

Press release

Interim Financial Report

Utrecht, the Netherlands, 25 August 2010

Highlights first half 2010

- ⊙ SNS Bank posts net loss of € 110 million
- ⊙ Net result excluding impact of one-off items amounts to € 42 million negative
- ⊙ Impact one-off items of -€ 68 million consists of impairment of goodwill paid for SNS Property Finance
- ⊙ Net profit at SNS Retail Bank up strongly, due to rebound interest income and lower expenses
- ⊙ SNS Property Finance posts net loss due to impairments of international loans and goodwill; Dutch portfolio is profitable
- ⊙ Total operating expenses 4% lower due to implementation new distribution strategy
- ⊙ Total commitments SNS Property Finance declined by € 0.8 billion to € 13.8 billion compared to year-end 2009
- ⊙ Improved solvency: Core Tier 1 ratio at 8.6% and Tier 1 ratio at 11.1%

Contents

Highlights first half 2010	1
Key figures	2
Financial analysis SNS Bank	3
Net result	3
Capital management	5
Funding	6
Risk management	6
Outlook	7
SNS Retail Bank	8
SNS Property Finance	11
Interim Financial Statements	15
Profile	26
Disclaimer	27

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Key figures

Table 1: Key figures SNS Bank

In € millions	1 st half year 2010	1 st half year 2009	Change	2 nd half year 2009	Change
Result					
SNS Retail Bank	79	64	23%	56	41%
SNS Property Finance	(189)	(91)	(108%)	(128)	(48%)
SNS Bank	(110)	(27)	(307%)	(72)	(53%)
Total income	499	532	(6%)	566	(12%)
Total expenses	618	546	13%	651	(5%)
Result before tax	(119)	(14)	(750%)	(85)	(40%)
Taxation	(9)	12	(175%)	(13)	31%
Net result discontinued operations and minority interests	--	1	--	--	--
Net result for the period	(110)	(27)	(307%)	(72)	(53%)
Balance Sheet					
Total assets	82,484	80,332	3%	80,289	3%
Investments	4,492	3,961	13%	4,517	(1%)
Loans and advances to customers	68,294	67,250	2%	67,479	1%
Group equity	2,258	2,338	(3%)	2,434	(7%)
Savings	26,557	23,408	13%	24,435	9%
Ratios					
Return on shareholders' equity (ROE)	(9.4%)	(2.3%)		(6.0%)	
Efficiency ratio	56.1%	55.1%		58.8%	
Core Tier 1 ratio ¹	8.6%	8.2%		8.3%	
Tier 1 ratio ¹	11.1%	10.6%		10.7%	
BIS ratio ¹	14.5%	13.8%		13.9%	

¹) Figures are calculated based on Basel II, taking into account the 80% floor of Basel I.

Financial analysis SNS Bank

Net result

Results first half of 2010 compared to first half of 2009

Income

Total income amounted to €499 million in the first half of 2010, down €33 million compared to the first half of 2009 (€532 million).

At SNS Retail Bank, total income was slightly lower as sharply higher net interest income did not fully compensate for sharply lower other income due to the absence of substantial buy-back results on own funding paper that had boosted other income in the first half of 2009.

Net interest income at SNS Property Finance showed a marked decline due to a lower loan portfolio, higher funding costs and lower interest-related fee and commission income.

Table 2: Net result SNS Bank

In € millions	1 st half year 2010	1 st half year 2009	2 nd half year 2009
Net interest income	425	314	358
Net fee and commission income	52	52	47
Other income	22	166	161
Total income	499	532	566
Total operating expenses	280	293	333
Impairment charges	270	198	318
Impairment charges goodwill	68	55	--
Total expenses	618	546	651
Result before tax	(119)	(14)	(85)
Taxation	(9)	12	(13)
Minority interests	--	1	--
Net result for the period at SNS Bank	(110)	(27)	(72)
Impact one-off items at SNS Retail Bank	--	--	(40)
Impact one-off items at SNS Property Finance	(68)	(55)	--
Total one-off items	(68)	(55)	(40)
Adjusted net result for the period at SNS Retail Bank	79	64	96
Adjusted net result for the period at SNS Property Finance	(121)	(36)	(128)
Total adjusted net result for the period¹⁾	(42)	28	(32)

¹⁾ Net result excluding impact one-off items

Expenses

Total expenses in the first half of 2010 increased to €618 million, €72 million higher compared to the first half of 2009.

Adjusting the base of comparison for restructuring expenses and SNS Retail Bank's share in the savings guarantee scheme, total adjusted operating expenses decreased by €23 million (-4%), driven by €18 million lower expenses at SNS Retail Bank. At SNS Property Finance, costs related to reducing the international loan portfolio led to €10 million higher expenses.

At SNS Retail Bank, the targeted annual cost savings from the new distribution strategy are €35 million, of which €15 million had been achieved by the end of June 2010. The transformation of all of SNS Retail Bank's branches into modern SNS shops is underway and is expected to be completed in 2011. At the end of June 2010, 22 branches had been transformed into shops.

Total impairment charges of SNS Bank were €85 million higher compared to the first half of 2009, mainly at SNS Property Finance where impairments on loans were markedly higher, partly due to the sale of loans. Also included in total impairment charges was an additional goodwill impairment at SNS Property Finance of €68 million, in anticipation of further regulatory capital requirements and as a result of a continued cautious outlook for international real estate market developments. At SNS Retail Bank, impairments on loans declined slightly.

Result

For the first half of 2010, SNS Bank reported a net loss of €110 million, compared to a net loss of €27 million for the first half of 2009.

SNS Retail Bank's net result increased strongly due to increased net interest income and lower operating expenses that more than offset the impact of sharply lower investment income and a lower result on financial instruments. At SNS Property Finance, the net result was sharply lower due to higher loan and goodwill impairments and lower net interest income.

One-off items in the first half of 2010 amounted to €68 million negative compared to €55 million negative in the first half of 2009. Both amounts reflect the net impact of goodwill impairments at SNS Property Finance,

Adjusted for one-off items, the net result of SNS Bank was €42 million negative, compared to an adjusted net profit of €28 million in the first half of 2009. The decline is wholly attributable to SNS Property Finance; at SNS Retail Bank, the adjusted result showed an improvement.

