Press Release

Interim Financial Report

Utrecht, the Netherlands, 16 August 2012

# SNS Bank NV posts first half 2012 net loss of € 53 million

## Highlights

### NET PROFIT SNS BANK OF € 78 MILLION

- Net profit at SNS Retail Bank lower at € 75 million mainly impacted by higher loan impairments
- Net profit at SNS SME limited at € 3 million, comparable to second half of 2011
- Markedly lower operating expenses (-7%)
- Overall improvement in customer satisfaction levels; growth in savings and bank savings

### ONGOING REDUCTION OF EXPOSURE AT PROPERTY FINANCE

- € 131 million net loss at Property Finance in deteriorating markets
- Impairment charges of € 140 million
- Total exposure Property Finance reduced by € 548 million to € 4.7 billion (-10%)
- International exposure reduced by € 352 million to € 2.0 billion (-15%)
- Total exposure Property Finance and SNS SME combined reduced by € 1.1 billion (-10%)

### SOLVENCY AND CAPITAL MANAGEMENT

- Core Tier 1 ratio SNS Bank NV of 9.6% (year-end 2011: 9.2%)
- EBA capital shortfall SNS Bank NV fully addressed
- SNS REAAL NV exploring strategic restructuring and solvency enhancement scenarios
- All scenarios still under review; no decisions made at this stage

# Table of contents

# 1 Key figures

## Table 1: Key figures

| In € millions | 1st halfyear 2012 | 1st halfyear 2011 | 2nd halfyear 2011 |
|---|---|---|---|
| **Result** | | | |
| SNS Retail Bank | 75 | 92 | 156 |
| SNS SME | 3 | 34 | 4 |
| **SNS Bank** | **78** | **126** | **160** |
| Property Finance | (131) | (118) | (130) |
| **SNS Bank NV** | **(53)** | **8** | **30** |
| | | | |
| Total income | 464 | 486 | 556 |
| Total expenses | 521 | 472 | 511 |
| Result before tax | (57) | 14 | 45 |
| Taxation | (5) | 6 | 15 |
| Net result minority interests | 1 | - | - |
| Net result for the period | (53) | 8 | 30 |
| | | | |
| **Balance Sheet** | | | |
| Total assets | 82,970 | 80,275 | 81,272 |
| Investments | 4,452 | 4,180 | 4,106 |
| Loans and advances to customers | 62,749 | 65,393 | 64,778 |
| Total equity | 1,921 | 1,807 | 1,879 |
| Savings | 32,570 | 30,426 | 30,342 |
| | | | |
| **Ratios** | | | |
| Efficiency ratio | 58.0% | 59.3% | 51.3% |
| Core Tier 1 ratio | 9.6% | 8.4% | 9.2% |
| Tier 1 ratio | 12.2% | 11.3% | 12.2% |
| BIS ratio | 14.0% | 15.7% | 14.4% |

*Core Tier 1 ratio, Tier 1 ratio and BIS ratio are calculated based on Basel II, taking into account the 80% floor of Basel I.*

*The result of SNS Retail Bank and SNS Bank differ from the result in the SNS REAAL press release. Please refer tot § 7.3.4 segment presentation SNS Bank NV versus SNS REAAL, page 18.*

### Strategic Update SNS REAAL

SNS Bank NV is a wholly owned subsidiary of SNS REAAL NV and a group entity of SNS REAAL. For a full discussion on the strategic update of the Group, we refer to the 2012 interim press release of SNS REAAL, published on 16 August 2012, available via www.snsreaal.nl.

# 2 Financial analysis SNS Bank NV

## 2.1 Net result

### 2.1.1 Results first half 2012 compared to first half of 2011

For the first half of 2012, SNS Bank NV reported a net loss of € 53 million, compared to a net profit of € 8 million for the first half year 2011. SNS Bank's net profit decreased sharply. The main factors behind this decrease were sharply higher loan impairments at both SNS Retail Bank and SNS SME and lower commission income. Lower buy-back results on own funding were compensated by higher realised gains on the fixed-income portfolio. At Property Finance, the net loss increased markedly, driven by a lower effective tax rate due to non tax- deductable losses on a few international loans. Loan impairments were marginally higher.

Total income in the first half of 2012 amounted to € 464 million, down € 22 million compared to the first half of 2011 (€ 486 million). At SNS Bank total income decreased limitedly, as the decrease in commission income and lower result on financial instruments was partly offset by increased investment income. At Property Finance total income remained stable.

One-off items in the first half of 2012 amounted to € 9 million negative, regarding a € 9 million net loss on the exchange of Greek government bonds. One-off items in the first half of 2011 of € 6 million negative included an impairment charge on Greek government bonds. Resulting in a underlying result of € 44 million negative for SNS Bank NV, compared to a € 14 million profit in the first half of 2011.

**Table 2: Net result SNS Bank NV**

| *In € millions* | **1st halfyear 2012** | 1st halfyear 2011 | 2st halfyear 2011 |
|---|---|---|---|
| Net interest income | 394 | 404 | 399 |
| Net fee and commission income | 28 | 46 | 40 |
| Other income | 42 | 36 | 117 |
| **Total income** | **464** | **486** | **556** |
| | | | |
| Total operating expenses | 269 | 288 | 285 |
| Impairment charges to loans and advances | 252 | 176 | 203 |
| Impairment charges goodwill | - | - | - |
| Other impairment charges | - | 8 | 23 |
| **Total expenses** | **521** | **472** | **511** |
| | | | |
| **Result before tax** | **(57)** | **14** | **45** |
| Taxation | (5) | 6 | 15 |
| **Net result for the period SNS Bank NV** | **(52)** | **8** | **30** |
| Minority interests | 1 | - | - |
| **Net result attributable to shareholders** | **(53)** | **8** | **30** |
| | | | |
| Impact of one-off items at SNS Bank | (9) | (6) | (14) |
| Impact of one-off items at Property Finance | - | - | - |
| **Total one-off items** | **(9)** | **(6)** | **(14)** |
| | | | |
| Adjusted net result for the period at SNS Bank | 87 | 132 | 174 |
| Adjusted net result for the period at Property Finance | (131) | (118) | (130) |
| **Total adjusted net result for the period SNS Bank NV** | **(44)** | **14** | **44** |

## Operating expenses

Total operating expenses in the first half of 2012 declined by € 19 million (-7%). Total adjusted operating expenses decreased by € 17 million (-7%), supported by a decrease in the number of internal staff. In the first half of 2012, the total number of internal employees decreased by 116 FTEs to 2.282 (-5%).

### Table 3: Total operating expenses SNS Bank NV

| *In € millions* | **1st half year 2012** | 1st half year 2011 | Change | 2nd half year 2011 | Change |
|---|---|---|---|---|---|
| Total operating expenses SNS Bank NV | 269 | 288 | (7%) | 285 | (6%) |
| **Adjustments** | | | | | |
| Restructuring charge at SNS Bank (SNS SME) | - | - | 0% | 4 | (100%) |
| SNS Retail Bank's share in savings guarantee scheme | (2) | 6 | (133%) | (7) | (71%) |
| Expenses related to winding down portfolio Property Finance | 29 | 23 | 26% | 33 | (12%) |
| **Total adjustments** | **27** | **29** | **(7%)** | **30** | **(10%)** |
| **Total adjusted operating expenses SNS Bank NV** | **242** | **259** | **(7%)** | **255** | **(5%)** |

## 2.1.2 Results first half of 2012 compared to second half 2011

For the first half of 2012, SNS Bank NV reported a net loss of € 53 million, compared to a net profit of € 30 million for the second half of 2011.

At SNS Bank, net profit for the first half of 2012 decreased sharply compared to the second half of 2011. At SNS Retail Bank, net profit was sharply lower due to a decreased result on financial instruments, as the second half of 2011 was boosted by a net gain of € 84 million on a Lower Tier 2 exchange transaction. Excluding this gain, net profit was slightly up by € 3 million.

At SNS SME, net profit was limited in the first half of 2012 and the second half of 2011 with both periods impacted by relatively high impairment charges driven by the increase in non-performing loans, reflecting the deterioration in Dutch real estate markets. Lower net interest income, driven by the declining loan portfolio, was partly compensated by lower operating expenses.

At Property Finance, the net loss of € 131 million for the first half of 2012 was in line with the € 130 million loss reported for the second half of 2011. Impairment charges were higher due to the release of a provision as a result of the restructuring of a non-performing loan in the second half of 2011. Operating expenses were significantly lower, though still impacted by high legal and advisory costs related to winding down the loan portfolio. Other income improved due to lower negative results on property projects, following the sale of a North American property project in 2011.

# 2.2 Capital Management

## 2.2.1 Solvency

### Table 4: Capitalisation

| *In € millions* | **June 2012** | December 2011 | June 2011 |
|---|---|---|---|
| Core Tier 1 ratio | 9.6% | 9.2% | 8.4% |
| Tier 1 ratio | 12.2% | 12.2% | 11.3% |
| BIS ratio | 14.0% | 14.4% | 15.7% |
| | | | |
| Core Tier 1 capital | 1,893 | 1,879 | 1,804 |
| Tier 1 capital | 2,396 | 2,505 | 2,406 |
| BIS capital | 2,752 | 2,961 | 3,358 |
| Risk Weighted Assets (Basel II taking into account a 80% floor) | 19,708 | 20,534 | 21,380 |

*Core Tier 1 ratio, Tier 1 ratio and BIS ratio are calculated based on Basel II, taking into account the 80% floor of Basel I.*

The key solvency ratio for SNS Bank NV, the core Tier 1 ratio, improved in the first half of 2012 to 9.6% (year-end 2011: 9.2%). This improvement was mainly due to the ongoing decline in risk-weighted assets (-4%), driven by the decline of commitments at Property Finance and SNS SME and to a capital downstream of € 63 million from SNS REAAL NV. At the end of June 2012, risk-weighted assets amounted to € 19.7 billion compared to € 20.5 billion at year-end 2011.

