obtained a notification within the meaning of article 18 of the Prospectus Directive, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or any Dealer appointed 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, other than in certain Member States of the EEA.