Results first half of 2010 compared to second half of 2009

For the first half of 2010, SNS Bank reported a net loss of €110 million, compared to a net loss of €72 million for the second half of 2009. A factor behind this decrease was a negative impact of one-off items of €68 million compared to €40 million negative in the second half of 2009. The latter mainly consisted of SNS Bank's share in the savings guarantee scheme related to DSB Bank and restructuring charges. Excluding the impact of one-off items, the total adjusted result amounted to €42 million negative, €10 million below net result in the second half of 2009.

At SNS Retail Bank, the adjusted net result was significantly lower as sharply higher net interest income could not fully compensate for lower other income. However, the quality of earnings improved substantially. At SNS Property Finance, the adjusted net result showed a limited increase due to lower impairments on loans. Net interest income at SNS Property Finance was lower, pressured by higher funding costs and a declining portfolio.

Capital management

Solvency

Table 3: Solvency SNS Bank

In percentages	June 2010	December 2009	June 2009	December 2008	June 2008	December 2007
Core Tier 1 ratio ¹	8.6%	8.3%	8.2%	8.1%	6.7%	8.1%
Tier 1 ratio ¹	11.1%	10.7%	10.6%	10.5%	9.0%	10.5%
BIS ratio ¹	14.5%	13.9%	13.8%	14.0%	12.9%	14.2%

¹) Figures are calculated based on Basel II, taking into account the 80% floor of Basel I.

At the end of June 2010, the Tier 1 ratio of SNS Bank had improved to 11.1% (year-end 2009: 10.7%) and the Core Tier 1 ratio stood at 8.6% (year-end 2009: 8.3%). The improvement was caused by the positive impact of a decline in risk weighted assets, mainly due to the placement of securitisation notes and the decline of commitments at SNS Property Finance. At the end of June 2010, risk weighted assets amounted to € 30.7 billion (Basel I) compared to € 32.4 billion at year-end 2009. The goodwill impairment at SNS Property Finance had no impact on solvency as goodwill is already deducted from solvency capital.

In July 2010, SNS Bank reported on the 2010 EU-wide stress testing exercise coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank and the Dutch Central Bank (DNB). The exercise was conducted using the scenarios, methodology and key assumptions provided by CEBS. The results of this stress test showed a positive outcome. Under the adverse scenario, the estimated Tier 1 ratio would be 10.8% in 2011 compared to 10.7% as of the end of 2009. The additional sovereign risk scenario would have a negative impact of 0.3 percentage points on the estimated Tier 1 ratio, which would bring it to 10.5% at the end of 2011.

This stress test followed a separate stress test coordinated by DNB, performed in April 2010. The outcome of this stress test (whose results have not been published) also confirmed the resilience of SNS Bank, indicating a limited negative impact on solvency from the stress scenario.

At the end of June 2010, the exposure of SNS Bank to Greece and Ireland was limited to 6% of total sovereign exposure and had been reduced compared to year-end 2009 (11%). The aggregate exposure to Spain (2%) and Italy (27%) together represented a higher percentage but the bulk of sovereign exposure is to Germany, France and the Netherlands.

New regulation

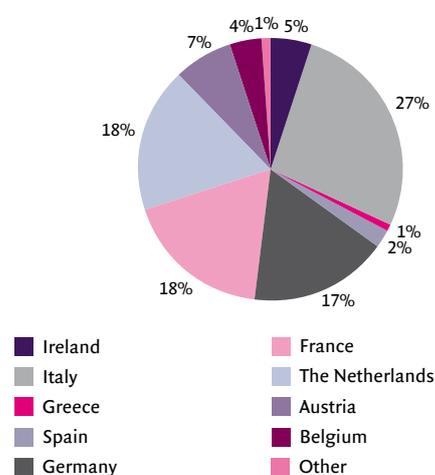
In December 2009, the Basel Committee published consultation documents aimed at strengthening global capital and liquidity regulations. These documents covered areas such as quality of capital base, risk coverage, leverage ratio, countercyclical capital framework and introduction of global minimum liquidity standards.

In the first half year of 2010, SNS Bank participated in the quantitative impact study of the capital and liquidity standards proposed. The areas within the initial package that would have a significant impact on SNS Bank are the introduction of a norm for the leverage ratio and the net stable funding ratio.

Based on the results of the quantitative impact study, the assessments of the economic impact over the transition and the long run economic benefits and costs, the committee announced a broad agreement on the overall design of the capital and liquidity reform package in July 2010.

1 Sovereign exposure fixed income portfolio Banking activities

Total portfolio € 3.7 billion



The recently modified calibration of both the leverage ratio and the net stable funding ratio will positively influence the impact of these areas on SNS Bank, compared to the initial proposals. However, SNS Bank continues to believe that the new standards will lead to higher capital and liquidity requirements. SNS Bank is committed to structurally adapt to these requirements in a controlled manner.

Funding

Table 4: Development liquidity position SNS Bank

In € millions	June 2010	December 2009	June 2009
Cash	3,457	2,554	4.264
Liquid assets	9,324	11,214	10.970
Total liquidity position	12,781	13,768	15.234

In the first half of 2010, SNS Bank was able to successfully attract funding on both wholesale and retail financial markets. In the first quarter, SNS Bank placed a €500 million public senior bond, €1.4 billion of securitisation notes (Hermes XIV) and a public covered bond of €1 billion. In the second quarter, €1.5 billion of Hermes XV notes, with an average maturity of 4.2 years, were placed with investors. In July 2010, SNS Bank placed €600 million of AAA notes (Pearl V) with a group of investors. In all, SNS Bank's funding need for 2010 has largely been secured.

Savings deposits rose by €2.1 billion (+ 8.7%) compared to year-end 2009 due to a steady new inflow of new deposits, as retention rates remained high. Retail funding as a percentage of retail loans increased from 63% at year-end 2009 to 65%.

Total liquidity of SNS Bank declined somewhat from €13.8 billion at year-end 2009 to €12.8 billion.

Risk management

Market risk

In the first half of 2010, the market value of equity was negatively influenced by widening credit spreads on sovereign bonds. In order to reduce the sensitivity to volatility in credit spreads, the exposure of SNS Bank to Southern European countries was reduced during the first half of 2010.

The interest rate driven market risk is managed mainly through the duration of equity. During the first half of 2010, the duration of equity was held between 4 and 6. As at the end of the first half of 2010, it had been reduced to 4.3, well below the level of 6.2 as at year-end 2009. The average Value-at-Risk (VaR, with a 99% confidence level) stood at €390 million during the first half of 2010 versus €406 million during 2009. By the end of June 2010, the VaR stood at €313 million versus €433 million at year-end 2009.