The Tier 1 ratio stood at 12.2%, stable compared to year-end 2011, as the decrease in risk-weighted assets and the capital downstream were offset by the net loss and the first tranche redemption of participation certificates.

The BIS ratio was 14.0% (year-end 2011: 14.4%). In addition to the above-mentioned elements, the decrease was driven by the redemption of Tier 2 subordinated debt.

On 8 December 2011, SNS REAAL made a statement regarding announcements by the European Banking Authority (EBA) and the Dutch Central Bank regarding requirements for capital strengthening by banks by building up a temporary capital buffer against sovereign debt exposures. The EBA required banks to establish buffers such that their core Tier 1 ratios, applying the EBA methodology, reach 9% by the end of June 2012, valuing sovereign debt holdings at market prices as per 30 September 2011.

SNS Bank NV had reported a core Tier 1 ratio of 8.6% as per 30 September 2011, based on Basel II including the 80% transition floor of Basel I for the calculation of risk-weighted assets (RWA). 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.

## 2.2.2 Investment portfolio

In the first half of 2012, SNS Bank's total sovereign exposure was reduced by € 391 million to € 3,092 million and, as part of SNS Bank's de-risking actions, the peripheral European sovereign exposure was reduced further by 19% to € 393 million. The exposure to Ireland was partly sold and to Spain it was fully sold. The exposure to Italy increased due to the tightening of Italian credit spreads since year-end 2011. The market value of the GIIPS exposure now represents 13% of SNS Bank's total sovereign exposure (year-end 2011: 14%). Sovereign exposure to Germany has been reduced as well, with the proceeds mainly reinvested in Dutch government bonds.

### Table 5: Sovereign exposure fixed income portfolio (market value)

| *In € millions* | **June 2012** | **June 2012** | December 2011 | December 2011 | June 2011 | June 2011 |
|---|---|---|---|---|---|---|
| Ireland | 107 | 4% | 165 | 5% | 133 | 4% |
| Greece | 2 | 0% | 26 | 1% | 43 | 1% |
| Italy | 284 | 9% | 266 | 7% | 601 | 17% |
| Spain | - | 0% | 29 | 1% | 29 | 1% |
| **Subtotal GIIPS** | **393** | **13%** | **486** | **14%** | **806** | **23%** |
| | | | | | | |
| Germany | 1,111 | 36% | 1,548 | 44% | 639 | 18% |
| France | 222 | 7% | 195 | 6% | 372 | 11% |
| The Netherlands | 906 | 29% | 733 | 21% | 827 | 24% |
| Austria | 256 | 8% | 309 | 9% | 487 | 14% |
| Belgium | 180 | 6% | 164 | 5% | 307 | 9% |
| Other | 24 | 1% | 48 | 1% | 27 | 1% |
| **Total** | **3,092** | **100%** | **3,483** | **100%** | **3,465** | **100%** |

In the first quarter of 2012, SNS Bank exchanged its Greek government bonds resulting in a loss of € 13 million gross (€ 9 million net). Earlier, in 2011, an impairment of € 27 million pre-tax had been made for SNS Bank's Greek government bonds. In all, with the exchange, new bonds were issued, of which € 7 million is guaranteed by the European Financial Stability Facility (EFSF), while the exposure to Greece is € 2 million.

## 2.3 Funding activities

During the first half of 2012, capital markets remained challenging. SNS Bank's main source of funding was the increase in its retail savings balances and the participation in the second tranche of the ECB facilities (LTRO). Savings balances rose by € 2.2 billion to € 32.6 billion (+ 7%) compared to year-end 2011 due to an inflow of new deposits, while retention rates remained high. In the first half of 2012, SNS Bank redeemed government guaranteed bonds, issued in 2009, for an amount of € 2.6 billion.

As a result of the increase in savings in combination with the decrease in loans and advances to customers, the loan-to-deposit ratio of SNS Bank NV improved from 159% at year-end 2011 to 147%.

### Table 6: Development liquidity position SNS Bank

| *In € millions* | **June 2012** | December 2011 | June 2011 |
|---|---|---|---|
| Cash | 7,651 | 4,217 | 4,078 |
| Liquid assets | 3,797 | 6,861 | 8,626 |
| **Total liquidity position** | **11,448** | **11,078** | **12,704** |

Total liquidity of SNS Bank NV remained high at € 11.4 billion (year-end 2011: € 11.1 billion). The use made of the second tranche of the LTRO facility increased the cash position and simultaneously reduced the ECB eligible assets.

## 2.4 Risk management

### 2.4.1 Market risk

Capital markets are still heavily influenced by developments regarding the debt crisis in the eurozone. SNS Bank therefore continued to reduce its exposure to peripheral eurozone countries in the first half of 2012.

During the first half of 2012, there was a strong decrease in short-term interest rates following the rate cut by the ECB. Long-term interest rates also decreased in the first half of 2012.

Interest rate risk of the Banking activities is managed mainly through duration of equity. Because of high volatilities in interest rates and in order to limit interest rate risk sensitivity, duration of equity was held at low levels between 2 and 4 during the first half of 2012. By the end of June 2012, duration of equity was 2.7 (year-end 2011: 3.8).

Value at Risk (VaR) is used as a measure for analysing interest rate exposure of SNS Bank NV. The VaR, with a confidence level of 99%, was at a level of € 153 million by the end of June 2012 compared to € 227 million at year-end 2011. The average VaR was at a level of € 179 million compared to € 210 million at year-end 2011.

The Earnings at Risk (EaR) measures the sensitivity of net interest income to a limited set of extreme interest rate scenarios. By the end of June 2012, the EaR was € 4 million compared to € 7 million at year-end 2011. In the first half of 2012 the average EaR was € 6 million compared to € 10 million at year-end 2011.

SNS Bank has a small trading portfolio in line with its risk profile. In accordance with this profile, the total limit in terms of VaR (99% confidence on day-to-day basis) was set at € 2.4 million. During the first half of 2012 this VaR limit was used to a limited extent only.

## 2.5 Outlook

For the remainder of 2012 the outlook remains very challenging. Macroeconomic indicators suggest that economic activity in the Netherlands will remain subdued for the rest of the year. Consumers' purchasing power is expected to decrease further. Unemployment is set to increase, although in a European context the level remains low.

The European sovereign debt crisis continues to impact financial and capital markets in terms of volatility and uncertainty. We expect conditions in real estate markets, including refinancing capacity, both domestic and international, to remain difficult for quite some time. The same is to be expected for the Dutch housing market. Therefore, loan impairments are not expected to improve in the second half of 2012.

In this difficult environment, we remain committed to executing our strategic priorities. We will press ahead with the run-off of Property Finance, the speed of which is in part dependent on market circumstances. Strengthening capital and solvency will remain a key objective. With this objective in mind we are exploring a broad range of strategic restructuring and solvency enhancement scenarios. We will look for opportunities to continue to bring down costs. And we will strive to further improve customer satisfaction, allowing us to retain existing as well as attract new customers.

# 3 SNS Bank

The activities of SNS Bank comprise two business segments: SNS Retail Bank and SNS SME. These segments are shown separately below.

### Table 7: Net result SNS Bank

| *In € millions* | **1st half year 2012** | 1st half year 2011 | Change | 2nd half year 2011 | Change |
|---|---|---|---|---|---|
| SNS Retail Bank | 75 | 92 | (18%) | 156 | (52%) |
| SNS SME | 3 | 34 | (91%) | 4 | (25%) |
| **SNS Bank** | **78** | **126** | **(38%)** | **160** | **(51%)** |

# 4 SNS Retail Bank

HIGHLIGHTS SNS RETAIL BANK

- Lower net profit of € 75 million (-18%) due to higher loan impairments and lower commission income
- Limited increase in net interest income
- Sharply higher impairment charges to loans, reflecting the weakening economy and pressure on the housing market
- Operating expenses markedly lower supported by a reduction in staff numbers
- Savings balances up by € 2.2 billion compared to year-end 2011 (+7%)

**Table 8: SNS Retail Bank**

| *In € millions* | **1st halfyear 2012** | 1st halfyear 2011 | Change | 2nd halfyear 2011 | Change |
|---|---|---|---|---|---|
| **Result** | | | | | |
| Net interest income | 307 | 296 | 4% | 310 | (1%) |
| Net fee and commission income | 24 | 42 | (43%) | 37 | (35%) |
| Investment income | 28 | 13 | 115% | 32 | (13%) |
| Result on financial instruments | 14 | 34 | (59%) | 121 | (88%) |
| Other operating income | 9 | 2 | 350% | - | 0% |
| **Total income** | **382** | **387** | **(1%)** | **500** | **(24%)** |
| Impairment charges to loans and advances | 75 | 27 | 178% | 55 | 36% |
| Other impairment charges | - | 8 | (100%) | 23 | (100%) |
| Total operating expenses | 208 | 229 | (9%) | 214 | (3%) |
| **Total expenses** | **283** | **264** | **7%** | **292** | **(3%)** |
| **Result before tax** | **99** | **123** | **(20%)** | **208** | **(52%)** |
| Taxation | 23 | 31 | (26%) | 52 | (56%) |
| Minority interests | 1 | - | 0% | - | 0% |
| **Net result for the period** | **75** | **92** | **(18%)** | **156** | **(52%)** |
| One-off items | (9) | (6) | | (14) | |
| **Adjusted net result for the period** | **84** | **98** | **(14%)** | **170** | **(51%)** |
| Efficiency ratio | 54.5% | 59.2% | | 42.8% | |
| Impairment charges to loans and advances as a % of average gross outstanding loans to customers | 0.28% | 0.10% | | 0.20% | |
| Risk-weighted assets Basel I (80%) | 12,003 | 11,986 | 0% | 12,001 | 0% |
| Savings | 32,570 | 30,425 | 7% | 30,342 | 7% |
| Loans and advances to customers | 53,451 | 53,850 | (1%) | 54,338 | (2%) |

## 4.1 Result

### 4.1.1 Results for the first half of 2012 compared to the first half of 2011

SNS Retail Bank recorded a successful commercial performance in the first half of 2012. The savings portfolio grew by € 2.2 billion (+ 7%) while overall customer satisfaction levels improved again. ASN Bank continued to have one of the highest customer satisfaction levels in the industry and further expanded its customer base. The repositioning of RegioBank has been completed and its increased presence in smaller communities is paying off, in particular in bank savings and increasing customer satisfaction. BLG Wonen (formerly BLG Hypotheken), has been repositioned as a complete financial services provider for home-owners, whereas the focus previously was just on mortgages. Since May 2012, BLG Wonen has offered house and home-related savings accounts, to be followed by a home insurance package later this year.

