



**SNS REAAL**

# **SNS REAAL**

## **Investor Day 2011**

Utrecht, 17 November 2011



# Agenda

Topic	Speaker	Time
1. Update on Strategy	Ronald Latenstein	09:00
2. Property Finance Run-off, Capital Management	Ference Lamp	09:40
3. Q&A		10:20
<i>Coffee / Tea Break</i>		<i>10:40</i>
4. Realising our Ambitions	Ronald Latenstein	11:00
5. Winning, Helping and Retaining Clients	Dick Okhuijsen	11:15
6. Reducing the Cost Base	Wim Henk Steenpoorte	11:55
7. Summary	Ronald Latenstein	12:35
8. Q&A		12:45
<i>Lunch</i>		<i>13:00 – 14.00</i>

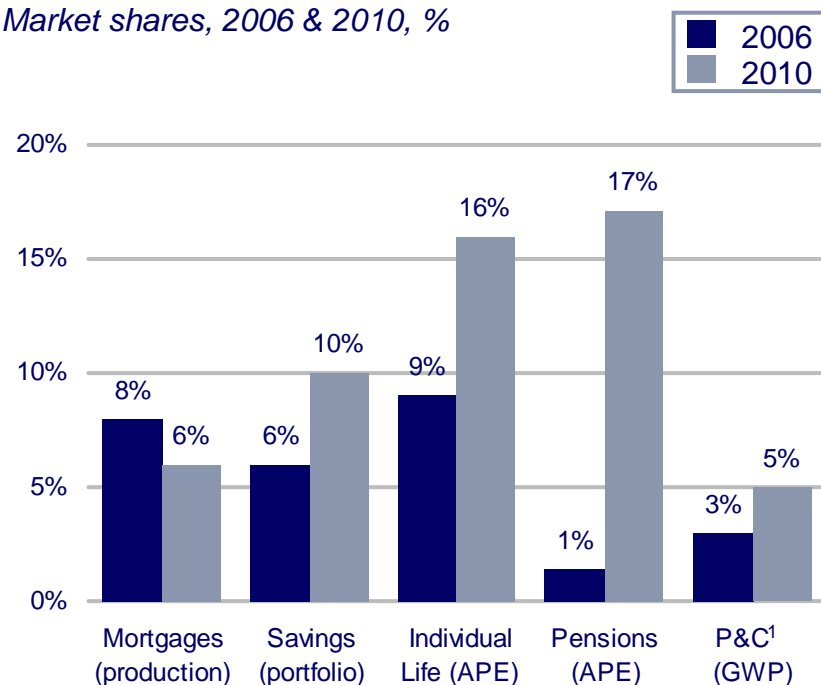
# 1. Update on Strategy

# 1A. Business Overview

# SNS REAAL: Major Player in the Dutch Financial Sector with a Distinctive Market Approach

## SNS REAAL Has Shown Solid Growth ...

Market shares, 2006 & 2010, %



## ... Has a Clear Focus ...

- **Geography:** Netherlands
- **Clients:** Retail and SME
- **Products:** mortgages, savings & investments and insurance & pensions

## ... Supported by a Multi-brand Strategy

**SNS**  **Bank**

*'Accessible & best buy'*

**RegioBank** 

*'Local bank'*

**ASN BANK**  
VOOR DE WERELD VAN MORGEN

*'Sustainability'*

**REAAL** 

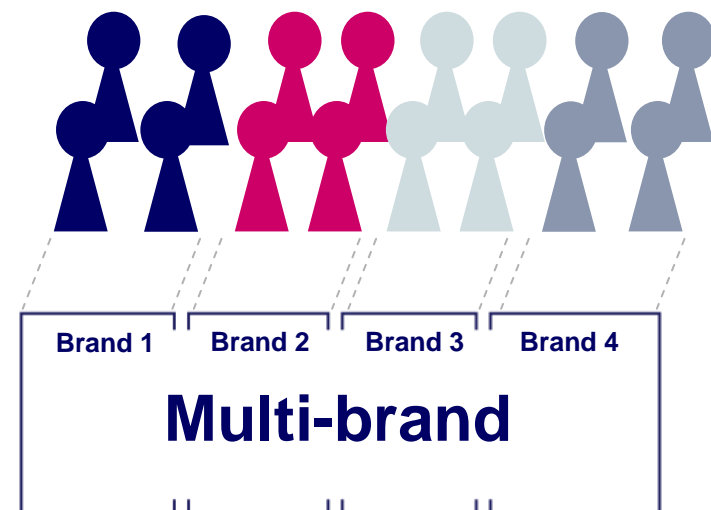
*'Reliable partner'*

**ZwitserLeven** 

*'Pension specialist'*

**Strong market positions across focused product range**

# SNS REAAL: Multi-brand Strategy



# Multi-Brand Strategy Facilitated by Single IT Platform Architecture

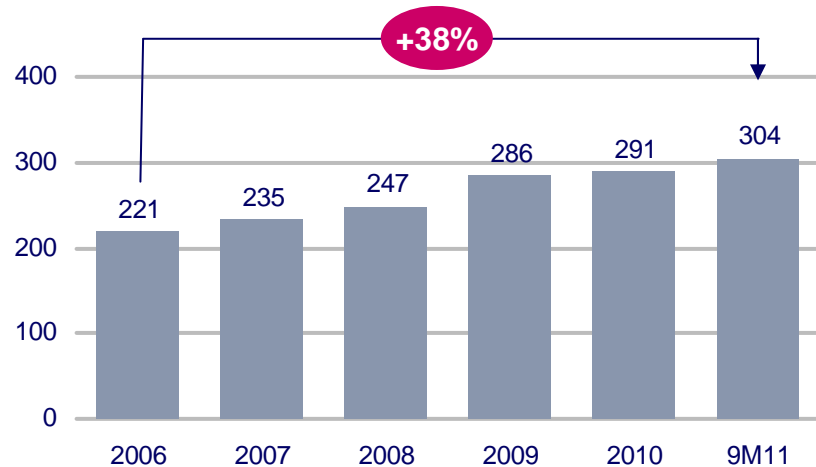


## **1B. Sector and Market Overview**



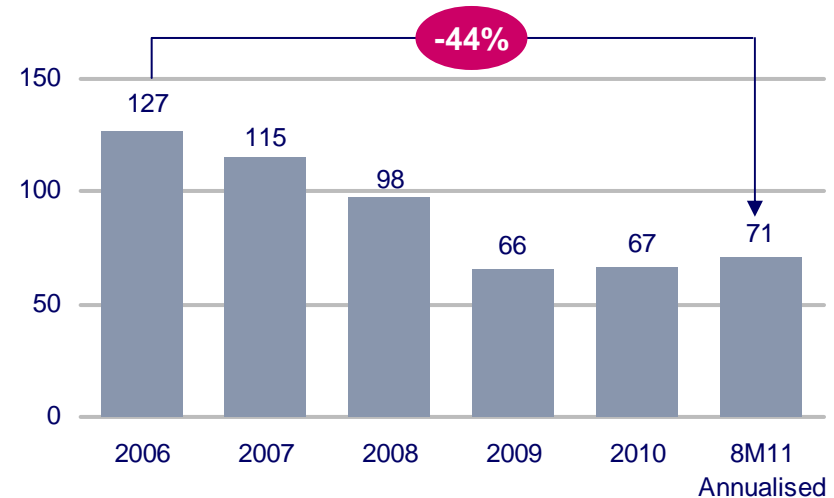
# Strong Market Growth in Savings; Mortgage Production almost Halved

Dutch Retail Savings, Balance<sup>1</sup> (€bn)



- Strong growth in Dutch retail savings in 2006 – 2010, partly driven by bank savings
- Consumers increasingly use multiple banks
- 2011: healthy margins, intensifying competition in 2H11

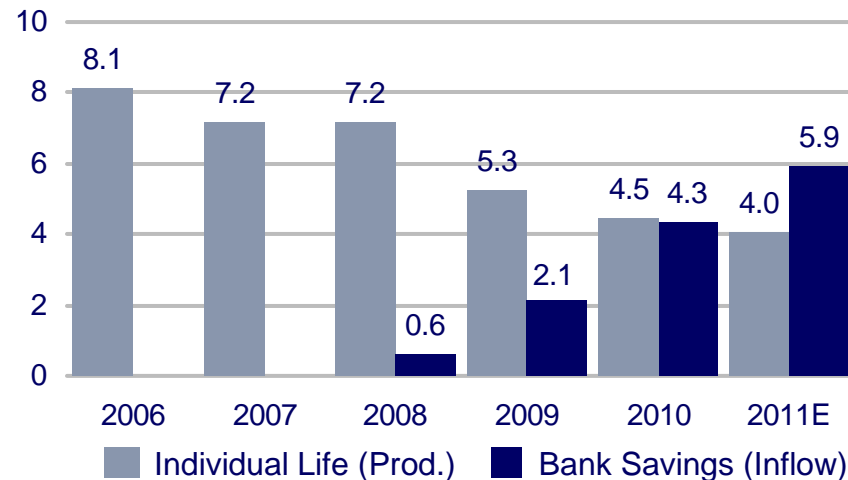
Dutch Mortgage Production<sup>1</sup> (€bn)