The trading activities of SNS Bank only have a small impact on the VaR. The total limit, in terms of VaR, was €3 million, reflecting the low risk profile of these activities.

The method of measuring Earnings-at-Risk (EaR) was simplified in the first half of 2010. Since March 2010 the Earnings-at-Risk have been measured by calculating the impact of seven predefined scenarios (implying a confidence level of approximately 99%). The scenario with the worst outcome determines the EaR. Reflecting the changed methodology, the limit for the EaR was changed to €56 million after tax. In the first half of 2010 the average EaR was €20 million. By the end of June 2010, the EaR was at €29 million somewhat higher, driven by a decline in short-term interest rates.

Outlook

Although macroeconomic indicators point at a gradual improvement of the Dutch economy, the recovery is still fragile. The current estimate for Dutch GDP growth in 2010 of 1.25% is down from previous estimates and unemployment is up from year-end 2009. Despite a slight improvement in impairment levels of retail mortgages, we expect ongoing pressure in real estate markets. Impairments on retail mortgages are expected to remain stable in the second half of 2010. Impairments on property finance loans are expected to remain at high levels. We also expect financial markets and interest rates to remain volatile.

In anticipation of future regulatory requirements and developments in financial markets, we intend to maintain strong solvency and liquidity levels. The level of operating expenses is expected to be lower in 2010 than in 2009 due to tight cost controls. In order to obtain the best value, the phasing out of our international property finance portfolio will continue gradually over the coming years.

SNS Retail Bank

Table 5: SNS Retail Bank

In € millions	1 st half year 2010	1 st half year 2009	Change	2 nd half year 2009	Change
Result					
Net interest income	303	181	67%	210	44%
Net fee and commission income	52	52	0%	47	11%
Investment income	34	86	(60%)	75	(55%)
Result on financial instruments	(3)	78	(104%)	103	(103%)
Other operating income	1	2	(50%)	(2)	150%
Total income	387	399	(3%)	433	(11%)
Total operating expenses	241	264	(9%)	298	(19%)
Result before impairment charges and tax	146	135	8%	135	8%
Impairment charges to loans and advances	40	43	(7%)	43	(7%)
Other impairment charges	--	2	--	10	--
Result before tax	106	90	18%	82	29%
Taxation	27	25	8%	26	4%
Minority interests	--	1	--	--	--
Net result for the period	79	64	23%	56	41%
One-off items	--	--	--	(40)	--
Adjusted net result for the period	79	64	23%	96	(18%)
Efficiency ratio	62.3%	66.2%		68.8%	
Impairment charges to loans and advances as a % of gross outstanding loans to customers ¹	0.14%	0.16%		0.16%	
Risk-weighted assets Basel I	17,768	18,000	(1%)	18,690	(5%)
Savings	26,557	23,408	13%	24,435	9%
Loans and advances to customers	55,592	53,424	4%	54,283	2%

¹) Half year figures annualised for comparative reasons.

Highlights SNS Retail Bank

- ◉ Strong improvement in net profit to € 79 million
- ◉ Rebound in net interest income (+67%); improvement in quality of income
- ◉ Market share savings continues to trend up
- ◉ Decrease in operating expenses due to implementation of new distribution strategy
- ◉ Marked decline in impairment charges
- ◉ Efficiency ratio improved to 62.3%

Result

Both commercially and financially, SNS Retail Bank had a satisfactory first half year. SNS Retail Bank's net result for the first half of 2010 was € 79 million, up by € 15 million compared to the first half of 2009 (+ 23%). The result before impairment charges and taxes increased due to lower operating expenses and impairment charges decreased markedly.

2009 was strongly impacted by market dislocations and illiquid financial markets. In the first half of 2010 net interest income rebounded sharply and compensated to a large extent for the absence of the exceptionally high level of gains on investments and financial instruments in 2009, thereby improving the quality of income.

Operating expenses declined to € 241 million, mostly due to the implementation of the new distribution strategy. As a result the efficiency ratio improved to 62.3%. Impairment charges on loans declined as defaults flattened out.

Compared to the second half of 2009, net profit also increased considerably but adjusted for provisions taken in the second half related to redundancy expenses and to DSB Bank, the net result decreased due to lower gains in investment income and a lower result on financial instruments.

Income

Total income decreased to € 387 million (– 3%) compared to the first half of 2009, as sharply higher net interest income could not fully compensate for sharply lower investment income and a lower result on financial instruments. In 2009, realised gains on fixed income investments and buy-back results on own funding paper, included in investment income and result on financial instruments had been exceptionally high. In the first half of 2010 these gains were very limited.

Total net interest income was up sharply to € 303 million as net interest income on mortgages and savings increased. Other interest income improved as well.

Interest income on savings was up compared to the first and second halves of 2009. In the first half of 2010 the last remaining 12-month term deposits offered in 2009 with high interest rates matured. Due to a high retention rate and a steady new inflow, the savings portfolio grew by € 2.1 billion (+9%) compared to year-end 2009, including bank saving products, which grew from € 254 million at year-end 2009 to € 422 million (+66%). The increase was particularly noticeable at ASN Bank, supported by a good performance at SNS Bank. SNS Retail Bank's market share of the total Dutch savings market improved from 8.7% at year-end 2009 to 9.0% at the end of May 2010.

Compared to both the first and second halves of 2009, interest income on mortgages increased. Over the first half of 2010, SNS Retail Bank's market share in new mortgages was 6.4%, below the level for 2009 as a whole (7.9%) but higher than the first half of 2009 (6.1%). The mortgage portfolio grew modestly, supported by the continued success of the floating rate mortgage and the Plafondrente Hypotheek ('capped rate mortgage'). The Plafondrente Hypotheek meets the customers' demand for mortgages that offer a high degree of security in a volatile interest rate environment. Around 14% of SNS Retail Bank's mortgage portfolio was covered by the Nederlandse Hypotheek Garantie-scheme (NHG, National Mortgages Guarantee Scheme). In the first 6 months of 2010 the share of NHG-mortgages in the total of new mortgages further increased to 45%.

Net fee and commission income was stable, as slightly higher commission income, due to higher stock markets, counter-balanced lower fees for payments and insurance products.