Despite SNS Retail Bank's sound commercial performance, net profit in the first half of 2012 decreased by € 17 million to € 75 million (-18%). This included a net loss of € 9 million on the exchange of Greek government bonds. The first half of 2011 had been impacted by an impairment on Greek government bonds of € 6 million net. Adjusted for these one-off items, net profit decreased by € 14 million. The main factors behind this decrease were sharply higher loan impairments and lower commission income.

### 4.1.2 Income

Net interest income showed a limited increase by € 11 million (+4%).

Net interest income from mortgages was higher. SNS Retail Bank's residential mortgage portfolio of € 50.5 billion decreased compared to year-end 2011 (€ 51.4 billion), due to redemptions in combination with limited sales of new mortgages. SNS Retail Bank's market share in new mortgages of 2.9% was down compared to full year 2011 (5.8%), due to the focus on the reduction of risk-weighted assets. However, risk-weighted assets remained stable due to an increase in intercompany fixed-income investments and higher counterparty risk due to lower credit ratings offsetting the reduction of the mortgage portfolio. Redemptions were slightly lower compared to the first half of 2011.

The savings portfolio increased by € 2.2 billion (+7%), including bank saving balances, which grew by € 488 million to € 1,785 million (+38%). SNS Bank, ASN Bank and RegioBank all contributed to the increase in savings balances. SNS Retail Bank's market share in savings increased to 10.3% (year-end 2011: 10.0%). The loan-to-deposit ratio of SNS Retail Bank improved from 147% at year-end to 137%. In July retail savings balances at SNS Retail Bank showed a marginal decline.

Net fee and commission income was € 18 million lower, mainly driven by the transfer of SNS Beleggingsfondsen Beheer B.V. from SNS Retail Bank to Group activities as per 1 January 2012, increased fees paid on securitisation transactions following credit rating downgrades and lower asset management transactions and fees. Furthermore, insurance fees on mortgage-related products were lower.

Investment income increased by € 15 million, despite a loss of € 13 million gross on the exchange of Greek government bonds. This increase was driven by higher realised gains on the fixed income portfolio and improved trading results on fixed income investments. Furthermore, results from fair value movements of the DBV mortgage portfolio were higher.

The result on financial instruments decreased by € 20 million, largely driven by lower buy-back results on own funding paper of € 15 million compared to € 30 million in the first half of 2011. In addition, volatile and lower short-term interest rates resulted in lower results related to value movements in derivatives held for hedging purposes.

### 4.1.3 Expenses

Total operating expenses were € 21 million lower (-9%). Costs in the first half of 2012 included a release of € 2 million related to SNS Retail Bank's share in the savings guarantee scheme compared to a charge of € 6 million in the first half of 2011. Adjusted for this item, total operating expenses decreased by € 13 million driven by a reduction in the number of staff following completion of the repositioning programme in 2011.

The efficiency ratio improved from 60.3% in the first half of 2011 to 55.5%, because of lower operating expenses.

Impairment charges to loans and advances increased sharply by € 48 million to € 75 million, including € 11 million due to the default of one major debtor. This equates to 28 basis points of gross outstanding loans (24 basis points excluding the default of one major debtor), compared to 10 basis points in the first half of 2011. The increase reflects the weakening economic situation in the Netherlands and lower recovery amounts on mortgages as a result of pressure on housing prices.

Other impairment charges were nil in the first half of 2012 compared to € 8 million in the first half of 2011 related to Greek government bonds.

## 4.2 Credit risk

In the first half of 2012, housing prices in the Netherlands remained under pressure due to the weak economy and ongoing political and fiscal uncertainty in the housing market. Also, the new code of conduct for banks operating in the Netherlands, which became effective as of August 2011, has led to reduced activity levels as lending criteria have become stricter. The Dutch housing market awaits a clear decision on future tax deductibility of mortgage interest payments for current and new borrowers after the general election in September 2012.

At the end of June 2012 housing prices had declined by 4.4% year-on-year. The number of homes sold in the first half year was slightly up (1%) compared to the same period in 2011. The uptick in sales and slight increase in housing prices, in June 2012 compared to May 2012, was likely due to the scheduled lowering (to € 320.000 from € 350.000) of the Dutch Mortgage Guarantee Scheme (NHG) per 1 July 2012 and to uncertainty regarding a possible increase in the housing sales tax. As yet, there is no sign of a sustained turnaround in the sentiment on the Dutch housing market.

The quality of new mortgage inflows is, however, improving thanks to stricter standards and an increase in mortgages covered by the Dutch Mortgage Guarantee Scheme (NHG). At SNS Bank, 65.9% of new mortgage production in 2012 was covered by the NHG. Of the total mortgage portfolio, 18.6% is now covered by NHG. The weighted average indexed Loan-to-Foreclosure-Value (LtFV) stood at 95% at the end of June 2012 compared to 92% at year-end 2011.

Arrears development edged up in the first half of 2012. Loans in arrears at SNS Retail Bank increased from € 1,792 million in year-end 2011 to € 1,822 million at the end of June 2012 and as a percentage of gross loans rose from 3.28% at year-end 2011 to 3.39%. The developments in the Dutch housing market are expected to continue to negatively impact the average level of mortgage credit losses.

Under current market circumstances, SNS Retail Bank is focusing on redemptions to prevent (new) arrears, if necessary in combination with a personal budget coach to reduce long-running defaults and avoid consecutive missed payments.

# 5 SNS SME

HIGHLIGHTS SNS SME

- Limited net profit of € 3 million impacted by higher impairment charges
- Total exposure reduced by € 0.6 billion compared to year-end 2011 (-10%)
- Net interest income significantly lower, due mainly to reduction of loan portfolio
- Impairment charges sharply up, reflecting current market circumstances
- Operating expenses 13% lower

**Table 9: SNS SME**

| *In € millions* | **1st halfyear 2012** | 1st halfyear 2011 | Change | 2nd halfyear 2011 | Change |
|---|---|---|---|---|---|
| **Result** | | | | | |
| Net interest income | 63 | 78 | (19%) | 66 | (5%) |
| Net fee and commission income | 4 | 4 | 0% | 3 | 33% |
| Result on financial instruments | (5) | (2) | (150%) | (4) | (25%) |
| **Total income** | **62** | **80** | **(23%)** | **65** | **(5%)** |
| Impairment charges to loans and advances | 37 | 11 | 236% | 35 | 6% |
| Total operating expenses | 21 | 24 | (13%) | 24 | (13%) |
| **Total expenses** | **58** | **35** | **66%** | **59** | **(2%)** |
| **Result before tax** | **4** | **45** | **(91%)** | **6** | **(33%)** |
| Taxation | 1 | 11 | (91%) | 2 | (50%) |
| **Net result for the period** | **3** | **34** | **(91%)** | **4** | **(25%)** |
| Efficiency ratio | 33.9% | 30.0% | | 36.9% | |
| Impairment charges to loans and advances as a % of average gross outstanding loans to customers | 1.35% | 0.32% | 322% | 1.15% | 17% |
| Risk-weighted assets Basel I (80%) | 3,718 | 4,568 | (19%) | 4,115 | (10%) |
| Loans and advances to customers | 5,070 | 6,352 | (20%) | 5,656 | (10%) |

## 5.1 Result

### 5.1.1 Results for the first half of 2012 compared to the first half of 2011

SNS SME posted a limited net profit of € 3 million compared to € 34 million for the first half of 2011. This decrease was driven by lower total income (-23%) and higher impairment charges. Total income declined due mainly to the reduction of the loan portfolio as part of SNS REAAL's capital release programme. Operating expenses were significantly lower.

### 5.1.2 Income

SNS SME's total income declined by € 18 million largely driven by lower net interest income, influenced by the lower loan portfolio and lower SME savings balances compared to the first half of 2011. SME savings included in 'Other amounts due to customers', were relative stable at € 3.0 billion compared to year-end 2011 (€ 3.1 billion) but down compared to June 2011 (€ 3.8 billion). In July savings balances at SNS SME showed a decline.

The result on financial instruments amounted to € 5 million negative compared to € 2 million negative in the first half of 2011 and consisted of discounts on sales of performing loans.

### 5.1.3 Expenses

Total operating expenses decreased by € 3 million supported by a reduction in the number of staff. However, as a result of the decrease in total income, the efficiency ratio increased from 30.0% to 33.9%.