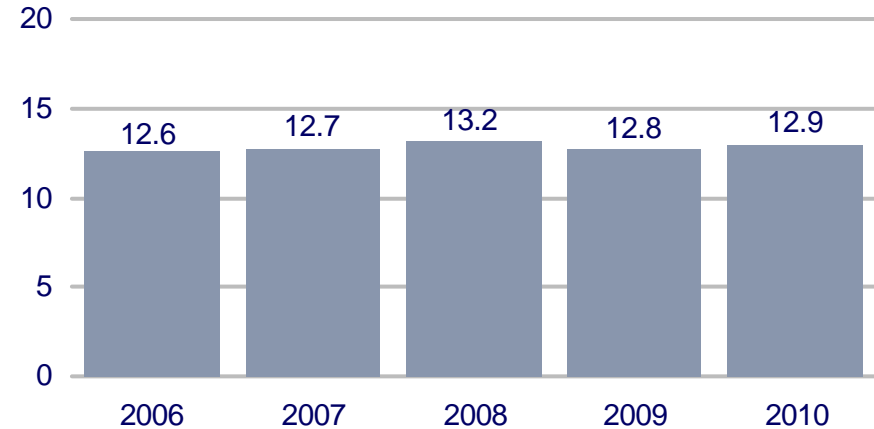
- Mortgage production almost halved in 2006 – 2010
- Strong fall in number of transactions; moderate decrease in housing prices
- 2011: sound margins; mortgage production remains low

# Life Insurance Volumes Shifting to Bank Savings; Non-Life Premiums Stable

Individual Life / Bank Savings Production (€bn)



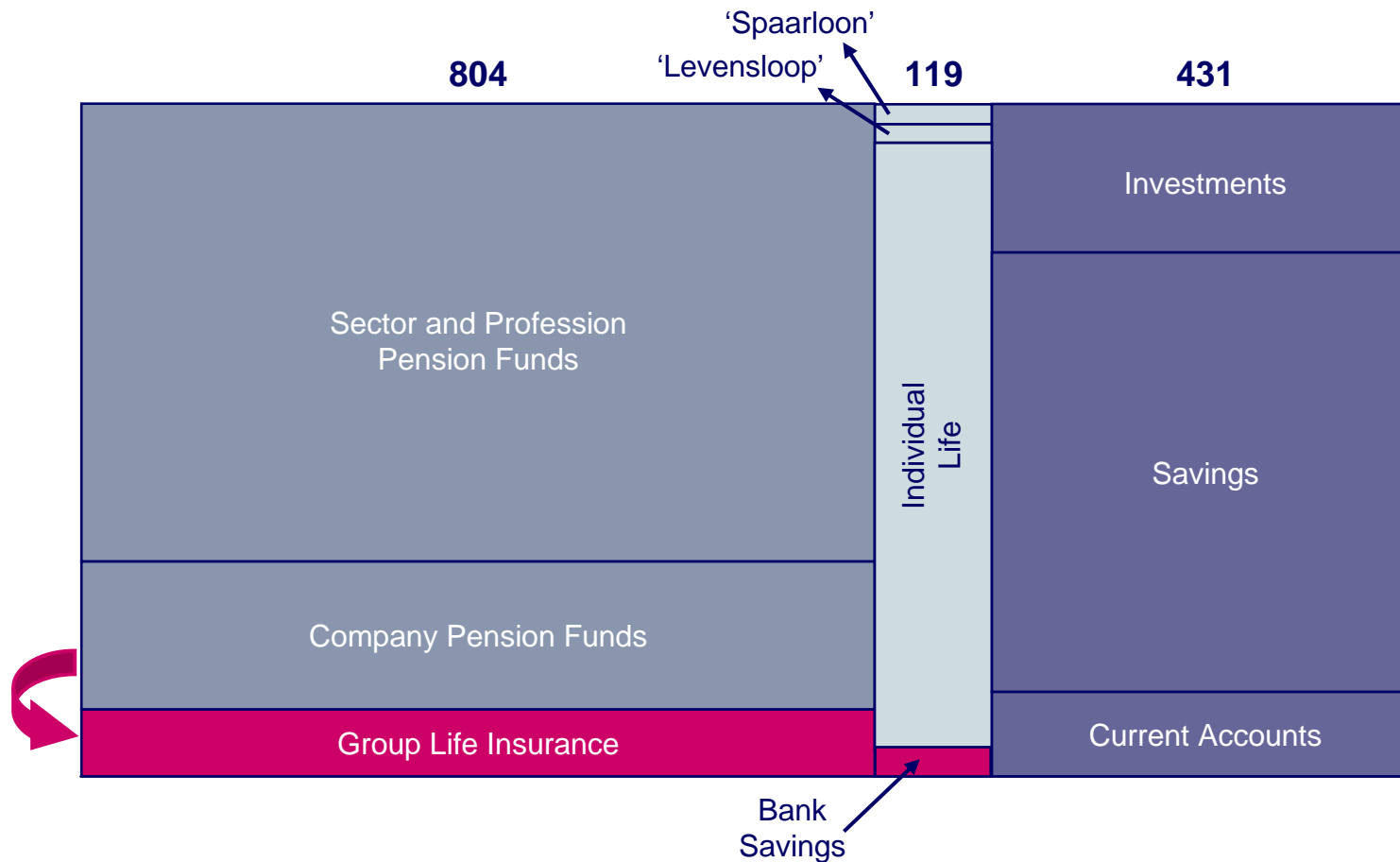
Non-Life Gross Written Premiums (€bn)



- Declining production individual life as a result of unit linked affair and crises
- Strong increase in bank savings
- Bancassurance players well positioned to benefit from shift in volumes
- Non-life market stable
- Improvement in margins since DNB intervention on pricing
- Growth in number of disability policies, however decreasing margins on new production

# Growth Potential in Bank Savings and in Group Life from Pension Fund Transfers

## Overview of Dutch Households' Financial Assets 9M10 (€bn)



# Significant Changes in Distribution Landscape

## Customer Agreed Remuneration

- IFAs not allowed to receive commission on complex products from 2013:
  - Customer Agreed Remuneration to become the norm
  - Leading to new business models for IFAs
  - Reduction in number of IFAs expected

## Pension Advisors Certification

- Stricter certification requirements for pensions advice from 2014:
  - Requirements expected to benefit advisors specialised in pensions
  - Strong reduction in number of pensions advisors expected

## Do It Yourself

- *Do It Yourself* propositions gradually winning market share:
  - Direct writers and “e-mediaries” in non-life
  - New entrants offering *Do It Yourself* income products, e.g. bank savings
  - IFAs expected to remain dominant channel for complex products

**Decreasing number of IFAs and changing business models;  
IFAs expected to remain dominant distribution channel for complex products**

# Significant Regulatory Developments Expected

## Capital Requirements

- EBA requires banks to reach 9% CT1 ratio by end of June 2012
- DNB recently announced charge for systemically important financial institutions (SIFIs)
- Exact parameters and timing remain uncertain for both Solvency 2 & Basel 3

## Deposit Guarantee Scheme

- Ministry of Finance has published proposals for an ex ante-financed Deposit Guarantee Scheme:
  - Exact parameters and timing remain uncertain

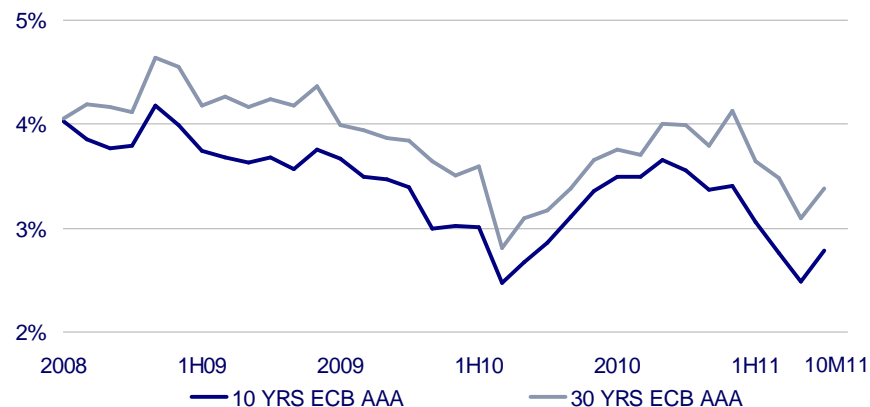
## Bank taxes

- Ministry of Finance has announced a bank tax over wholesale funding:
  - Exact parameters and timing remain uncertain
- European Commission is promoting the introduction of a transaction tax

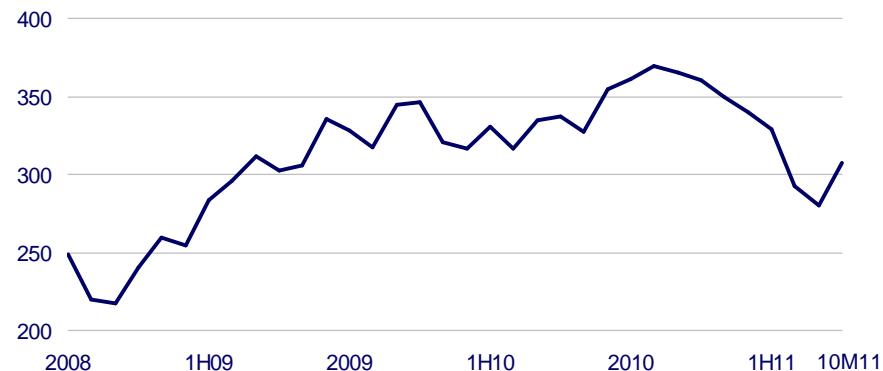
**Regulatory pressure remains intense and timing and impact difficult to predict**