Total investment income was lower due to lower realised gains on the fixed income portfolio and lower trading results on fixed income investments.

Results on financial instruments was sharply down by € 81 million, mainly due to lower buy-back results on own funding paper. Furthermore, in the first half of 2009, volatile and decreased short-term interest rates had resulted in gains related to value movements in derivatives held for hedging purposes.

Expenses

Operating expenses decreased by € 23 million to € 241 million, due the positive effects of the implementation of the new distribution strategy. The internal FTE headcount declined modestly and external FTE headcount decreased markedly, resulting in lower staff costs. Moreover, operating expenses declined as a result of the absence of the additional expense relating to SNS Retail Bank's share in the Icesave claim of € 5 million. Due to lower operating expenses, the efficiency ratio improved by 3.9%-points compared to the first half of 2009 to 62.3%.

In the second half of 2009, operating expenses were impacted by a € 38 million one-off provision for the savings guarantee scheme related to DSB and a € 10 million one-off charge for redundancy costs. Adjusted for restructuring expenses and SNS Retail Bank's share in the savings guarantee scheme, total operating expenses decreased by € 9 million (– 4%) compared to the second half of 2009, also mainly as a result of the implementation of the new distribution strategy.

The impairment charges to loans and advances decreased by € 3 million, reflecting a modest improvement in the economic environment.

Credit risk

The risk profile of SNS Retail Bank's mortgage portfolio slightly improved in the first half of this year. This was primarily due to a strong growth of the bank's NHG Scheme portfolio. The growth of SNS Retail Bank's mortgage portfolio was supported by the decision of Stichting Waarborgfonds Eigen Woningen to raise the cap on mortgages which are eligible under the NHG scheme, to € 350,000. The weighted average indexed Loan to Value (LtV) was stable at 77% over the past quarters. In the first half of 2010, house prices rose slightly (+ 0.1%) in the Netherlands. In the regions where SNS Retail Bank traditionally has a strong client base, house price increases were above the national average.

Impairment charges to loans and advances as a percentage of outstanding gross loans in the first half of 2010 was 14 basis points, a decline of 2 basis points compared to the first half of 2009, also indicating the cautious recovery in the economic environment. The non performing loans ratio increased from 1.08% at the end of 2009 to 1.22% at the end of the first half of 2010.

Update distribution strategy

SNS Bank is in the final stages of implementing its new distribution strategy, an important element of which is the creation of a nationwide network of SNS bank shops. A significant number of shops is already operational, including some franchised to independent operators. The goal is to cover 300 market regions in the next few years. Apart from the establishment of the national network of bank shops a great deal of effort has been put into the improvement of location-independent advice. This means that customers now have the option of talking to an advisor at home, in the shop or at any other location, at any desired time, including week-ends or evenings.

Legal proceedings

In April 2010 a foundation acting for a group of execution-only clients initiated legal proceedings against SNS Bank for alleged losses suffered on investments in certain foreign investment funds (including Madoff-feeder funds). As reported in the 2009 annual report, with respect to the allegations, where appropriate, clients will be compensated in a suitable manner for which provisions have been taken. In separate summary proceedings initiated by two of the foundation's clients relating to the same services, the court has decided in favour of SNS Bank and rejected their claims.

In July 2010, two Madoff-feeder funds have initiated legal proceedings in New York against, amongst others, SNS Bank and its clients as former beneficial owners of investments in these funds. They claim repayment of payments made by the funds for redemptions of investments by these beneficial owners. Both cases are at an early stage and SNS Bank will defend itself vigorously against these claims. SNS Bank is at the moment unable to reliably estimate the liability, if any, that might arise as a result of these claims.

SNS Property Finance

Table 6: SNS Property Finance

In € millions	1 st half year 2010	1 st half year 2009	Change	2 nd half year 2009	Change
Result					
Net interest income	122	133	(8%)	148	(18%)
Investment income	(1)	1	(200%)	(1)	0%
Result on financial instruments	(3)	--	--	(12)	75%
Other operating income	(6)	(1)	(500%)	(2)	(200%)
Total income	112	133	(16%)	133	(16%)
Total operating expenses	39	29	34%	35	11%
Result before impairment charges and tax	73	104	(30%)	98	(26%)
Impairment charges	230	153	50%	265	(13%)
Impairment charges goodwill	68	55	24%	--	--
Result before tax	(225)	(104)	(116%)	(167)	(35%)
Taxation	(36)	(13)	(177%)	(39)	8%
Net result for the period	(189)	(91)	(108%)	(128)	(48%)
One-off items	(68)	(55)	(24%)	--	--
Adjusted net result for the period	(121)	(36)	(236%)	(128)	5%
Efficiency ratio	34.8%	21.8%		26.3%	
Impairment charges as a % of gross outstandings to customers ¹	3.27%	2.11%		3.77%	
Risk-weighted assets Basel I (100%)	12,907	13,386	(4%)	13,666	(6%)
Loans and advances	12,714	13,826	(8%)	13,196	(4%)
Property projects	587	404	45%	599	(2%)

¹⁾ Half year figures annualised for comparative reasons

Highlights SNS Property Finance

- ◉ Net loss of €189 million due to impairments on goodwill and (international) loans
- ◉ Before goodwill impairment, net profit of €30 million in the Netherlands; net loss of €151 million in international property finance
- ◉ Operating expenses higher due to higher advisory and restructuring costs
- ◉ Good progress in phasing out international loan portfolio SNS Property Finance; total commitments down by €0.8 billion to €13.8 billion

Result

SNS Property Finance posted a loss of €189 million compared to a net loss of €91 million in the first half of 2009. This was mainly driven by higher loan and goodwill impairments and lower net interest income. In the first half of 2010, an additional goodwill impairment was necessitated in view of a more cautious outlook for international real estate markets and in anticipation of further capital requirements.

The net loss, excluding goodwill impairment, for the first half of 2010 was entirely attributable to the international operations, where a net loss of €151 million was recorded. In contrast, the Dutch portfolio posted a net profit of €30 million.

In comparison with the second half of 2009, the net result in the first half of 2010 was down by €61 million due to the additional goodwill impairment and the lower net interest income, partly offset by lower impairment charges of net €26 million.