Impairment charges to loans and advances increased by € 26 million to € 37 million due mainly to the need to further strengthen provisioning levels in the former Property Finance SME loan portfolio and due to a few large loans in default. That in turn reflected the weakening in Dutch real estate markets, mainly in the retail and office sector.

## 5.2 Portfolio development

**Table 10: Breakdown SNS SME**

| *In € millions* | **June 2012** | December 2011 | June 2011 |
|---|---|---|---|
| **Total portfolio** | | | |
| Commitments | 5,216 | 5,746 | 6,415 |
| Undrawn commitments | 9 | (14) | (20) |
| **Outstanding loan portfolio (gross)** | **5,207** | **5,760** | **6,435** |
| Loan provision | 137 | 104 | 83 |
| **Outstanding loan portfolio** | **5,070** | **5,656** | **6,352** |
| Property projects | 7 | 7 | 10 |
| Held for sale | - | - | - |
| **Total exposure** | **5,077** | **5,663** | **6,362** |
| Non-performing loans | 352 | 249 | 220 |
| Non-performing loans as % of loans outstanding | 6.8% | 4.3% | 3.4% |
| Coverage ratio | 38.9% | 41.8% | 37.7% |

As part of SNS REAAL's capital release programme, total exposure of SNS SME was reduced from € 5.7 billion at the end of 2011 to € 5.1 billion (-10%), corresponding to a decline in risk-weighted assets by € 0.4 billion. Total commitments were reduced by € 0.6 billion to € 5.2 billion. The decline of gross outstanding loans was due to redemptions and the sale of a number of loans. Property projects remained stable at € 7 million. The loan portfolio of SNS SME will be reduced further, as part of the capital release programme.

Non-performing loans increased by € 103 million to € 352 million, equating to 6.8% of loans outstanding. The coverage ratio of SNS SME decreased slightly, from 41.8% at year-end 2011 to 38.9%.

The average LtV of the former Property Finance loan portfolio included in SNS SME increased from 74.4% at year-end 2011 to 77.2% as collateral values were updated based on an independent reappraisal of a representative part of the portfolio. Although recent valuations reflect careful interpretations of comparable transactions, valuation ranges remain relatively wide and the limited number of comparable transactions impacts the appraisal value.

# 6 Property Finance

HIGHLIGHTS PROPERTY FINANCE

- Net loss markedly higher at € 131 million, impairment charges virtually stable
- Total exposure reduced by € 0.6 billion to € 4.7 billion (-10%)
- Coverage ratio stable at 35% compared to year-end 2011
- Net interest income significantly lower due shrinking loan portfolio
- Operating expenses significantly higher impacted by costs related to phasing out of the loan portfolio

**Table 11: Property Finance**

| *In € millions* | 1st halfyear 2012 | 1st halfyear 2011 | Change | 2nd halfyear 2011 | Change |
|---|---|---|---|---|---|
| **Result** | | | | | |
| Net interest income | 24 | 30 | (20%) | 23 | 4% |
| Investment income | - | 1 | (100%) | (1) | 100% |
| Result on financial instruments | (3) | (5) | 40% | (25) | 88% |
| Result assets and liabilities held for sale | - | (4) | 100% | - | 0% |
| Other operating income | (1) | (3) | 67% | (6) | 83% |
| **Total income** | **20** | **19** | **5%** | **(9)** | **322%** |
| Impairment charges | 140 | 138 | 1% | 113 | 24% |
| Impairment charges goodwill | - | - | 0% | - | 0% |
| Total operating expenses | 40 | 35 | 14% | 47 | (15%) |
| **Total expenses** | **180** | **173** | **4%** | **160** | **13%** |
| Result before tax | (160) | (154) | (4%) | (169) | 5% |
| Taxation | (29) | (36) | 19% | (39) | 26% |
| **Net result for the period** | **(131)** | **(118)** | **(11%)** | **(130)** | **(1%)** |
| **Adjusted net result for the period** | **(131)** | **(118)** | **(11%)** | **(130)** | **(1%)** |
| Impairment charges as a % of average gross outstandings | 4.94% | 4.11% | | 3.69% | |
| Risk-weighted assets Basel I (80%) | 3,987 | 4,826 | (17%) | 4,418 | |
| Loans and advances to customers | 4,228 | 5,191 | (19%) | 4,784 | (12%) |
| Property projects | 512 | 561 | (9%) | 505 | 1% |
| Assets held for sale | - | 21 | (100%) | - | 0% |

## 6.1 Result

### 6.1.1 Results for the first half of 2012 compared to the first half of 2011

Property Finance posted a net loss of € 131 million compared to € 118 million for the first half of 2011. The increase was mainly driven by a lower effective tax rate due to non tax-deductable losses on a few international loans. The combined level of impairments charges and discounts on the sale of performing loans (included in result on financial instruments) of € 143 million was stable compared to the first half of 2011.

### 6.1.2 Income

Net interest income declined by 20%, due to the winding down of the loan portfolio. The lower loan portfolio also resulted in lower interest-related fee and commission income included in net interest income.

The result on financial instruments of € 3 million negative was slightly lower than the first half of 2011 and consisted mainly of discounts on the sale of performing loans.

Other operating income amounted to € 1 million negative compared to € 3 million negative for the first half of 2011, due to a less negative result on participations.

### 6.1.3 Expenses

Operating expenses increased by € 5 million to € 40 million, as legal and advisory costs related to winding down the loan portfolio increased to € 29 million compared to € 23 million in the first half of 2011. Adjusted for these costs, operating expenses declined by € 1 million driven by a decrease in FTEs.

Impairment charges increased marginally by € 2 million to € 140 million and consisted of € 131 million of impairments on loans, € 6 million of impairments on property projects and € 3 million impairments on participations and other impairments. Impairment charges on the Dutch portfolio amounted to € 110 million compared to € 48 million in the first half of 2011, due to the weakening of Dutch real estate markets. In the international portfolio, impairment charges decreased from € 90 million in the first half of 2011 to € 30 million.

Compared to the second half of 2011, impairment charges increased by € 27 million as the second half of 2011 had been positively impacted by the release of a provision related to the restructuring of a non-performing loan in the fourth quarter.

## 6.2 Portfolio development

International real estate markets remained weak in the first half of 2012 and Dutch real estates markets weakened further as reflected in high vacancy ratios in the retail and office sectors and pressure on rental prices. This resulted in a continuing high level of impairments. The impairments reflect the changes in the expected cash flows of the underlying assets. Expected cash flows are driven by projections, based on defined exit strategies and plans, of rental income, price per square metre, construction costs, interest costs and exit values based on reports provided by independent professional appraisers. These appraisals also reflect the limited number of comparable transactions.

The average LtV of the total loan portfolio increased from 103.3% at year-end 2011 to 105.4%. The average LtV of the international portfolio improved from 94.4% to 94.0%, due mainly to the sale of non-performing loans with higher LtVs. Net of provisions, the average LtV of the international portfolio amounted to 80.6% (year-end 2011: 82.4%). In contrast to the international portfolio, the average LtV of the Dutch portfolio increased from 110.0% to 113.2%, reflecting the further weakening of Dutch real estate markets. Net of provisions, the average LtV of the Dutch portfolio amounted to 98.4% (year-end 2011: 99.2%).

### Table 12: Breakdown Property Finance portfolio

| *In € millions* | June 2012 | December 2011 | June 2011 |
|---|---|---|---|
| **Total portfolio** | | | |
| Commitments | 4,958 | 5,481 | 5,985 |
| Undrawn commitments | 61 | 102 | 219 |
| **Outstanding loan portfolio (gross)** | **4,897** | **5,379** | **5,766** |
| Loan provision | 669 | 595 | 575 |
| **Outstanding loan portfolio** | **4,228** | **4,784** | **5,191** |
| Property projects | 512 | 505 | 561 |
| Held for sale | - | - | 21 |
| **Total exposure** | **4,740** | **5,289** | **5,773** |
| Non-performing loans | 1,941 | 1,728 | 1,570 |
| Non-performing loans as % of loans outstanding | 39.6% | 32.1% | 27.2% |
| Coverage ratio | 34.5% | 34.4% | 36.6% |
| Average loan-to-value (LtV) | 105.4% | 103.3% | 95.7% |
| | | | |
| **Dutch portfolio** | | | |
| Commitments | 3,203 | 3,323 | 3,540 |
| Undrawn commitments | 61 | 75 | 112 |
| **Outstanding loan portfolio (gross)** | **3,142** | **3,248** | **3,428** |
| Loan provision | 419 | 324 | 272 |
| **Outstanding loan portfolio** | **2,723** | **2,924** | **3,156** |
| Property projects | 33 | 29 | 7 |
| Held for sale | - | - | - |
| **Total exposure** | **2,756** | **2,953** | **3,163** |
| Non-performing loans | 1,329 | 1,130 | 962 |
| Non-performing loans as % of loans outstanding | 42.3% | 34.8% | 28.1% |
| Coverage ratio | 31.5% | 28.7% | 28.3% |
| Average loan-to-value (LtV) | 113.2% | 110.0% | 98.9% |
| | | | |
| **International portfolio** | | | |
| Commitments | 1,755 | 2,158 | 2,445 |
| Undrawn commitments | - | 27 | 107 |
| **Outstanding loan portfolio (gross)** | **1,755** | **2,131** | **2,338** |
| Loan provision | 250 | 271 | 303 |
| **Outstanding loan portfolio** | **1,505** | **1,860** | **2,035** |
| Property projects | 479 | 476 | 554 |
| Held for sale | - | - | 21 |
| **Total exposure** | **1,984** | **2,336** | **2,610** |
| Non-performing loans | 612 | 598 | 608 |
| Non-performing loans as % of loans outstanding | 34.9% | 28.1% | 26.0% |
| Coverage ratio | 40.8% | 45.3% | 49.8% |
| Average loan-to-value (LtV) | 94.0% | 94.4% | 91.3% |
| | | | |
| **Breakdown international portfolio (geographical)** | | | |
| Germany | 457 | 592 | 718 |
| Spain | 405 | 403 | 444 |
| France | 180 | 206 | 239 |
| Other Europe | 690 | 703 | 704 |
| North America | 252 | 431 | 505 |
| **Commitments** | **1,984** | **2,335** | **2,610** |

### 6.2.1 Total Portfolio

Total exposure declined from € 5.3 billion at year-end 2011 to € 4.7 billion (-10%), corresponding to a decline in risk-weighted assets by € 0.4 billion. Total commitments declined from € 5.5 billion at the end of 2011 to € 5.0 billion (-10%). The international exposure declined from € 2.3 billion to € 2.0 billion, of which € 0.4 billion related to Spain. The exposure to North America is now below € 0.3 billion.