# SNS REAAL is Operating in Volatile Financial Markets

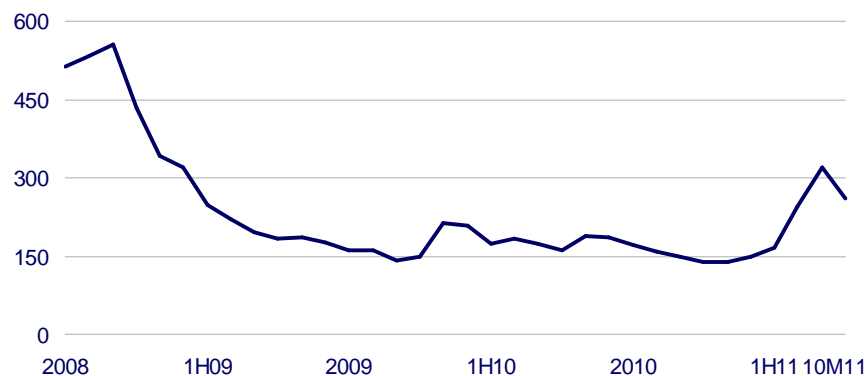
10yr and 30yr ECB-AAA Interest Rates



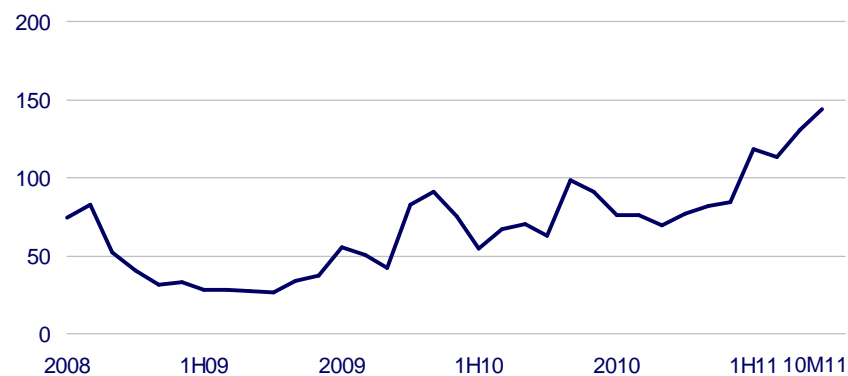
AEX Index



Credit Spread IBoxx Corporate A

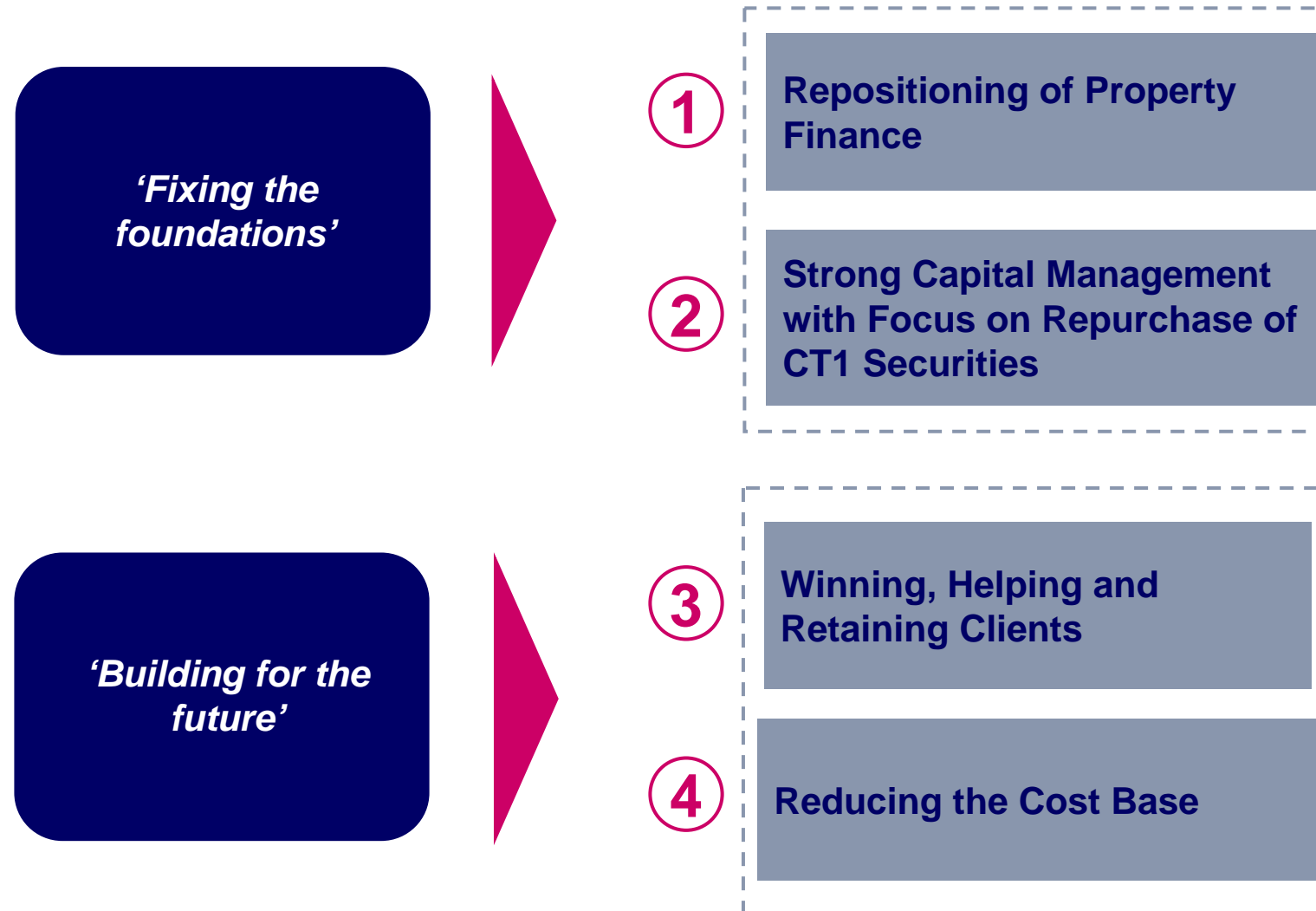


Credit Spread IBoxx All Government (Eurozone)



## 1B. Four Strategic Priorities

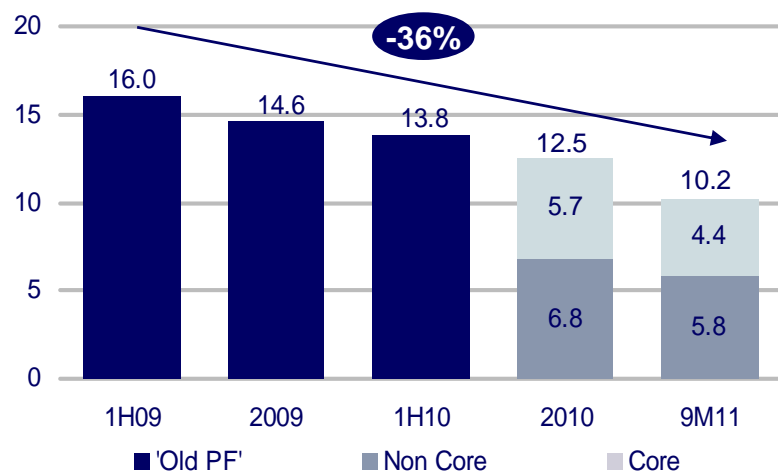
# Fixing the Foundations and Building for the Future



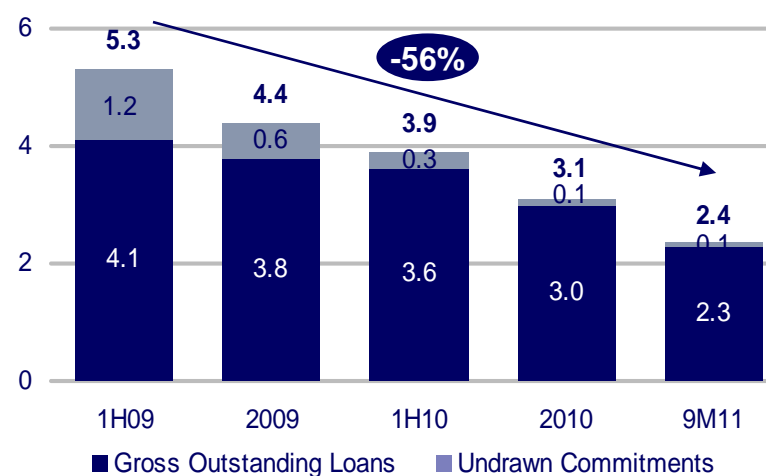


# ① Considerable Progress in Reduction of Property Finance Since Initial Announcement

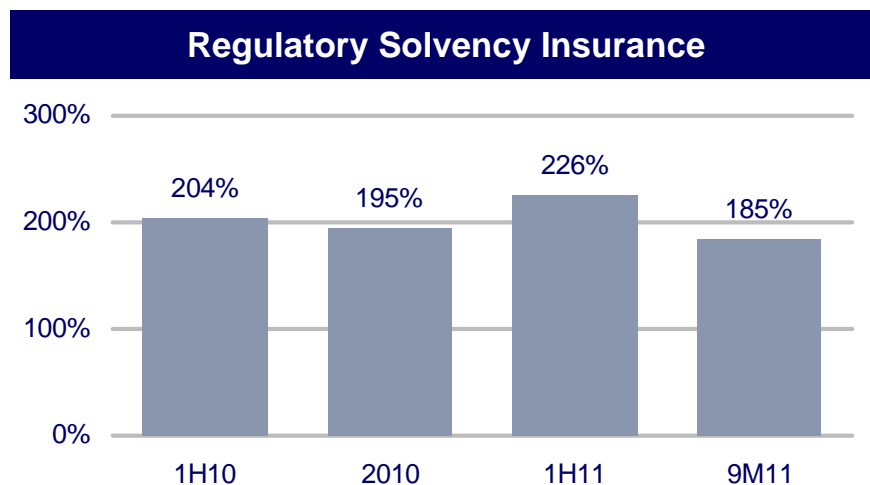
Total Commitments 'Old' Property Finance (€bn)