Table 7: Overview Dutch and International activities

In € millions	1 st half year 2010	1 st half year 2009	2 nd half year 2009
Overview Dutch Portfolio			
Total income	89	86	93
Operating expenses	18	20	18
Impairments charges	30	15	7
Adjusted net result for the period	30	42	50
Overview International Portfolio			
Total income	23	48	39
Operating expenses	21	10	19
Impairments charges	200	138	258
Adjusted net result for the period	(151)	(78)	(178)

Income

Total net interest income declined by 8% compared to the first half of 2009, due to higher funding costs and a lower loan portfolio, which also led to lower interest related fee and commission income. This was partly compensated by repricing. The negative result on financial instruments was due to the sale of non-provisioned loans at a discount. Other operating income was lower due to lower results on participations.

In comparison with the second half of 2009, total income declined by € 21 million, pressured mainly by higher funding costs and a declining international loan portfolio.

Expenses

Total operating expenses increased by € 10 million to € 39 million, due to higher advisory and restructuring costs in relation to the international activities. Adjusted for expenses related to reducing the international loan portfolio of SNS Property Finance, operating expenses declined with 3.4% due to continued tight cost controls. In total, the efficiency ratio increased to 34.8%.

Impairment charges were mainly related to international projects in the USA and to a lesser extent to a number of loans in other countries. Impairments on loans in the Dutch portfolio, although higher than in previous periods, were limited. Compared to the first half of 2009, impairment charges on international loans were markedly higher, including those related to the sale of provisioned loans. However, compared to the second half of 2009, impairment charges on international loans decreased.

Impairment charges as a percentage of total gross outstandings (including property projects) increased from 211 basis points in the first half of 2009 to 327 basis points in the first half of 2010, both on an annualized basis. Compared to the second half of 2009 (377 basis points), impairment charges as a percentage of total gross outstandings were lower.

Portfolio development

In 2009, SNS Property Finance decided to refocus on the Dutch market, and to reduce the international activities in a controlled and gradual manner over the coming years. In the first six months of 2010 good progress was made in actively reducing the international portfolio.

In the first half of 2010, total outstanding loans, net of provisions, declined with 3.7% to € 12.7 billion. Compared to the end of June 2009, when the strategic refocus was announced, the decrease amounts to 8.0%. The total international outstanding loans declined with 10.0% and 17.4% compared to year-end 2009 and the end of June 2009 respectively.

Next to repayments of loans, the (international) portfolio was reduced through the sale of a number of loans. However, in the first half of 2010 the decline was partly offset by changing exchange rates, most notably the appreciating US dollar (+ € 0.2 billion).

The total outstanding loan portfolio as at 30 June 2010 consisted of € 7.5 billion of investment finance (- 2.6% in the first half of 2010) and € 5.2 billion of project finance (- 5.4% in the first half of 2010).

Total loan commitments declined from € 14.6 billion at year-end 2009 to € 13.8 billion. The decline in commitments was higher than the decline in loans outstanding due to draw-downs on existing commitments.

Table 8: Overview portfolio SNS Property Finance

In € millions	June 2010	December 2009	June 2009
Total portfolio			
Commitments	13,817	14,567	15,950
Undrawn commitments	694	1,133	1,888
Outstanding loan portfolio (gross)	13,123	13,434	14,062
Loan provision	409	238	236
Outstanding loan portfolio	12,714	13,196	13,826
Property projects	587	599	404
Total exposure	13,301	13,795	14,230
Non-performing loans	1,534	1,598	1,443
Non-performing loans as % of loans outstanding	11.7%	11.9%	10.3%
Coverage ratio	26.7%	14.9%	16.4%
Average loan-to-value (LtV)	79.8%	76.9%	75.4%
Dutch portfolio			
Commitments	9,934	10,202	10,699
Undrawn commitments	375	543	752
Outstanding loan portfolio (gross)	9,559	9,659	9,947
Loan provision	82	58	41
Outstanding loan portfolio	9,477	9,601	9,906
Property projects	6	13	9
Total exposure	9,483	9,614	9,915
Non-performing loans	658	623	175
Non-performing loans as % of loans outstanding	6.9%	6.4%	1.8%
Coverage ratio	12.5%	9.3%	23.4%
Average loan-to-value (LtV)	74.9%	72.9%	72.2%
International portfolio			
Commitments	3,883	4,365	5,251
Undrawn commitments	319	590	1,136
Outstanding loan portfolio (gross)	3,564	3,775	4,115
Loan provision	327	180	195
Outstanding loan portfolio	3,237	3,595	3,920
Property projects	581	586	395
Total exposure	3,818	4,181	4,315
Non-performing loans	876	975	1,268
Non-performing as % of loans outstanding	24.6%	25.8%	30.8%
Coverage ratio	37.3%	18.5%	15.4%
Average loan-to-value (LtV)	93.4%	86.4%	82.4%

The composition and value of the property projects portfolio remained virtually stable during the first half year. Almost all property projects relate to the international loan portfolio. SNS Property Finance did not take control of any new projects in the first half of 2010 and two small projects were sold.

In the first half of 2010 the international portfolio (loans outstanding and property projects combined) declined by €363 million to €3,818 million. Next to repayments of loans, the international exposure was reduced through the sale of a number of loans, most notably in the USA. This was partly compensated by an increase in foreign exchange rates, mainly US dollar. While the outstanding portfolio in the USA in Euros declined modestly (–1%), the portfolio in US dollar declined by 15%. The outstanding portfolio in Europe (excluding the Netherlands) declined by 14%.

Credit risk

Real estate values remain under pressure, reflecting the current difficult market circumstances and increased risks especially in the international real estate markets where SNS Property Finance is active. The unfavourable environment and outlook translates into lower rental income for real estate investors and challenging conditions for project developers to sell projects. These trends, increased risk and uncertainty, are reflected in high impairments on loans and a higher percentage of non-performing loans, especially in the international portfolio of SNS Property Finance. Impairments in the Dutch loan portfolio, although increasing, were at a relatively low level, driven by the investment finance dominated nature of the portfolio coupled with Dutch property markets being relatively resilient.

Impairments reflect the changes in the expected cash flow profile of the underlying assets. Expected cash flows are driven by projections of rental income, price per square metre, construction costs, interest costs and exit values as reflected in reports provided by professional appraisers. Market circumstances have led to a reduction of recent and comparable transactions, with recent transactions sometimes reflecting sellers in financial difficulties. Accordingly, although recent valuations reflect careful interpretations of comparable transactions, valuation ranges have become significantly wider.