The level of non-performing loans increased by € 0.2 billion to € 1.9 billion compared to year-end 2011. The new inflow, of which 75% related to Dutch loans, was partly offset by the sale of non-performing loans and the foreclosure and reclassification to property projects of a non-performing loan. Total non-performing loans as a percentage of gross loans increased from 32% to 40%.

Compared to year-end 2011, total loan provisions increased by € 74 million to € 669 million due to additions, partly offset by the reduction of the loan portfolio and the foreclosure and reclassification to property projects of a non-performing loan. The coverage ratio remained stable at 35%.

Compared to year-end 2011, property projects (real estate projects where Property Finance has taken control) increased slightly from € 505 million to € 512 million mainly due to one new foreclosure, partly offset by impairments and sales. The foreclosure in the first half of 2012 consisted of a project in Spain.

### 6.2.2 Dutch portfolio

The total Dutch exposure declined from € 3.0 billion at year-end 2011 to € 2.8 billion (-7%), mainly through redemptions and additions to loan provisions. Total commitments declined from € 3.3 billion at year-end 2011 to € 3.2 billion (-4%).

Non-performing Dutch loans increased by € 199 million compared to year-end 2011 due mainly to new inflow reflecting the further weakening of domestic real estate markets. The outflow was limited. Total non-performing loans as a percentage of gross loans outstanding increased from 35% at year-end 2011 to 42%. The coverage ratio increased from 29% to 32% driven by the strengthening of provisions.

### 6.2.3 International portfolio

The total international exposure declined from € 2.3 billion at year-end 2011 to € 2.0 billion (-15%). Total commitments declined from € 2.2 billion at year-end 2011 to € 1.8 billion (-19%). The international loan portfolio was reduced through redemptions, the sale of loans, movements in foreign exchange rates and the reclassification of a loan to property projects.

Non-performing international loans remained stable at € 0.6 billion in the first half of 2012. New inflow was limited and mainly related to Spain, France and Germany. The outflow mainly related to North America and Spain (reclassification to property projects). As a percentage of gross loans outstanding, non-performing loans increased from 28% at year-end 2011 to 35%.

In North America the coverage ratio increased from 54% to 63% due to a decline in non-performing loans resulting from partial redemptions. The coverage ratio in Europe decreased from 38% to 32% due to inflow of non-performing loans with relatively low coverage ratios and the foreclosure and reclassification to property projects of a non-performing loan in Spain with a relatively high coverage ratio.

# 7 Interim Financial Statement

## 7.1 Statement of the Management Board

The condensed consolidated interim financial statements of SNS Bank NV have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted within the European Union.

To the best of our knowledge, the condensed consolidated interim financial statements in this interim financial report for the first half year of 2012 give a true and fair view of the assets, liabilities, composition of equity, financial position as per 30 June 2012 and financial result of SNS Bank NV and the undertakings included in the consolidation as a whole.

The interim financial report gives, to the best of our knowledge, a fair review of the information required pursuant to section 5:25d (8) and (9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Utrecht, 15 August 2012

Dick Okhuijsen, Chairman
Ference Lamp, member of the board
Ernst-Jan Boers, member of the board
Wim Henk Steenpoorte, member of the board

## 7.2 General information

### 7.2.1 Group Structure

SNS Bank NV, incorporated and established in the Netherlands, is a public limited liability company incorporated under the laws of the Netherlands. SNS Bank NV's registered office is located at Croeselaan 1, 3521 BJ Utrecht. SNS Bank NV is a wholly owned subsidiary of SNS REAAL NV, and a group entity of SNS REAAL. The condensed consolidated interim financial statements of SNS Bank NV comprise the accounts of all the companies controlled by SNS Bank NV and the interests of SNS Bank NV in associated subsidiaries and entities.

The consolidated financial statements of SNS Bank NV for the financial year 2011 are available on request at the registered office of the company at the address Croeselaan 1, P.O. Box 8444, 3503 RK Utrecht, the Netherlands or via www.snsreaal.nl.

These condensed consolidated interim financial statements were approved by the Supervisory Board on 15 August 2012. The condensed consolidated interim financial statements have not been audited and neither has a review been performed on these condensed consolidated interim financial statements.

### 7.2.2 Related Parties

Parties are considered to be related if one party can exert control or significant influence over the other party in deciding financial or operational matters. As part of its ordinary operations, SNS Bank NV maintains various sorts of ordinary business relations with related companies and parties, particularly in the areas of insurance, banking, and asset management. Other parties related with SNS Bank NV are the Dutch Ministry of Finance, subsidiaries, associated companies, joint ventures, managers in key positions and their close family members.

On 1 January 2012 SNS Bank NV sold her subsidiary SNS Beleggingsfondsen Beheer BV for an amount of € 13.6 million, the expected equity value as at 31 December 2012,  to SNS REAAL NV. The result on this transaction of € 7.5 million is presented in the profit and loss account of SNS Bank, and eliminated at group level.

## 7.3 Basis of preparation

### 7.3.1 Statement of IFRS compliance

SNS Bank prepares the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted within the European Union (EU).

### 7.3.2 Main accounting principles for financial reporting

The same accounting principles, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the financial statements for the year ended 31 December 2011, except for the impact of the adoption of the IFRS Standards and Interpretations described below.

### 7.3.3 Change in published Standards and Interpretations effective in 2012

New or amended standards become effective on the date specified by IFRS, but may allow early adoption. In 2012, the following standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee respectively became mandatory and have been adopted by the EU. Unless stated otherwise, the changes will have no material effect on the condensed consolidated interim financial statements of SNS REAAL.

- Amendment to IFRS 1 First time adoption – Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters.
- Amendment to IFRS 7 Financial Instruments Disclosures – Transfers of Financial Assets.
- IAS 12 Income Taxes – Recovery of Tax Assets.

### 7.3.4 Segment presentation SNS Bank NV versus SNS REAAL

With effect from January 2011, SNS REAAL changed its presentation of the segment information to align it to the way management assesses the segments' performance. Corrections to one-off, Group-directed intercompany transactions for which eliminations and/or corrections in the consolidated results are required, are incorporated directly in the segment in question. Formerly, these corrections were made in the Eliminations column.

Due to this change in presentation the segment information shown at the SNS REAAL press release differs from the information in the separate financial statements of SNS Bank NV as shown in this press release. The SNS Retail Bank net result in the press release of SNS Bank NV is € 5 million higher, as net interest income is € 1 million (gross) higher and result on financial instruments is € 6 million (gross) higher. These differences derived from the sale of € 0.5 billion of mortgages of SNS Retail Bank to the Insurance activities in 2011. However at SNS Bank NV the result of an related intercompany hedge accounting transaction is still included in the segmented report for SNS Retail Bank.

# 8 Profile

SNS Bank N.V. is part of SNS REAAL, a listed company and consists of SNS Retail Bank, SNS SME and Property Finance. SNS Bank N.V.'s balance sheet amounts € 83.0 billion. For more information, please visit: www.snsbank.nl.

## 8.1 SNS Bank

SNS Bank strives to be the best provider of simple financial products and services. The bank does this with a convenient range of products and services for consumers and small- to medium enterprises. With accessible service, assistance and attention, SNS Bank has been close to its customers in a personal way for more than 200 years. This way, SNS Bank wants to play an important role for it's customers in banking, savings, investments, mortgages and insurances.

## 8.2 RegioBank

RegioBank wants to bank as banking is meant to be. With more than 500 advisors throughout the Netherlands, the bank has a physical presence in every region. RegioBank puts customers' best interests first and combines clear and simple products with favourable rates.

## 8.3 ASN Bank

ASN Bank is the largest sustainable bank in the Netherlands. For more than 50 years it has been investing the means customers entrust them with exclusively in a sustainable manner. ASN Bank operates in the field of payment services, investments, savings and corporate lending. ASN Bank wants to show how sustainable banking can be successfully accompanied by normal market returns.

## 8.4 BLG Wonen

BLG Wonen helps people fulfill their housing wishes with products and services that makes them feel at home. BLG Wonen has grown into a national player in the Dutch mortgage market. It offers mortgages and other housing-related financial products and services. BLG Wonen sells its products through the best Dutch independent advisors because they know the customer best and can give unbiased and personal advice.

## 8.5 SNS Fundcoach

SNS Fundcoach is the specialist in fund investment. Through SNS Fundcoach, private investors will gain access to the best-performing investment funds of various national and international providers, at very attractive rates.

## 8.6 SNS Securities

SNS Securities is a specialist in the Dutch securities market. It provides investment and capital markets advice, international brokerage and asset management services. Through its participation in the European Securities Network it provides institutional and private clients direct access to pan-European research on nearly 1,000 listed companies.