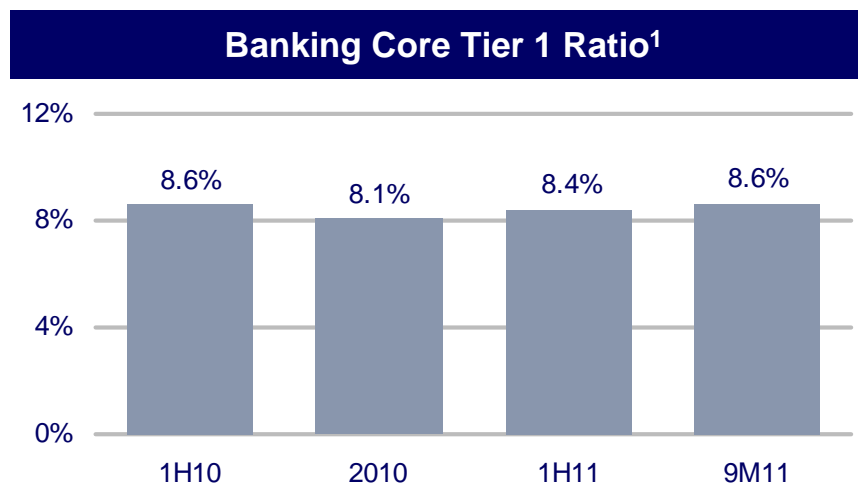
Total Commitments PF International (€bn)



## ② Robust Solvency Ratios; Insurance Solvency Impacted by Market Movements



- Strong increase of solvency in 1H11
- Movements of credit spreads, yield curve and lower equity markets impacted solvency in 3Q11
- At the end of October solvency was above 195%
- Solvency ambition: > 175%

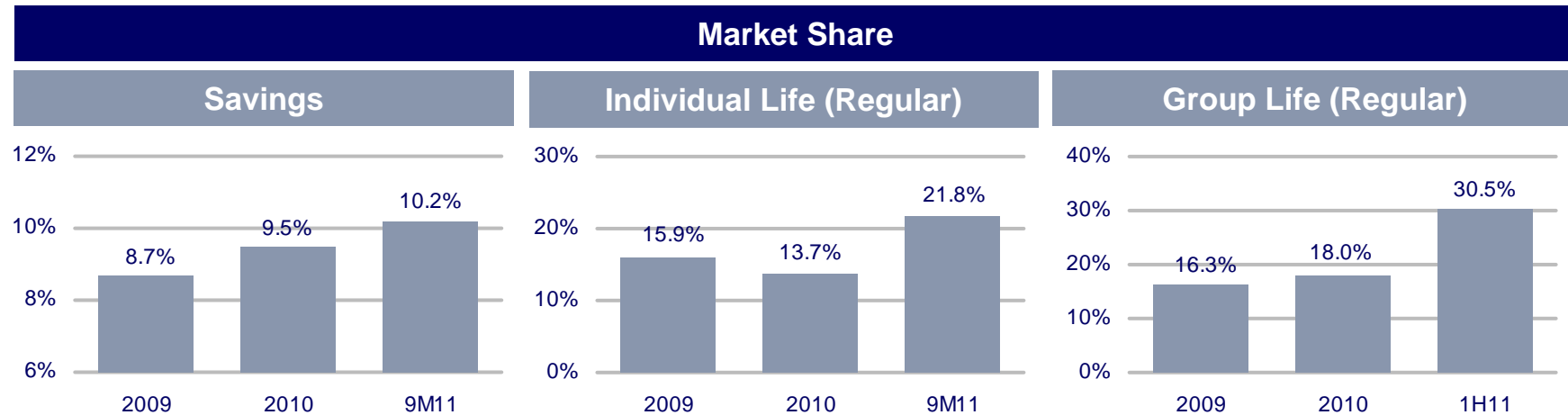


- Steady improvement of CT1 ratio in 2011
- Improving ratio supported by reduction in RWA
- Tier 2 exchange by SNS Bank expected to strengthen CT1 ratio
- Solvency ambition: CT1 ratio of 10%

## ② Capital Release Programme on Track

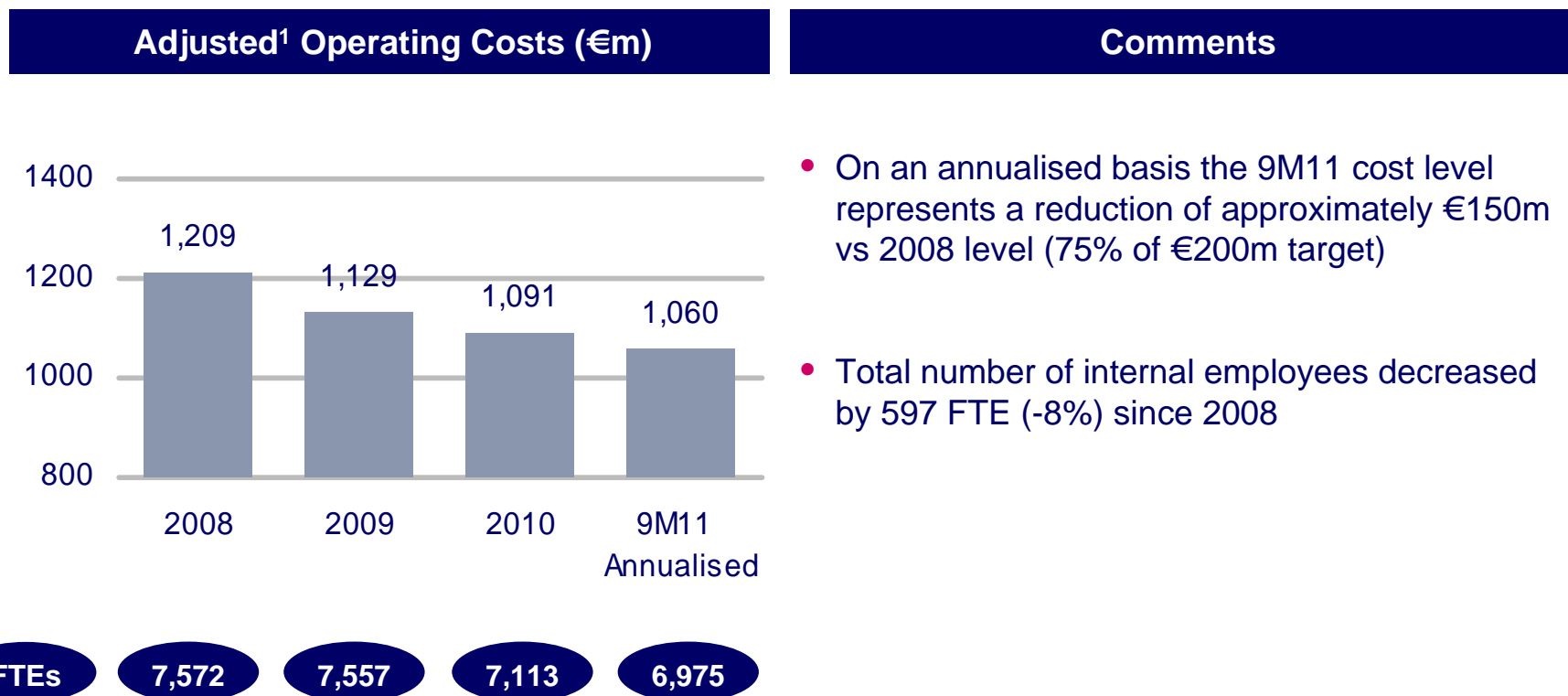
Capital Release Action	Envisaged Release	Progress up to 9M11	
Sale of first loss pieces / Purchase of mortgages by Insurance activities / buy-backs	€120m - €150m	• €185m capital release	✓
Traditional reinsurance transaction	€150m - €200m	• €225m capital release	✓
Reduction of retail and SME mortgages	€150m - €220m	• €80m capital release through reduction of SME mortgages	
Sale of selected portfolios / activities	€125m - €175m		
€700m		€490m capital released	

### ③ Progress in Winning, Helping and Retaining Clients



- Customer base now at 3.0m households; improved retention rates across all brands
- Improved customer satisfaction in all brands:
  - Successful launch of client contact centre at REAAL
  - SNS Bank regarded as one of the most flexible providers of savings and payment accounts,
  - ASN Bank voted most customer oriented company
  - Zwitserleven voted best pension insurer for the third year in a row