Non-performing loans as a percentage of loans outstanding increased from 10.3% at June 2009 to 11.7% at June 2010. Compared to year-end 2009 (11.9%) there was a fractional decline. During the first half year of 2010 many re-appraisals were conducted, which on average resulted in lower collateral values and hence a higher LtV. The average loan-to-value (LtV) of the total portfolio increased from 75.4% at June 2009 to 79.8% at June 2010 (year-end 2009: 76.9%).

Interim Financial Statements

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 semi-annual report for the first half year of 2010 give a true and fair view of the assets, liabilities, composition of equity, financial position as per 30 June 2010 and financial result of SNS Bank NV and the undertakings included in the consolidation as a whole.

The semi-annual 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).

The Management Board

Rien Hinssen, Chief Executive Officer

Ference Lamp, Chief Financial Officer

Henk Kroeze, member of the board and Chief Executive Officer SNS Retail Bank

Dick Okhuijsen, member of the board

General Information

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 2009 are available on request from the registered office of the company at the address Croeselaan 1, P.O. Box 8444, 3503 RK Utrecht, or via www.snsreaal.nl.

These condensed consolidated interim financial statements were approved by the Supervisory Board on 24 August 2010. The condensed consolidated interim financial statements have not been audited and neither has a review been performed on these condensed consolidated interim financial statements.

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 subsidiaries, associated companies, joint ventures, managers in key positions and their close family members.

Transactions with related parties are conducted at arm's length. In this reporting period, no significant related party transactions occurred, other than in the normal course of business.

Basis of preparation

Statement of IFRS compliance

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

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 SNS Bank NV's financial statements for the year

ended 31 December 2009, except for the impact of the adoption of the IFRS Standards and Interpretations described below. The changes in presentation as set out in the accounting principles are applied to the comparative figures in these condensed consolidated interim financial statements.

Changes in published Standards and Interpretations effective in 2010

New or amended standards become effective on the date specified by IFRS, but may allow early adoption. In 2010, the following standards and interpretations issued by respectively the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (Interpretations Committee, formerly called IFRIC) became mandatory, and are adopted by the EU. Unless stated otherwise, the changes will have no material effect on the condensed consolidated interim financial statements of SNS REAAL.

- ⊙ Revision of IFRS 1 First-time adoption of International Financial Reporting Standards
- ⊙ Amendment to IFRS 2 Share-based payment
- ⊙ Amendment to IFRS 3 Business combinations and IAS 27 Consolidated and separate financial statements
- ⊙ Improvements to IFRSs' 2008: IFRS 5 Non-current assets held for sale and discontinued operations – 'classification non-current assets held for sale'
- ⊙ Amendment to IAS 39 Financial instruments: recognition and measurement – 'eligible hedged items'
- ⊙ Amendment to IAS 39 Financial instruments: recognition and measurement and IFRIC 9 Reassessment of embedded derivatives
- ⊙ Amendment to IFRIC 16 Hedges of a net investment in a foreign currency
- ⊙ Amendment to IFRIC 17 Distribution of non-cash assets to owners
- ⊙ Improvements to IFRSs' 2009

Table 9: Consolidated balance sheet

Before result appropriation and in € millions	June 2010	December 2009
Assets		
Cash and cash equivalents	3,457	2,554
Loans and advances to banks	2,160	2,715
Loans and advances to customers	68,294	67,479
Derivatives	2,196	1,169
Investments	4,492	4,517
Investment properties	1	1
Property projects	587	599
Investments in associates	26	33
Property and equipment	108	114
Intangible assets	172	243
Deferred tax assets	307	297
Corporate income tax	3	2
Other assets	681	566
Total assets	82,484	80,289
Equity and liabilities		
Savings	26,557	24,435
Other amounts due to customers	9,942	9,835
Amounts due to banks	6,154	7,119
Debt certificates	31,001	30,739
Derivatives	3,343	2,247
Deferred tax liabilities	362	320
Corporate income tax	31	90
Other liabilities	1,181	1,458
Other provisions	40	53
Participation certificates and subordinated debt	1,615	1,559
Share capital	381	381
Other reserves	1,727	1,883
Retained earnings	(110)	(99)
Shareholders' equity	1,998	2,165
Equity attributable to securityholders	260	260
Minority interests	--	9
Total equity	2,258	2,434
Total equity and liabilities	82,484	80,289

Table 10: Consolidated income statement

In € millions	1 st half year 2010	1 st half year 2009
Income		
Interest income	1,229	1,508
Interest expense	804	1,194
Net interest income	425	314
Fee and commission income	72	69
Fee and commission expense	20	17
Net fee and commission income	52	52
Share in the result of associates	(7)	(1)
Investment income	33	142
Result on financial instruments	(6)	23
Other operating income	2	2
Total income	499	532
Expenses		
Impairment charges	338	253
Staff costs	127	169
Depreciation and amortisation of fixed assets	18	16
Other operating expenses	135	108
Total expenses	618	546
Result before tax	(119)	(14)
Taxation	(9)	12
Net result continued operations	(110)	(26)
Net result discontinued operations	--	--
Net result for the period	(110)	(26)
Attribution:		
Net result attributable to shareholders	(110)	(21)
Net result attributable to securityholders	--	(6)
Net result attributable to shareholders and securityholders	(110)	(27)
Net result attributable to minority interests	--	1
Net result for the period	(110)	(26)
Earnings per share (in €)	(131.70)	(25.20)
Diluted earnings per share (in €)	(131.70)	(25.20)
Net result security 'State-like' (in €)	--	--
Net result 'Trust-like' (in €)	--	(5.57)
Weighted average number of outstanding shares	840,008	840,008

Table 11: Consolidated statement of comprehensive income

In € millions	1 st half year 2010	1 st half year 2009
Net result for the period	(110)	(26)
Change in revaluation reserve	--	--
Change in cash flow hedge reserve	31	(18)
Change in fair value reserve	(88)	(63)
Change in share of other comprehensive income of associates (equity method)	--	--
Change in other reserves	--	--
Other comprehensive income (after tax)	(57)	(81)
Total comprehensive income	(167)	(107)
Attribution:		
Total comprehensive income	(167)	(107)
Total comprehensive income to minority interests	--	1
Total comprehensive income attributable to shareholders and securityholders	(167)	(108)