## 8.7 SNS SME

SNS Small- and Medium Enterprises focuses completely on investment finance loans and SME mortgage loans. It thinks along with its customers in a professional manner to strengthen the quality of living, working and shopping, now and in the future. SNS SME completely focuses on the Dutch market. The international property finance portfolio as well as Dutch projects that do not match the desired profile of SNS SME that were part of Property Finance will be phased out over a period of two to four years.

# 9 Disclaimer

RESERVATION CONCERNING FORWARD LOOKING STATEMENTS

This press release contains forward looking statements concerning future events. Those forward looking statements are based on the current information and assumptions of SNS Bank NV’s management concerning known and unknown risks and uncertainties.
Forward looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to SNS Bank NV‘s expectations regarding such matters as the assessment of market risk or possible acquisitions, or business expansion and premium growth and investment income or cash flow predictions or, more generally, the economic climate and changes in the law and taxation.
SNS Bank NV cautions that expectations are only valid on the specific dates, and accepts no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like.

The information in this interim financial report is unaudited.

DISCLAIMER

This interim financial report contains only factual information and should not be regarded as an opinion or recommendation concerning the purchase or sale of shares or other securities issued by SNS Bank NV. This interim financial report does not contain any value judgement or predictions with respect to the financial performance of SNS Bank NV.

## 10 Tables

### Consolidated balance sheet

| *Before result appropriation and in € millions* | June 2012 | December 2011 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 8,485 | 5,128 |
| Loans and advances to banks | 1,855 | 1,682 |
| Loans and advances to customers | 62,749 | 64,778 |
| Derivatives | 3,608 | 3,354 |
| Investments | 4,452 | 4,106 |
| Investment properties | 1 | 1 |
| Property projects | 519 | 512 |
| Investments in associates | 17 | 17 |
| Property and equipment | 80 | 90 |
| Intangible assets | 150 | 153 |
| Deferred tax assets | 192 | 225 |
| Corporate income tax | 146 | 115 |
| Other assets | 716 | 1,111 |
| **Total assets** | **82,970** | **81,272** |
| **Equity and liabilities** | | |
| Savings | 32,570 | 30,342 |
| Other amounts due to customers | 10,098 | 10,215 |
| **Amounts due to customers** | **42,668** | **40,557** |
| Amounts due to banks | 9,589 | 4,716 |
| Debt certificates | 22,548 | 27,361 |
| Derivatives | 3,843 | 3,606 |
| Deferred tax liabilities | 301 | 303 |
| Other liabilities | 1,157 | 1,694 |
| Other provisions | 28 | 35 |
| Participation certificates and subordinated debt | 915 | 1,121 |
| Share capital | 381 | 381 |
| Other reserves | 1,436 | 1,304 |
| Retained earnings | (53) | 38 |
| **Shareholder's equity** | **1,764** | **1,723** |
| Equity attributable to securityholders | 156 | 156 |
| Minority interests | 1 | - |
| **Total equity** | **1,921** | **1,879** |
| **Total equity and liabilities** | **82,970** | **81,272** |

## Consolidated income statement

| *in € millions* | **1st halfyear 2012** | 1st halfyear 2011 |
|---|---|---|
| **Income** | | |
| Interest income | 1,335 | 1,415 |
| Interest expense | 941 | 1,011 |
| **Net interest income** | **394** | **404** |
| Fee and commission income | 50 | 72 |
| Fee and commission expense | 22 | 26 |
| **Net fee and commission income** | **28** | **46** |
| Share in result of associates | - | (2) |
| Investment income | 28 | 14 |
| Result on financial instruments | 6 | 27 |
| Other operating income | 8 | 1 |
| Result assets and liabilities held for sale | - | (4) |
| **Total income** | **464** | **486** |
| **Expenses** | | |
| Staff costs | 118 | 128 |
| Depreciation and amortisation of fixed assets | 14 | 15 |
| Other operating expenses | 137 | 145 |
| Impairment charges | 252 | 184 |
| **Total expenses** | **521** | **472** |
| **Result before tax** | **(57)** | **14** |
| Taxation | (5) | 6 |
| **Net result continued operations** | **(52)** | **8** |
| Net result discontinued operations | - | - |
| **Net result for the period** | **(52)** | **8** |
| **Attribution:** | | |
| Net result attributable to shareholders | (53) | 8 |
| Net result attributable to securityholders | - | - |
| **Net result attributable to shareholders and securityholders** | **(53)** | **8** |
| Net result attributable to minority interests | 1 | - |
| **Net result for the period** | **(52)** | **8** |

## Earnings per share / security

| *In €* | **1st halfyear 2012** | 1st halfyear 2011 |
|---|---|---|
| **Earnings per ordinary share** | | |
| Earnings per ordinary share from continued operations | (62.39) | 8.82 |
| Earnings per ordinary share from discontinued operations | - | - |
| Earnings per ordinary share | (62.39) | 8.82 |
| **Earnings per security issued to the Dutch State** | | |
| Earnings per security issued to the Dutch State from continued operations | - | - |
| Earnings per security issued to the Dutch State from discontinued operations | - | - |
| Earnings per security issued to the Dutch State | - | - |
| **Diluted earnings per ordinary share** | | |
| Diluted earnings per ordinary share from continued operations | (62.39) | 7.82 |
| Diluted earnings per ordinary share from discontinued operations | - | - |
| Diluted earnings per ordinary share | (62.39) | 7.82 |

## Consolidated statement of comprehensive income

| *In € millions* | **1st halfyear 2012** | 1st halfyear 2011 |
|---|---|---|
| **Net result for the period** | **(52)** | **8** |
| Change in revaluation reserve | - | - |
| Change in cash flow hedge reserve | 12 | (16) |
| Change in fair value reserve | 19 | (22) |
| Other mutations in comprehensive income | - | 1 |
| **Change in other comprehensive income (after tax)** | **31** | **(37)** |
| **Total comprehensive income** | **(21)** | **(29)** |
| | | |
| **Attribution:** | | |
| Total comprehensive income attributable to shareholders and securityholders | (22) | (29) |
| Total comprehensive income to security holders | - | - |
| **Total comprehensive income attributable to shareholders and securityholders** | **(22)** | **(29)** |
| Total comprehensive income to minority interests | 1 | - |
| **Total comprehensive income** | **(21)** | **(29)** |

## Consolidated statement of changes in total equity 1st halfyear 2012

| *In € millions* | Issued share capital ordinary and B-shares | Share premium reserve ordinary and B-shares | Cash flow hedge reserve | Fair value reserve | Other reserves | Retained earnings | Equity attributable to share-holders | Securities capital | Minority interests | Group equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2012** | **381** | **967** | **64** | **(227)** | **500** | **38** | **1,723** | **156** | **-** | **1,879** |
| Transfer of net result 2011 | - | - | - | - | 38 | (38) | - | - | - | - |
| **Transfers 2011** | **-** | **-** | **-** | **-** | **38** | **(38)** | **-** | **-** | **-** | **-** |
| Unrealised revaluations from cash flow hedges | - | - | 12 | - | - | - | 12 | - | - | 12 |
| Deferred interest income from cash flow hedges | - | - | - | - | - | - | - | - | - | - |
| Unrealised revaluations | - | - | - | 40 | - | - | 40 | - | - | 40 |
| Impairments | - | - | - | - | - | - | - | - | - | - |
| Realised revaluations through profit or loss | - | - | - | (21) | - | - | (21) | - | - | (21) |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| **Amounts charged directly to total equity** | **-** | **-** | **12** | **19** | **-** | **-** | **31** | **-** | **-** | **31** |
| Net result 1st halfyear 2012 | - | - | - | - | - | (53) | (53) | - | 1 | (52) |
| **Total result 1st halfyear 2012** | **-** | **-** | **12** | **19** | **-** | **(53)** | **(22)** | **-** | **1** | **(21)** |
| **Transactions with shareholders and securityholders** | **-** | **63** | **-** | **-** | **-** | **-** | **63** | **-** | **-** | **63** |
| **Total changes in equity 1st half year 2012** | **-** | **63** | **12** | **19** | **38** | **(91)** | **41** | **-** | **1** | **42** |
| **Balance as at 30 June 2012** | **381** | **1,030** | **76** | **(208)** | **538** | **(53)** | **1,764** | **156** | **1** | **1,921** |

## Consolidated statement of changes in total equity 1st halfyear 2011

| *In € millions* | Issued share capital ordinary and B-shares | Share premium reserve ordinary and B-shares | Revaluation property and equipment | Cash flow hedge reserve | Fair value reserve | Other reserves | Retained earnings | Equity attributable to share- holders | Securities capital | Group equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2011** | **381** | **838** | **2** | **27** | **(145)** | **908** | **(431)** | **1,580** | **256** | **1,836** |
| Transfer of net result 2010 | - | - | - | - | - | (410) | 431 | 21 | (21) | - |
| **Transfers 2010** | **-** | **-** | **-** | **-** | **-** | **(410)** | **431** | **21** | **(21)** | **-** |
| Unrealised revaluations from cash flow hedges | - | - | - | - | - | - | - | - | - | - |
| Deferred interest income from cash flow hedges | - | - | - | (15) | - | - | - | (15) | - | (15) |
| Unrealised revaluations | - | - | - | - | (22) | - | - | (22) | - | (22) |
| Impairments | - | - | - | - | 6 | - | - | 6 | - | 6 |
| Realised revaluations through profit or loss | - | - | - | (1) | (5) | - | - | (6) | - | (6) |
| Other mutations | - | - | - | - | (1) | 1 | - | - | - | - |
| **Amounts charged directly to total equity** | **-** | **-** | **-** | **(16)** | **(22)** | **1** | **-** | **(37)** | **-** | **(37)** |
| Net result 1st halfyear 2011 | - | - | - | - | - | - | 8 | 8 | - | 8 |
| **Total result 1st halfyear 2011** | **-** | **-** | **-** | **(16)** | **(22)** | **1** | **8** | **(29)** | **-** | **(29)** |
| Capital issue | - | 79 | - | - | - | - | - | 79 | - | 79 |
| Securities issue / repurchase | - | - | - | - | - | - | - | - | (79) | (79) |
| **Transactions with shareholders and securityholders** | **-** | **79** | **-** | **-** | **-** | **-** | **-** | **79** | **(79)** | **-** |
| **Total changes in equity 1st halfyear 2011** | **-** | **79** | **-** | **(16)** | **(22)** | **(409)** | **439** | **71** | **(100)** | **(29)** |
| **Balance as at 30 June 2011** | **381** | **917** | **2** | **11** | **(167)** | **499** | **8** | **1,651** | **156** | **1,807** |

