

**THIRD 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 9 November 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 and by a second supplement to the prospectus dated 31 August 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**").

Trading update third quarter 2012 SNS REAAL

This third supplement (the "**Supplement**") to the Prospectus is, *inter alia*, prepared in connection with the publication on 6 November 2012 of the trading update for the third quarter of 2012 of SNS REAAL (the "**Q3 trading update 2012**"), 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.

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 (as supplemented in the second supplement to the Prospectus dated 31 August 2012) shall be deleted:

"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 "SNS REAAL N.V. and SNS BANK N.V.—Recent developments"). 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."

and shall be replaced with:

"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. SNS Bank was able to fully address the remaining EBA capital shortfall by the end of June 2012 (See Chapter "SNS REAAL N.V. and SNS BANK N.V.—Recent developments"). The core Tier 1 ratio of SNS Bank at the end of June 2012 was 9.6% and declined to 8.8% at the end of September 2012, due to an increase in risk-weighted assets and taking into account the net loss at SNS Property Finance in the third quarter of 2012 (See Chapter 6. "SNS Bank N.V. – Recent Developments"). 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 1 October 2012 SNS Bank successfully placed securitisations with a volume of € 883.2 million as part of its Hermes XVIII securitisation programme. One (class A3) tranche, valued at € 211.2 million and having an expected life of approximately five years, had already been placed with several institutional investors. Two other tranches of € 192 million (Class A1; life approximately 2 years) and € 480

million (Class A2; life approximately five years) were oversubscribed 2.3 and 1.5 times respectively. Proceeds from the transactions will be used to fund SNS Retail Bank activities.

On 6 November 2012 SNS REAAL published its Q3 trading update 2012 and reported a net profit of EUR 34 million over the third quarter of 2012.

SNS REAAL reports that it is making progress with the exploration of a broad range of scenarios in consultation with external advisors for both strategic restructuring (e.g. sale of parts of the business, limitation of credit risks at Property Finance) and the enhancement and simplification of the capital base (e.g. issuance of ordinary shares, conversion of core Tier 1 securities, a reduction in the number of classes of shares, reduction of double leverage), which was announced earlier this year. SNS REAAL aims to find a comprehensive solution for the Property Finance portfolio and the capital position of SNS REAAL. In this process, the interests of its stakeholders are taken into consideration. The outcome is likely to consist of a combination of the above-mentioned elements and should provide a comprehensive solution, ensuring that all parts of SNS REAAL have a solid capital position. No decisions have been taken yet. SNS REAAL intends to provide a further update later this year or early next year.

The net profit at SNS REAAL's core activities of € 133 million held up well in the third quarter, in an ongoing difficult economic and capital markets environment. At the same time, customer service levels remained strong, while SNS REAAL reduced operating costs by 6%.

However, loan impairments at Property Finance increased and the run-off of the commercial real estate-based loan portfolio slowed down, reflecting the limited refinancing capacity in the market and the increasing pressure on prices in the commercial real estate sector. The net loss at Property Finance amounted to € 99 million compared to a loss of € 69 million for the third quarter of 2011.

Going forward, SNS Bank will focus its activities primarily on retail clients. Following up on the reduction of the SME loan portfolio since 2010, SNS Bank has decided to withdraw from the market for commercial real estate-based lending for the SME market. This should over time lead to an improved funding profile, a more conservative risk profile and a further reduction of risk-weighted assets. Consequently, as of 2013 the SME commercial real estate based loan portfolio will be combined with the Property Finance organisation and run off. Operations such as insurance, payments and savings for SME will be continued and will be transferred to the SNS Retail Bank organisation.

SNS Bank publishes its solvency ratios using the higher of risk-weighted assets as calculated under Basel II and 80% of the Basel I calculation. In the third quarter of 2012 the partial implementation of more stringent risk assessment models for loans in combination with a deteriorating credit risk environment has led to an increase in the level of risk-weighted assets under Basel II, which now surpasses the level of Basel I with an 80% floor. As a consequence, third quarter solvency ratios are calculated using Basel II risk-weighted assets, whereas for previous periods Basel I with an 80% floor was used. Risk-weighted assets were also impacted by the redemption of debt securities issued under a securitisation programme in the third quarter of 2012. Due to this increase in risk-weighted assets and taking into account the net loss at SNS Bank NV, the core Tier 1 ratio dropped from 9.6% at the end of June to 8.8% at the end of September. The Tier 1 ratio of SNS Bank NV declined to 11.2% (end of June 2012: 12.2%).

For the fourth quarter of 2012, loan impairments at SNS Bank (SNS Retail Bank and SNS SME combined) are not expected to improve. Furthermore, taking into account the ongoing pressure on commercial real estate markets, impairments at Property Finance are expected to remain high in the fourth quarter. SNS Bank expects to take a reorganisation charge related to the repositioning of SNS SME and the efficiency programmes at SNS Retail Bank in the fourth quarter of 2012. In accordance with legislation, the 2012 full year charge for the new banking tax, estimated at € 10 million, will be accounted for in the fourth quarter of 2012. Macro-economic trends and developments on financial markets may have an impact on the outcome of impairment tests in the fourth quarter of 2012. Volatility on financial markets may continue to have a material impact on results. Due to the above-mentioned factors, SNS REAAL expects to report a net loss for the fourth quarter of 2012.”

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 9 November 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.