Table 12: Consolidated statement of changes in total equity SNS Bank

In € millions	Issued share capital ordinary shares	Share premium reserve ordinary shares	Revaluation reserve	Cash flow hedge reserve	Fair value reserve	Other reserves	Retained earnings	Equity attributable to shareholders	Securities capital	Minority interests	Total Equity
Balance as at 1 January 2009	381	688	3	1	56	943	62	2,134	260	10	2,404
Transfer of net result 2008	--	--	--	--	--	144	(144)	--	--	--	--
Transfer of securities issued and dividend paid 2008	--	--	--	--	--	(82)	82	--	--	--	--
	--	--	--	--	--	62	(62)	--	--	--	--
Unrealised revaluations	--	--	--	(18)	(33)	--	--	(51)	--	--	(51)
Realised revaluations through income statement	--	--	--	--	(30)	--	--	(30)	--	--	(30)
Other changes	--	--	--	--	--	--	--	--	--	41	41
Amounts charged directly to total equity	--	--	--	(18)	(63)	--	--	(81)	--	41	(40)
Net result first half year 2009	--	--	--	--	--	--	(27)	(27)	--	1	(26)
Total result first half year 2009	--	--	--	(18)	(63)	--	(27)	(108)	--	42	(66)
Transactions with shareholders and securityholders	--	--	--	--	--	--	--	--	--	--	--
Total changes in equity first half year 2009	--	--	--	(18)	(63)	62	(89)	(108)	--	42	(66)
Balance as at 30 June 2009	381	688	3	(17)	(7)	1,005	(27)	2,026	260	52	2,338

In € millions	Issued share capital ordinary shares	Share premium reserve ordinary shares	Revaluation reserve	Cash flow hedge reserve	Fair value reserve	Other reserves	Retained earnings	Equity attributable to shareholders	Securities capital	Minority interests	Total Equity
Balance as at 1 July 2009	381	688	3	(17)	(7)	1,005	(27)	2,026	260	52	2,338
Unrealised revaluations	--	--	--	42	56	--	--	98	--	--	98
Realised revaluations through income statement	--	--	--	--	(37)	--	--	(37)	--	--	(37)
Other changes	--	--	--	--	--	--	--	--	--	(42)	(42)
Amounts charged directly to total equity	--	--	--	42	19	--	--	61	--	(42)	19
Net result second half year 2009	--	--	--	--	--	--	(72)	(72)	--	(1)	(73)
Total result second half year 2009	--	--	--	42	19	--	(72)	(11)	--	(43)	(54)
Share premium paid	--	150	--	--	--	--	--	150	--	--	150
Transactions with shareholders and securityholders	--	150	--	--	--	--	--	150	--	--	150
Total changes in equity second half year 2009	--	150	--	42	19	--	(72)	139	--	(43)	96
Balance as at 31 December 2009	381	838	3	25	12	1,005	(99)	2,165	260	9	2,434

In € millions	Issued share capital ordinary shares	Share premium reserve ordinary shares	Revaluation reserve	Cash flow hedge reserve	Fair value reserve	Other reserves	Retained earnings	Equity attributable to shareholders	Securities capital	Minority interests	Total Equity
Balance as at 1 January 2010	381	838	3	25	12	1,005	(99)	2,165	260	9	2,434
Transfer of net result 2009	--	--	--	--	--	(99)	99	--	--	--	--
	--	--	--	--	--	(99)	99	--	--	--	--
Unrealised revaluations	--	--	--	29	(79)	--	--	(50)	--	--	(50)
Realised revaluations through income statement	--	--	--	2	(9)	--	--	(7)	--	--	(7)
Other changes	--	--	--	--	--	--	--	--	--	(9)	(9)
Amounts charged directly to total equity	--	--	--	31	(88)	--	--	(57)	--	(9)	(66)
Net result first half year 2010	--	--	--	--	--	--	(110)	(110)	--	--	(110)
Total result first half year 2010	--	--	--	31	(88)	--	(110)	(167)	--	(9)	(176)
Transactions with shareholders and securityholders	--	--	--	--	--	--	--	--	--	--	--
Total changes in equity first half year 2010	--	--	--	31	(88)	(99)	(11)	(167)	--	(9)	(176)
Balance as at 30 June 2010	381	838	3	56	(76)	906	(110)	1,998	260	--	2,258

Table 13: Consolidated cash flow statement

In € millions	1 st half year 2010	1 st half year 2009
Cash and cash equivalents as at 1 January	2,554	1,692
Net cash flow from operating activities	884	(1,304)
Net cash flow from investment activities	218	56
Net cash flow from financing activities	(199)	2,945
Cash and cash equivalents as at 30 June	3,457	3,389

Table 14: Balance sheet Banking activities by segment

In € millions	SNS Retail Bank	SNS Property Finance	Elimina- tions	Total
June 2010				
Assets				
Cash and cash equivalents	3,411	46	--	3,457
Loans and advances to banks	15,555	749	(14,144)	2,160
Loans and advances to customers ¹	55,592	12,702	--	68,294
Derivatives	2,196	--	--	2,196
Investments	4,492	--	--	4,492
Investment properties	1	--	--	1
Property projects	--	587	--	587
Investments in associates	--	26	--	26
Property and equipment	107	1	--	108
Intangible assets	123	49	--	172
Deferred tax assets	294	13	--	307
Corporate income tax	--	41	(38)	3
Other assets	621	126	(66)	681
Total assets	82,392	14,340	(14,248)	84,484
Equity and liabilities				
Savings	26,557	--	--	26,557
Other amounts due to customers	9,784	158	--	9,942
Amounts due to banks	6,808	13,490	(14,144)	6,154
Debt certificates	31,001	--	--	31,001
Derivatives	3,343	--	--	3,343
Deferred tax liabilities	349	13	--	362
Corporate income tax	69	--	(38)	31
Other liabilities	1,116	131	(66)	1,181
Other provisions	40	--	--	40
Participation certificates and subordinated debt	1,615	--	--	1,615
Equity attributable to shareholders	1,450	548	--	1,998
Equity attributable to securityholders	260	--	--	260
Minority interests	--	--	--	--
Total equity	1,710	548	--	2,258
Total equity and liabilities	82,392	14,340	(14,248)	84,484

¹⁾ The loan portfolio of SNS PF mentioned in the main text, differs from this figure due to classification of a loan under 'loans and advances to banks'.