## Consolidated statement of changes in total equity 2nd halfyear 2011

| *In € millions* | Issued share capital ordinary and B-shares | Share premium reserve ordinary and B-shares | Revaluation property and equipment | Cash flow hedge reserve | Fair value reserve | Other reserves | Retained earnings | Equity attributable to share- holders | Securities capital | Group equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 30 June 2011** | **381** | **917** | **2** | **11** | **(167)** | **499** | **8** | **1,651** | **156** | **1,807** |
| Unrealised revaluations from cash flow hedges | - | - | - | 37 | - | - | - | 37 | - | 37 |
| Deferred interest income from cash flow hedges | - | - | - | 15 | - | - | - | 15 | - | 15 |
| Unrealised revaluations | - | - | - | - | (46) | - | - | (46) | - | (46) |
| Impairments | - | - | - | - | 14 | - | - | 14 | - | 14 |
| Realised revaluations through profit or loss | - | - | (2) | 1 | (29) | - | - | (30) | - | (30) |
| Other mutations | - | - | - | - | 1 | 1 | - | 2 | - | 2 |
| **Amounts charged directly to total equity** | **-** | **-** | **(2)** | **53** | **(60)** | **1** | **-** | **(8)** | **-** | **(8)** |
| Net result 2nd halfyear 2011 | - | - | - | - | - | - | 30 | 30 | - | 30 |
| **Total result 2nd halfyear 2011** | **-** | **-** | **(2)** | **53** | **(60)** | **1** | **30** | **22** | **-** | **22** |
| Capital issue | - | 50 | - | - | - | - | - | 50 | - | 50 |
| Securities issue / repurchase | - | - | - | - | - | - | - | - | - | - |
| **Transactions with shareholders and securityholders** | **-** | **50** | **-** | **-** | **-** | **-** | **-** | **50** | **-** | **50** |
| **Total changes in equity 2011** | **-** | **50** | **(2)** | **53** | **(60)** | **1** | **30** | **72** | **-** | **72** |
| **Balance as at 31 December 2011** | **381** | **967** | **-** | **64** | **(227)** | **500** | **38** | **1,723** | **156** | **1,879** |

## Comprehensive consolidated cash flow statement

| *In € millions* | 1st halfyear 2012 | 1st halfyear 2011 |
|---|---|---|
| **Cash and cash equivalents as at 1 January** | **5,128** | **3,833** |
| Net cash flow from operating activities | 3,757 | 3,417 |
| Net cash flow from investment activities | (219) | 13 |
| Net cash flow from financing activities | (181) | (2,730) |
| **Cash and cash equivalents as at 30 June** | **8,485** | **4,533** |

## Balance sheet SNS Bank NV by segment 30 June 2012

| *In € millions* | SNS Retail Bank | SNS SME | Property Finance | Eliminations | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | 8,439 | 294 | 221 | (469) | 8,485 |
| Loans and advances to banks | 10,587 | 2,485 | - | (11,217) | 1,855 |
| Loans and advances to customers | 53,451 | 5,070 | 4,228 | - | 62,749 |
| Derivatives | 3,608 | - | - | - | 3,608 |
| Investments | 4,452 | - | - | - | 4,452 |
| Investment properties | 1 | - | - | - | 1 |
| Property projects | - | 7 | 512 | - | 519 |
| Investments in associates | - | 1 | 16 | - | 17 |
| Property and equipment | 78 | - | 2 | - | 80 |
| Intangible assets | 103 | 47 | - | - | 150 |
| Deferred tax assets | 185 | 2 | 5 | - | 192 |
| Corporate income tax | 123 | - | 32 | (9) | 146 |
| Other assets | 513 | 3,059 | 259 | (3,115) | 716 |
| **Total assets** | **81,540** | **10,965** | **5,275** | **(14,810)** | **82,970** |
| **Equity and liabilities** | | | | | |
| Savings | 32,570 | - | - | - | 32,570 |
| Other amounts due to customers | 6,547 | 3,377 | 174 | - | 10,098 |
| Amounts due to banks | 10,041 | 6,338 | 4,896 | (11,686) | 9,589 |
| Debt certificates | 22,548 | - | - | - | 22,548 |
| Derivatives | 3,843 | - | - | - | 3,843 |
| Deferred tax liabilities | 293 | 7 | 1 | - | 301 |
| Corporate income tax | - | 9 | - | (9) | - |
| Other liabilities | 4,053 | 153 | 66 | (3,115) | 1,157 |
| Other provisions | 24 | 3 | 1 | - | 28 |
| Participation certificates and subordinated debt | 299 | 616 | - | - | 915 |
| Shareholder's equity | 1,165 | 462 | 137 | - | 1,764 |
| Equity attributable to securityholders | 156 | - | - | - | 156 |
| Minority interests | 1 | - | - | - | 1 |
| **Total equity** | **1,322** | **462** | **137** | **-** | **1,921** |
| **Total equity and liabilities** | **81,540** | **10,965** | **5,275** | **(14,810)** | **82,970** |

## Balance sheet SNS Bank NV by segment 30 December 2011

| *In € millions* | SNS Retail Bank | SNS SME | Property Finance | Eliminations | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | 5,109 | 273 | 223 | (477) | 5,128 |
| Loans and advances to banks | 11,201 | 2,534 | - | (12,053) | 1,682 |
| Loans and advances to customers | 54,338 | 5,656 | 4,784 | - | 64,778 |
| Derivatives | 3,354 | - | - | - | 3,354 |
| Investments | 4,106 | - | - | - | 4,106 |
| Investment properties | 1 | - | - | - | 1 |
| Property projects | - | 7 | 505 | - | 512 |
| Investments in associates | - | 1 | 16 | - | 17 |
| Property and equipment | 88 | - | 2 | - | 90 |
| Intangible assets | 106 | 47 | - | - | 153 |
| Deferred tax assets | 218 | 2 | 5 | - | 225 |
| Corporate income tax | 114 | - | 13 | (12) | 115 |
| Other assets | 939 | 3,083 | 307 | (3,218) | 1,111 |
| **Total assets** | **79,574** | **11,603** | **5,855** | **(15,760)** | **81,272** |
| **Equity and liabilities** | | | | | |
| Savings | 30,342 | - | - | - | 30,342 |
| Other amounts due to customers | 6,407 | 3,628 | 180 | - | 10,215 |
| Amounts due to banks | 5,174 | 6,670 | 5,402 | (12,530) | 4,716 |
| Debt certificates | 27,361 | - | - | - | 27,361 |
| Derivatives | 3,606 | - | - | - | 3,606 |
| Deferred tax liabilities | 296 | 2 | 5 | - | 303 |
| Corporate income tax | - | 12 | - | (12) | - |
| Other liabilities | 4,669 | 162 | 81 | (3,218) | 1,694 |
| Other provisions | 30 | 3 | 2 | - | 35 |
| Participation certificates and subordinated debt | 505 | 616 | - | - | 1,121 |
| Shareholder's equity | 1,028 | 510 | 185 | - | 1,723 |
| Equity attributable to securityholders | 156 | - | - | - | 156 |
| Minority interests | - | - | - | - | - |
| **Total equity** | **1,184** | **510** | **185** | **-** | **1,879** |
| **Total equity and liabilities** | **79,574** | **11,603** | **5,855** | **(15,760)** | **81,272** |

## Income statement by segment 1st half year 2012

| *in € millions* | SNS Retail Bank | SNS SME | Property Finance | Eliminations | Total |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Interest income | 1,214 | 186 | 80 | (145) | 1,335 |
| Interest expense | 907 | 123 | 56 | (145) | 941 |
| **Net interest income** | **307** | **63** | **24** | **-** | **394** |
| Fee and commission income | 46 | 4 | - | - | 50 |
| Fee and commission expense | 22 | - | - | - | 22 |
| **Net fee and commission income** | **24** | **4** | **-** | **-** | **28** |
| Share in result of associates | - | - | - | - | - |
| Investment income | 28 | - | - | - | 28 |
| Result on financial instruments | 14 | (5) | (3) | - | 6 |
| Other operating income | 9 | - | (1) | - | 8 |
| Result assets and liabilities held for sale | - | - | - | - | - |
| **Total income** | **382** | **62** | **20** | **-** | **464** |
| **Expenses** | | | | | |
| Staff costs | 92 | 12 | 14 | - | 118 |
| Depreciation and amortisation of fixed assets | 14 | - | - | - | 14 |
| Other operating expenses | 102 | 9 | 26 | - | 137 |
| Impairment charges | 75 | 37 | 140 | - | 252 |
| **Total expenses** | **283** | **58** | **180** | **-** | **521** |
| **Result before tax** | **99** | **4** | **(160)** | **-** | **(57)** |
| Taxation | 23 | 1 | (29) | - | (5) |
| **Net result continued operations** | **76** | **3** | **(131)** | **-** | **(52)** |
| Net result discontinued operations | - | - | - | - | - |
| **Net result for the period** | **76** | **3** | **(131)** | **-** | **(52)** |
| Minority interests | 1 | - | - | - | 1 |
| **Net result attributable to shareholders and securityholders** | **75** | **3** | **(131)** | **-** | **(53)** |