## ④ Reducing the Cost Base: Adjusted Operating Costs Down 12% Since 2008



## **1C. Ambitions for Earnings and Capital**

# Update on Normalised Earnings Ambition

## Investor Day 2010

### Banking Activities

**Ambition for Banking Activities  
Normalised Earnings: ~€235m**

### Insurance Activities

**Ambition for Insurance Activities  
Normalised Earnings: ~€215m**

**Normalised Earnings Ambition  
SNS REAAL: ~€400m  
(incl. negative result Group  
Activities of ~ - €50m)**

- Excl. SNS PF (run-off)
- Excl. impact of €700m capital release programme

## Update 2011

- **SNS Retail Bank and SNS SME units on track**
  - NIM expected to soften due to mortgage market and increased competition for savings
  - Surplus liquidity puts pressure on earnings (negative carry)
- **Insurance earnings ambition challenging**
  - Pressure on investment income given risk appetite and sovereign bond crisis
  - Negative impact from low interest rate environment
  - Additional synergies expected to positively impact earnings
- **Group activities loss currently in excess of target**
  - Impacted by project related costs, Basel 3, Solvency 2
  - Impairments on financial stakes
  - Lower interest income due to deleveraging at group level
- **In view of current adverse conditions on financial markets and the economic outlook, SNS REAAL notes that its medium to long term normalised earnings ambition of €400m is under pressure.**

**In view of the volatile and challenging market environment, SNS REAAL refrains from a new normalised earnings ambition**

# Update on Repurchase of State CT1 Securities

## Internal Developments

- €700m capital release programme to be finalised as per end June 2012
- Repositioning of Property Finance well under way: significant decline of portfolio and narrowing loss
- Sound performance of our core activities

## External Developments

- Financial markets are very volatile and worsened significantly since 1H11
- Still uncertainty about new capital requirements

**Firm intention to repurchase CT1 securities of the Dutch State in a responsible manner, without jeopardising capital position**



# Key Take-Aways

- **Difficult capital markets environment constrains results and clouds outlook**
- **Changing customer trends create some opportunities in Dutch financial services**
- **SNS REAAL uniquely positioned as multi-brand bancassurer with single product platforms**
- **Executive Board delivering on four clear and consistent strategic priorities**

## **2. Property Finance Run-off, Capital Management**

## 2A. Property Finance Run-off

# Steps Leading to Repositioning of Property Finance Announced in November 2010

February 2009

- Announcement of reduction of international project finance commitments to borrowers, especially in Spain and the USA

May 2009

- Broader review of the international operations announced

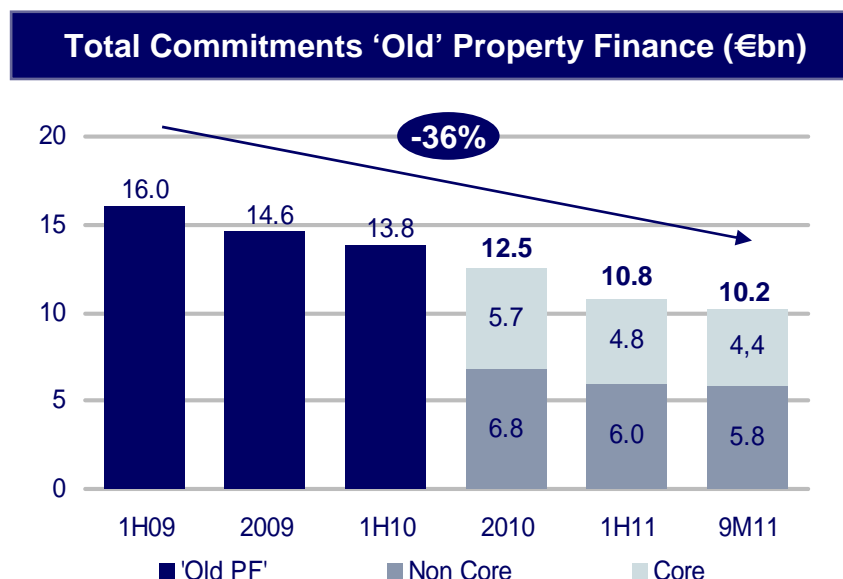
August 2009

- Announcement of exclusive refocus on the Netherlands, and reduction of international activities in controlled and gradual manner over the coming years

November 2010

- Repositioning of Property Finance announced:
  - Decision to phase out international and part of domestic portfolio
  - Property Finance (non-core portfolio) managed in a separate unit
  - SNS SME focused on optimisation of portfolio and funding profile

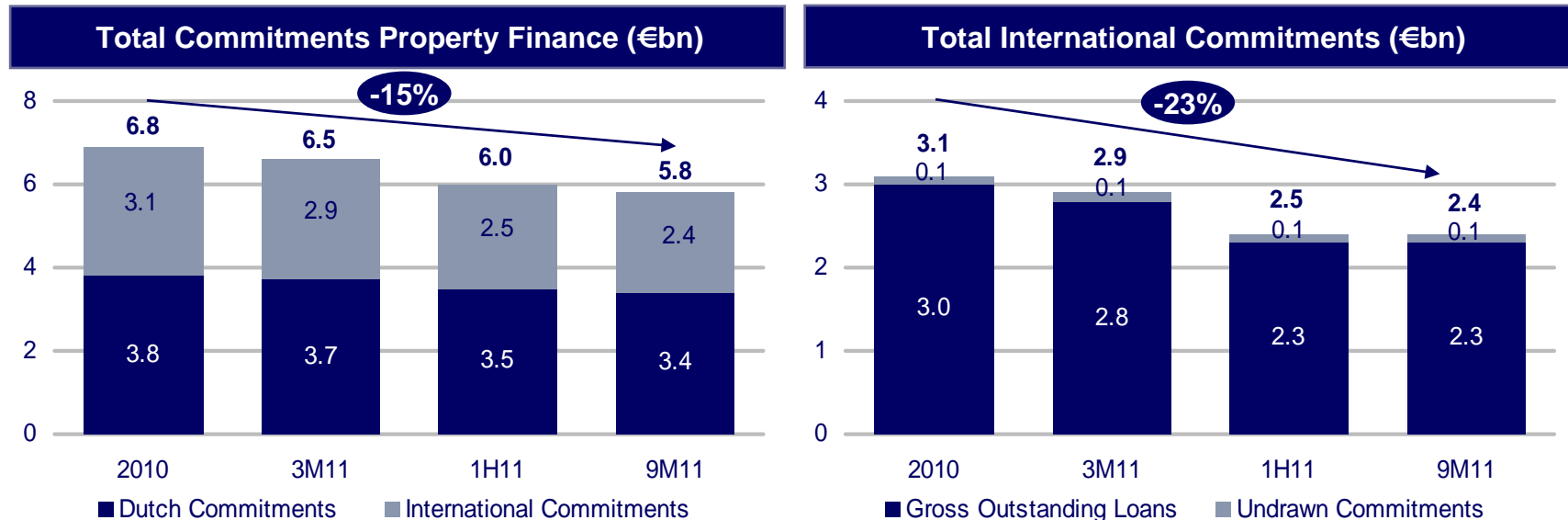
# Considerable Reduction in Commitments of Property Finance



Total Net Exposure Property Finance			
(€bn)	2010	1H11	9M11
<b>Commitments</b>	<b>6.8</b>	<b>6.0</b>	<b>5.8</b>
Undrawn Commitments	0.3	0.2	0.2
Gross Outstanding Loans	6.5	5.8	5.6
Loan Provision	0.7	0.6	0.6
<b>Outstanding Loans</b>	<b>5.8</b>	<b>5.2</b>	<b>5.0</b>
Property Projects	0.5	0.6	0.5
Held for Sale	0.1	0.0	0.0
<b>Total Net Exposure</b>	<b>6.3</b>	<b>5.8</b>	<b>5.5</b>

- Total commitments of Property Finance reduced pro-actively:
  - 'Old' Property Finance by €5.8bn (-36%) since 1H09
  - 'Old' Property Finance by €2.3bn (-18%) since YE10
- Total net exposure Property Finance (non core) reduced by €0.8bn (-13%) since YE10

# Reduction of Property Finance Continued Successfully in 2011



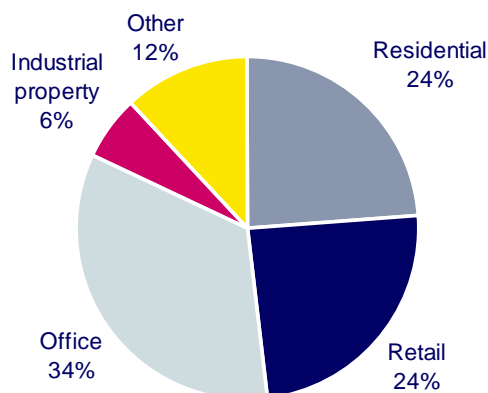
- Total commitments of Property Finance reduced by €1.0bn (-15%) since YE10
- International commitments reduced by €0.7bn (-23%) since YE10
- Current exit plans indicate a higher reduction in the fourth quarter of 2011 than in the third quarter

# Decline Skewed Towards International Portfolio; Netherlands Accounts for 60% of Portfolio

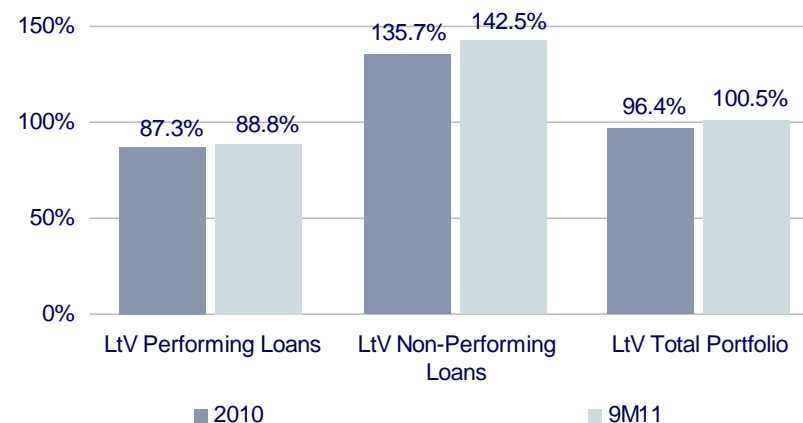
Outstanding Loans by Geography 9M11

(€m)	2010	%		9M11	%	Decline in 9M11
Netherlands	3,324	58%		2,997	60%	-10%
Germany	756	13%		698	14%	-8%
North America	688	12%		382	8%	-45%
France	232	4%		214	4%	-8%
Spain	191	3%		175	4%	-8%
Other Europe	591	10%		506	10%	-14%
<b>Total</b>	<b>5,782</b>	<b>100%</b>		<b>4,972</b>	<b>100%</b>	<b>-14%</b>