Table 15: Balance sheet Banking activities by segment

In € millions	SNS Retail Bank	SNS Property Finance	Elimina- tions	Total
December 2009				
Assets				
Cash and cash equivalents	2,534	20	--	2,554
Loans and advances to banks	16,505	777	(14,567)	2,715
Loans and advances to customers	54,283	13,196	--	67,479
Derivatives	1,169	--	--	1,169
Investments	4,517	--	--	4,517
Investment properties	1	--	--	1
Property projects	--	599	--	599
Investments in associates	--	33	--	33
Property and equipment	112	2	--	114
Intangible assets	126	117	--	243
Deferred tax assets	281	16	--	297
Corporate income tax	2	--	--	2
Other assets	438	202	(74)	566
Total assets	79,968	14,962	(14,641)	80,289
Equity and liabilities				
Savings	24,435	--	--	24,435
Other amounts due to customers	9,654	181	--	9,835
Amounts due to banks	7,816	13,870	(14,567)	7,119
Debt certificates	30,739	--	--	30,739
Derivatives	2,247	--	--	2,247
Deferred tax liabilities	307	13	--	320
Corporate income tax	90	--	--	90
Other liabilities	1,371	161	(74)	1,458
Other provisions	53	--	--	53
Participation certificates and subordinated debt	1,559	--	--	1,559
Equity attributable to shareholders	1,428	737	--	2,165
Equity attributable to securityholders	260	--	--	260
Minority interests	9	--	--	9
Total equity	1,697	737	--	2,434
Total equity and liabilities	79,968	14,962	(14,641)	80,289

Table 16: Income statement Banking activities by segment

In € millions	SNS Retail Bank	SNS Property Finance	Elimina- tions	Total
First half year 2010				
Income				
Interest income	1,121	239	(131)	1,229
Interest expense	818	117	(131)	804
Net interest income	303	122	--	425
Fee and commission income	72	--	--	72
Fee and commission expense	20	--	--	20
Net fee and commission income	52	--	--	52
Share in result of associates	--	(7)	--	(7)
Investment income	34	(1)	--	33
Result on financial instruments	(3)	(3)	--	(6)
Other operating income	1	1	--	2
Total income	387	112	--	499
Expenses				
Impairment charges / (reversals)	40	298	--	338
Staff costs	110	17	--	127
Depreciation and amortisation of fixed assets	17	1	--	18
Other operating expenses	114	21	--	135
Total expenses	281	337	--	618
Result before tax	106	(225)	--	(119)
Taxation	27	(36)	--	(9)
Net result continued operations	79	(189)	--	(110)
Net result discontinued operations	--	--	--	--
Net result for the period	79	(189)	--	(110)
Minority interests	--	--	--	--
Net result attributable to shareholders and securityholders	79	(189)	--	(110)

Table 17: Income statement Banking activities by segment

In € millions	SNS Retail Bank	SNS Property Finance	Elimina- tions	Total
First half year 2009				
Income				
Interest income	1,375	301	(168)	1,508
Interest expense	1,194	168	(168)	1,194
Net interest income	181	133	--	314
Fee and commission income	69	--	--	69
Fee and commission expense	17	--	--	17
Net fee and commission income	52	--	--	52
Share in result of associates	--	(1)	--	(1)
Investment income	141	1	--	142
Result on financial instruments	23	--	--	23
Other operating income	2	--	--	2
Total income	399	133	--	532
Expenses				
Impairment charges/ (reversals)	45	208	--	253
Staff costs	149	20	--	169
Depreciation and amortisation of fixed assets	15	1	--	16
Other operating expenses	100	8	--	108
Total expenses	309	237	--	546
Result before tax	90	(104)	--	(14)
Taxation	25	(13)	--	12
Net result continued operations	65	(91)	--	(26)
Net result discontinued operations	--	--	--	--
Net result for the period	65	(91)	--	(26)
Minority interests	1	--	--	1
Net result attributable to shareholders and securityholders	64	(91)	--	(27)

Profile

SNS Bank has a balance sheet total of € 82.5 billion and is part of SNS REAAL, a listed company. For more information, please visit: www.snsbank.nl

SNS Bank

SNS Bank is an accessible, personal and innovative bank with 200 years' experience. The bank offers a complete range of products in the areas of saving, residential and commercial mortgages, payments, investments, loans and insurance. SNS Bank's goal is to build a leading position in the areas of savings and mortgages. A Dutch bank since 1817, SNS Bank is close to its customers, knows their wishes and offers them accessible and transparent products. SNS Bank ranks among the largest banks in the Netherlands.

SNS Regio Bank

SNS Regio Bank is SNS REAAL's intermediary bank and it operates a franchise network. SNS Regio Bank offers its customers a complete package of banking products through a national network of 800 intermediaries. These intermediaries can guarantee a professional and personal service. SNS Regio Bank is the best choice for families who need personal financial advice from a permanent advisor with a human approach.

ASN Bank

ASN Bank has dedicated itself to promoting a sustainable society for almost 50 years now. This is the guiding principle in ASN Bank's economic transactions. It invests money in projects and companies that take people, animals and the environment into account. The 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.

BLG Hypotheken

BLG Hypotheken specialises in selling mortgages through intermediaries, who can offer tailor-made solutions, due to the variety of products on offer and BLG Hypotheken's many combination options.

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.

SNS Assurantiën

SNS Assurantiën is an independent assurance advice office that offers assurance solutions to businesses, entrepreneurs and employees. In addition, it provides a full insurance package for private individuals. SNS Assurantiën's independence is expressed by its membership of the NVA (the Netherlands Insurance Brokers Association). With four regional offices and eighty employees, SNS Assurantiën has a nationwide reach.

SNS Securities

SNS Securities is an insurance and investment company that serves national and international professional investors. SNS Securities operates in the fields of corporate finance (including the stock market and takeover financing) asset management and securities.

SNS Property Finance

SNS Property Finance ranks among the top three property financiers in the Netherlands. Over the past decade it has developed an international portfolio as well; its future strategy however is focused entirely on The Netherlands. The company combines financing and property expertise. Its strength lies in professional risk analysis, predominantly through its knowledge of the property markets. SNS Property Finance is the property finance partner for project and investment opportunities in the Netherlands.

Disclaimer

Reservation concerning forward looking statements

This semi-annual report contains forward looking statements concerning future events. Those forward looking statements are based on the current information and assumptions of SNS Bank'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'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 and other business developments or, more generally, the economic climate and changes in the law and taxation. SNS Bank 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 semi-annual 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.