## Income statement by segment 1st half year 2011

| *in € millions* | SNS Retail Bank | SNS SME | Property Finance | Eliminations | Total |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Interest income | 1,254 | 256 | 105 | (200) | 1,415 |
| Interest expense | 958 | 178 | 75 | (200) | 1,011 |
| **Net interest income** | **296** | **78** | **30** | **-** | **404** |
| Fee and commission income | 68 | 4 | - | - | 72 |
| Fee and commission expense | 26 | - | - | - | 26 |
| **Net fee and commission income** | **42** | **4** | **-** | **-** | **46** |
| Share in result of associates | - | - | (2) | - | (2) |
| Investment income | 13 | - | 1 | - | 14 |
| Result on financial instruments | 34 | (2) | (5) | - | 27 |
| Other operating income | 2 | - | (1) | - | 1 |
| **Total income** | **387** | **80** | **19** | **-** | **486** |
| **Expenses** | | | | | |
| Staff costs | 100 | 13 | 15 | - | 128 |
| Depreciation and amortisation of fixed assets | 15 | - | - | - | 15 |
| Other operating expenses | 114 | 11 | 20 | - | 145 |
| Impairment charges | 35 | 11 | 138 | - | 184 |
| **Total expenses** | **264** | **35** | **173** | **-** | **472** |
| **Result before tax** | **123** | **45** | **(154)** | **-** | **14** |
| Taxation | 31 | 11 | (36) | - | 6 |
| **Net result continued operations** | **92** | **34** | **(118)** | **-** | **8** |
| Net result discontinued operations | - | - | - | - | - |
| **Net result for the period** | **92** | **34** | **(118)** | **-** | **8** |
| Minority interests | - | - | - | - | |
| **Net result attributable to shareholders and securityholders** | **92** | **34** | **(118)** | **-** | **8** |

## Hierarchy financial instruments

| | **Level 1** | | Level 2 | | **Level 3** | | Total | |
|---|---|---|---|---|---|---|---|---|
| *In € millions* | **HY 2012** | FY 2011 | **HY 2012** | FY 2011 | **HY 2012** | FY 2011 | **HY 2012** | FY 2011 |
| **Financial assets** | | | | | | | | |
| Investments | | | | | | | | |
| - Fair value through profit or loss: held for trading | 4 | 16 | 323 | 114 | - | - | 327 | 130 |
| - Fair value through profit or loss: designated | 575 | 79 | 40 | 19 | - | - | 615 | 98 |
| - Available for sale | 3,026 | 3,381 | 468 | 480 | 16 | 17 | 3,510 | 3,878 |
| Derivatives | - | (39) | 3,608 | 3,393 | - | - | 3,608 | 3,354 |
| Loans and advances to customers | - | - | 2,296 | 2,329 | - | - | 2,296 | 2,329 |
| **Financial liabilities** | | | | | | | | |
| Fair value through profit or loss: debt certificates | - | - | 1,631 | 1,701 | - | - | 1,631 | 1,701 |
| Derivatives | - | - | 3,843 | 3,606 | - | - | 3,843 | 3,606 |

*Compared to the previous financial year the Greek government bonds shifted from level 2 to level 1.*

## Breakdown fixed income portfolio (geographical)

| *In € millions* | June 2012 | | December 2011 | | June 2011 | |
|---|---|---|---|---|---|---|
| Ireland | 107 | 3% | 165 | 4% | 132 | 3% |
| Greece | 2 | 0% | 26 | 1% | 43 | 1% |
| Portugal | - | 0% | - | 0% | - | 0% |
| Italy | 290 | 8% | 271 | 7% | 643 | 16% |
| Spain | - | 0% | 29 | 1% | 29 | 1% |
| **Total GIIPS** | **399** | **11%** | **491** | **13%** | **847** | **21%** |
| | | | | | | |
| Germany | 1,131 | 31% | 1,548 | 39% | 678 | 17% |
| France | 227 | 6% | 213 | 5% | 438 | 11% |
| The Netherlands | 1,343 | 38% | 1,138 | 29% | 1,131 | 28% |
| Austria | 256 | 7% | 309 | 8% | 519 | 13% |
| Belgium | 180 | 5% | 164 | 4% | 307 | 8% |
| Other | 69 | 2% | 102 | 2% | 90 | 2% |
| **Total** | **3,605** | **100%** | **3,965** | **100%** | **4,010** | **100%** |

## Breakdown fixed income portfolio (sector)

| *In € millions* | June 2012 | | December 2011 | | June 2011 | |
|---|---|---|---|---|---|---|
| Sovereign | 3,092 | 86% | 3,483 | 87% | 3,465 | 86% |
| Financials | 201 | 6% | 141 | 4% | 233 | 6% |
| Mortgages | - | 0% | - | 0% | - | 0% |
| Corporates | 23 | 0% | 22 | 1% | 45 | 1% |
| Mortgage backed securities | 224 | 6% | 273 | 7% | 226 | 6% |
| Other | 65 | 2% | 46 | 1% | 41 | 1% |
| **Total** | **3,605** | **100%** | **3,965** | **100%** | **4,010** | **100%** |

## Breakdown fixed income portfolio (maturity)

| *In € millions* | June 2012 | | December 2011 | | June 2011 | |
|---|---|---|---|---|---|---|
| < 3 Months | 23 | 1% | 74 | 2% | 47 | 1% |
| < 1 Year | 283 | 8% | 35 | 1% | 233 | 6% |
| < 3 Years | 967 | 27% | 1,185 | 30% | 174 | 4% |
| < 5 Years | 445 | 12% | 261 | 7% | 680 | 17% |
| < 10 Years | 884 | 24% | 1,480 | 37% | 1,384 | 34% |
| < 15 Years | 250 | 7% | 232 | 6% | 546 | 14% |
| > 15 Years | 753 | 21% | 698 | 17% | 946 | 24% |
| **Total** | **3,605** | **100%** | **3,965** | **100%** | **4,010** | **100%** |

## Breakdown fixed income portfolio (rating)

| *In € millions* | June 2012 | | December 2011 | | June 2011 | |
|---|---|---|---|---|---|---|
| AAA | 2,846 | 79% | 3,199 | 81% | 2,505 | 62% |
| AA | 205 | 6% | 208 | 5% | 356 | 9% |
| A | 366 | 10% | 347 | 9% | 922 | 23% |
| BBB | 186 | 5% | 185 | 4% | 146 | 4% |
| < BBB | 2 | 0% | 26 | 1% | 43 | 1% |
| No rating | - | 0% | - | 0% | 38 | 1% |
| **Total** | **3,605** | **100%** | **3,965** | **100%** | **4,010** | **100%** |

## Breakdown SNS SME Portfolio

| *In € millions* | PF SME | SNS Retail Bank SME | SNS SME |
|---|---|---|---|
| **Total portfolio June 2012** | | | |
| Commitments | 3,645 | 1,571 | 5,216 |
| Undrawn commitments | 9 | - | 9 |
| **Outstanding loan portfolio (gross)** | **3,636** | **1,571** | **5,207** |
| Loan provision | 70 | 67 | 137 |
| **Outstanding loan portfolio** | **3,566** | **1,504** | **5,070** |
| Property projects | 7 | - | 7 |
| Held for sale | - | - | - |
| **Total exposure** | **3,573** | **1,504** | **5,077** |
| Non-performing loans | 157 | 195 | 352 |
| Non-performing loans as % of loans outstanding | 4.3% | 12.4% | 6.8% |
| Coverage ratio | 44.6% | 34.4% | 38.9% |
| | | | |
| **Total portfolio December 2011** | | | |
| Commitments | 4,133 | 1,613 | 5,746 |
| Undrawn commitments | (14) | - | (14) |
| **Outstanding loan portfolio (gross)** | **4,147** | **1,613** | **5,760** |
| Loan provision | 42 | 62 | 104 |
| **Outstanding loan portfolio** | **4,105** | **1,551** | **5,656** |
| Property projects | 7 | - | 7 |
| Held for sale | - | - | - |
| **Total exposure** | **4,112** | **1,551** | **5,663** |
| Non-performing loans | 41 | 208 | 249 |
| Non-performing loans as % of loans outstanding | 1.0% | 12.9% | 4.3% |
| Coverage ratio | 103.2% | 29.8% | 41.8% |
| | | | |
| **Total portfolio June 2011** | | | |
| Commitments | 4,817 | 1,598 | 6,415 |
| Undrawn commitments | (20) | - | (20) |
| **Outstanding loan portfolio (gross)** | **4,837** | **1,598** | **6,435** |
| Loan provision | 14 | 69 | 83 |
| **Outstanding loan portfolio** | **4,823** | **1,529** | **6,352** |
| Property projects | 10 | - | 10 |
| Held for sale | - | - | - |
| **Total exposure** | **4,833** | **1,529** | **6,362** |
| Non-performing loans | 17 | 203 | 220 |
| Non-performing loans as % of loans outstanding | 0.4% | 12.7% | 3.4% |
| Coverage ratio | 82.4% | 34.0% | 37.7% |

*Portfolios based on former business unit structure.*