Outstanding Loans by Sector 9M11

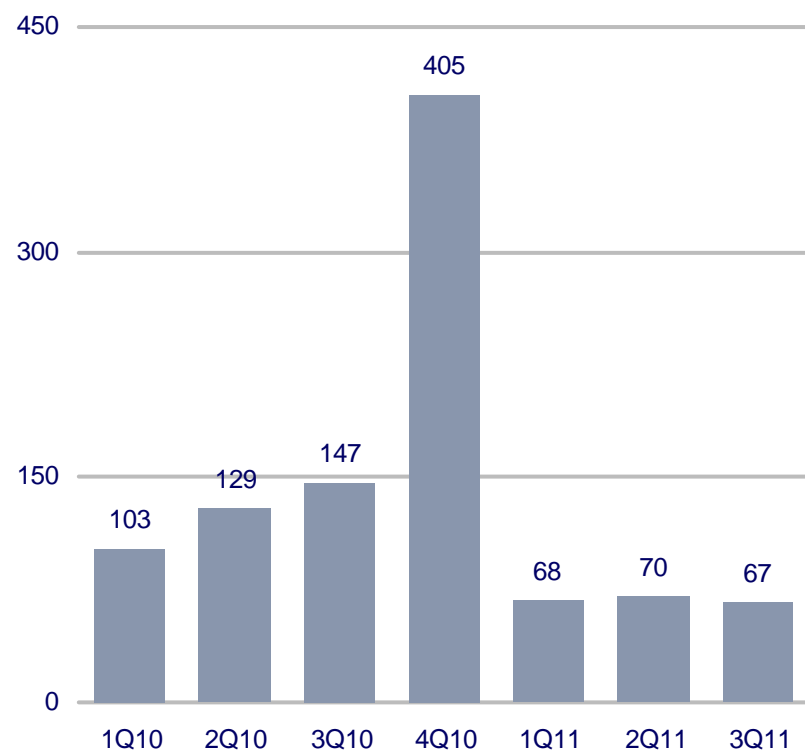


Loan-to-Value<sup>1</sup>



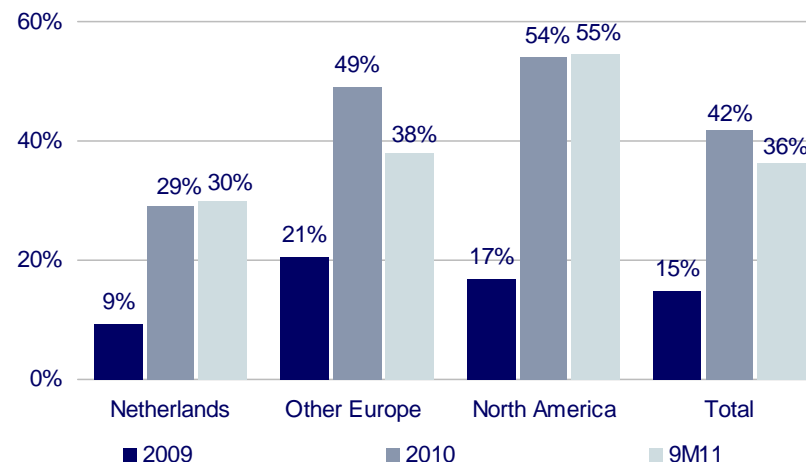
# Sharp Decline of Impairments in 9M11 in Line with Guidance

## Impairments<sup>1</sup> Property Finance



- Lower impairments in 9M11 in line with guidance of sharp decline compared to 2010

## Coverage Ratio Property Finance



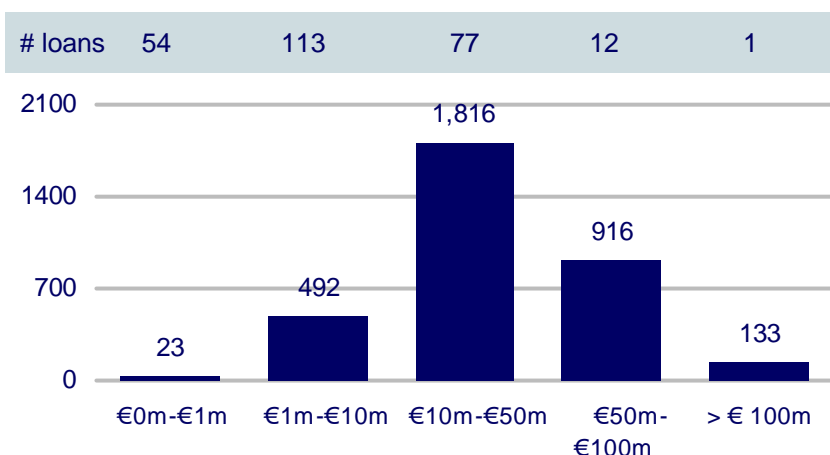
## Non-Performing Loans Property Finance

(€m)	2010	1H11	9M11
<b>Total NPLs</b>	<b>1,761</b>	<b>1,570</b>	<b>1,694</b>
<b>% of gross outstanding loans</b>	<b>27.1%</b>	<b>27.3%</b>	<b>30.5%</b>
Dutch NPLs	788	962	995
% of gross outstanding loans	22.2%	28.0%	30.2%
International NPLs	973	608	699
% of gross outstanding loans	30.6%	26.1%	32.8%



# Dutch Portfolio: Average Loan Size of €13m, 95% of Loans <€50m

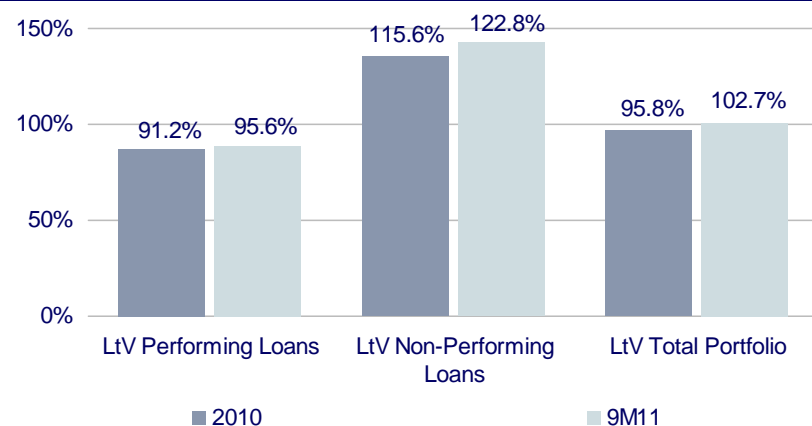
**Commitments (€m) and # of Loans 9M11**



**Comments**

- Portfolio characteristics:
  - Number of loans: 257
  - Average loan: €13m
  - Top 10 loans: 26% of portfolio
  - Top 20 loans: 41% of portfolio

**Loan-to-Value**

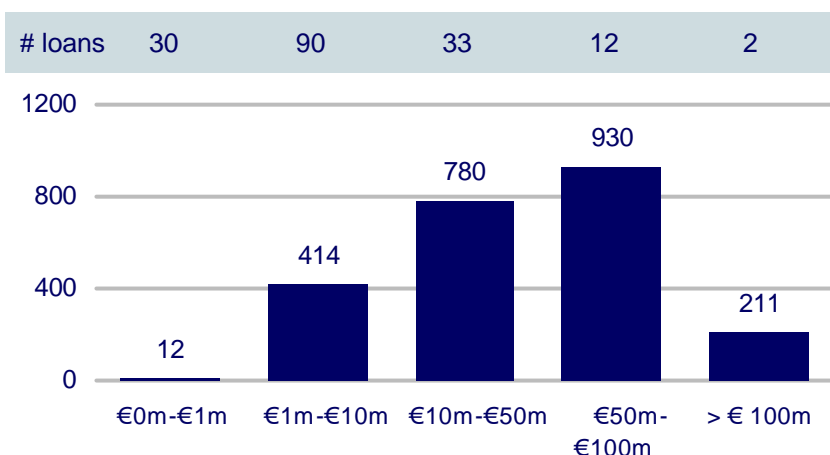


**Largest Non Performing Loans 9M11**

- Total NPLs of €995m:
  - Top 5 NPLs ranging from €37m - €133m
- 5 largest NPLs account for 34% of the NPLs
- 10 largest NPLs account for 49% of the NPLs

# International Portfolio: Average Loan Size of €14m, 92% of Loans <€50m

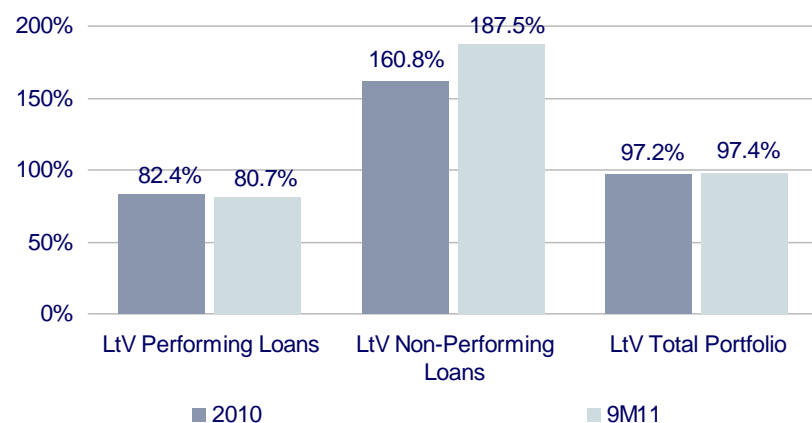
## Commitments (€m) and # of Loans 9M11



## Comments

- Portfolio characteristics:
  - Number of loans: 167
  - Average loan: €14m
  - Top 10 loans: 38% of portfolio
  - Top 20 loans: 60% of portfolio

## Loan-to-Value



## Largest 5 Non Performing Loans 9M11

- Total NPLs of €699m:
  - Top 5 NPLs ranging from €42m - €90m
- 5 largest NPLs account for 41% of the NPLs
- 10 largest NPLs account for 61% of the NPLs

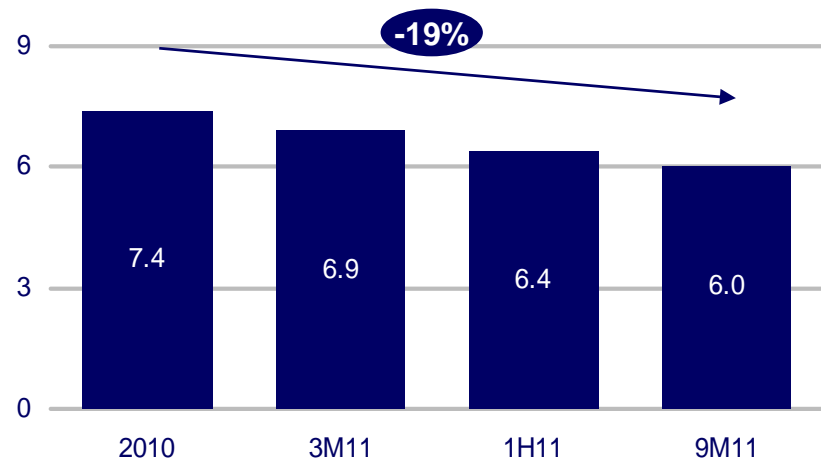
# Projects on Balance Sheet Stable; Current Balance Sheet Value at 48% of Gross Value

Property Projects and Held for Sale (9M11)					
<i>Net realisable value (€m)</i>	2010	1H11	9M11	# of Projects	Write-offs as a % of Gross Value
<b>Property Projects</b>	<b>456</b>	<b>561</b>	<b>530</b>	<b>8</b>	<b>52%</b>
- Netherlands	1	7	10	1	n.a.
- Europe	455	473	442	6	47%
- North America	0	81	76	1	69%
<b>Held for Sale</b>	<b>94</b>	<b>21</b>	<b>21</b>	<b>1</b>	<b>60%</b>

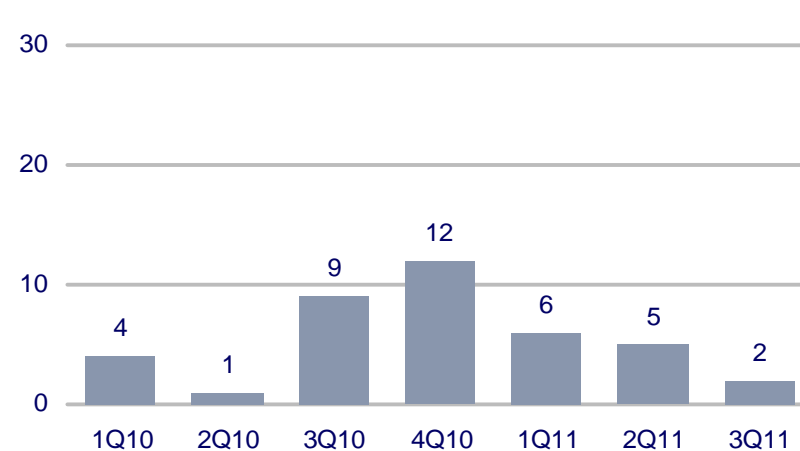
- Number of projects on balance sheet: 9
  - 8 property projects and 1 held for sale project in France
- Geographical breakdown of property projects:
  - Spain: 4
  - United States, Denmark, Luxemburg, the Netherlands: all 1
- Sizes: from €3m up to €175m (net realisable value)

# Since Formation SNS SME is Focused on Optimisation of Portfolio and Funding Profile

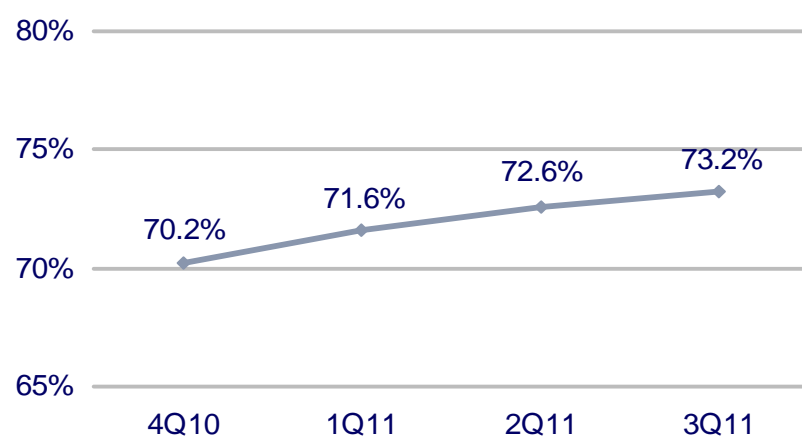
**Total Commitments SNS SME (€bn)**



**Impairments SNS SME (€m)**



**Loan-to-Value<sup>1</sup>**

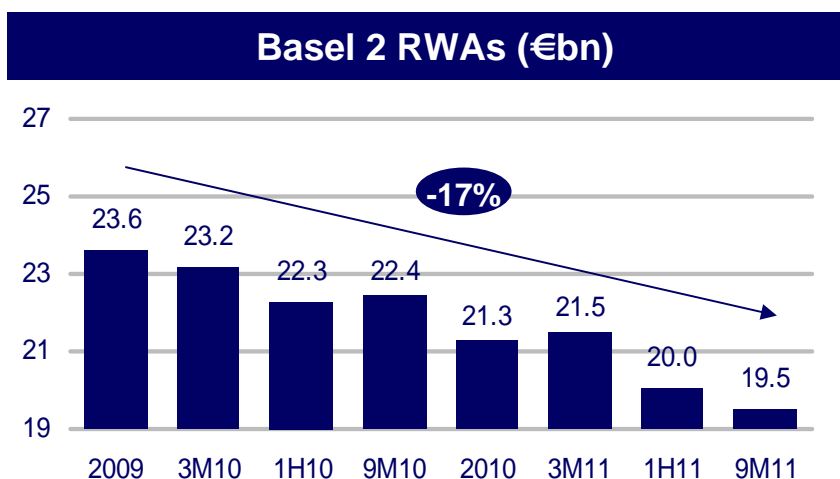
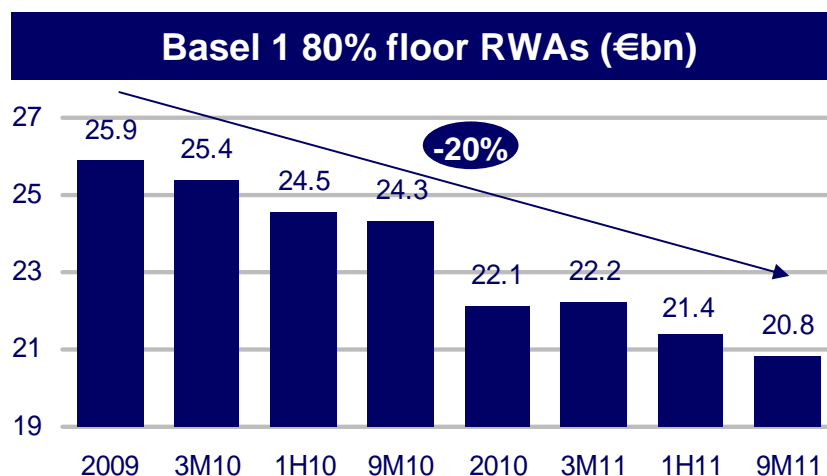
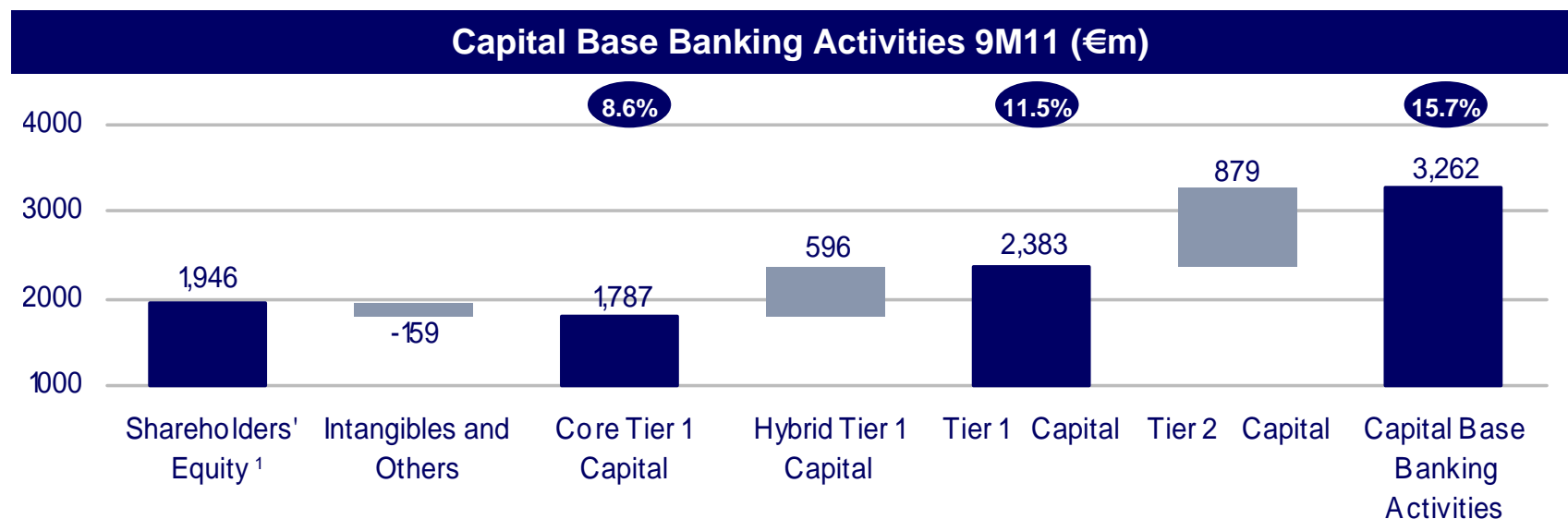


**Comments**

- Further reduction of SME portfolio expected in coming quarters as part of capital release programme
- Low level of impairments and relatively low LtVs

## **2B. Capital Management Banking Activities**

# Improving Capital Ratios Supported by Reduction in Risk-Weighted Assets

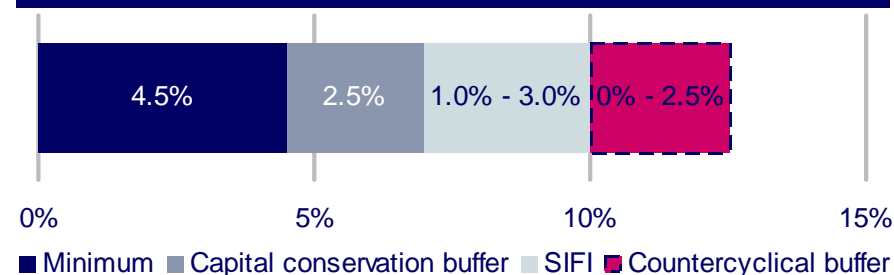


# Ambition to Achieve Core Tier 1 Ratio of 10%

## Recent Developments

- **EBA:**
  - Core Tier 1 capital ratio to reach 9% by the end of June 2012
- **DNB:**
  - Systemically important banks to prepare for extra buffer and recovery plans
  - Charge for local SIFIs will be in the range of 1 - 3% for local SIFIs
  - SIFI charge is part of Core Tier 1
- **Key remaining uncertainties:**
  - Difference between Basel III and CRD IV (European Commission)
  - National regulators discretionary interpretation of CRD IV (e.g. implementation speed)
  - Loss absorption characteristics of hybrid instruments

## Core Tier I Ratio under Basel III



- **SIFI buffer:** 1% - 3% loss absorbency requirement to be met with common equity capital
- **Countercyclical buffer:** must be met with common equity tier 1 capital

## SNS Bank's View

- Key differences B2 versus B3 Core Tier 1:
  - Treatment of Core Tier 1 securities
  - Treatment of AFS reserves
- Key drivers of Core Tier 1 ratio ambition:
  - Assumption around SIFI buffer
  - Countercyclical for Dutch banking activities
  - Margin above “dynamic” minimum levels
- **10% Core Tier ratio viewed as “new normal”**

# Announced Lower Tier 2 Exchange To Strengthen CT1 Ratio

## Tier 2 Instruments

(€m)	Nominal	Coupon	End date
Subordinated Note	196	6.625%	May 2018
Subordinated Note	500	6.25%	Oct. 2020
Private Placements	183	n.a.	n.a.

## Tier 1 Instruments

(€m)	Nominal	Coupon	Call Option
Participation Certificate 1	125	6.6%	June 2012
Participation Certificate 2	116	5.9%	Dec. 2012
Participation Certificate 3	57	5.16%	June 2013
Tier 1 Note	320	11.25%	Nov. 2019

- Call option participation certificates in 2012

## Tier 2 Exchange

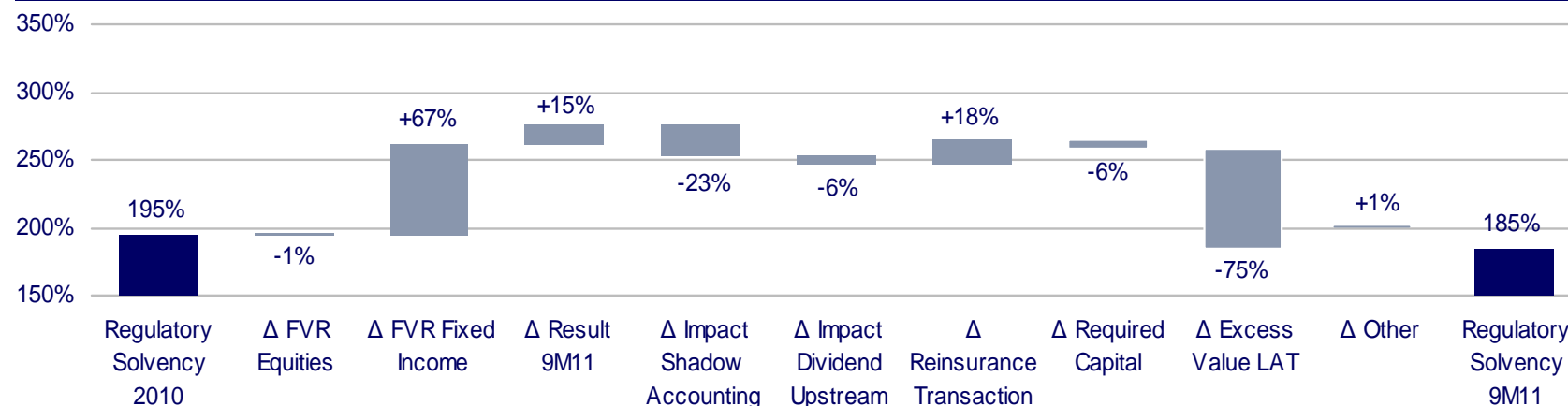
- SNS Bank announced an exchange offer to holders of the two outstanding LT2 notes
- These two outstanding LT2 notes will be exchanged for fixed rate senior notes (due 2016):
  - The expiration date for the exchange offer is 25 November
  - The results for the exchange offer will be announced on 28 November
- Transaction will improve and strengthen the quality of the capital of SNS Bank, through the creation of Core Tier-1 capital
- The exchange offer provides investors with an opportunity to manage their investment portfolios



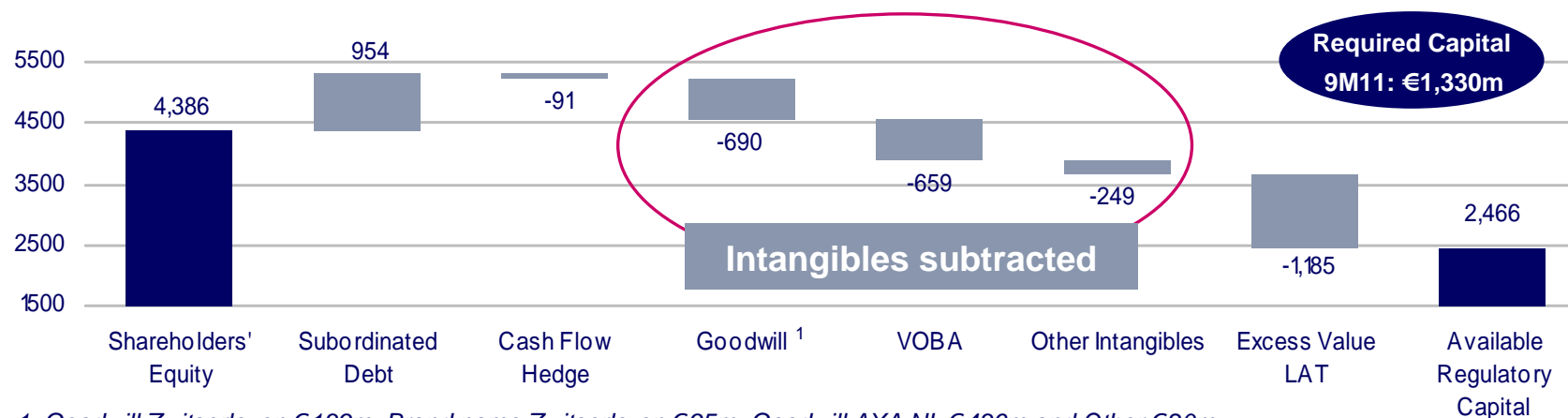
## **2C. Capital Management Insurance Activities**

# Sound Solvency Level Maintained for Insurance Activities in Extremely Volatile Markets

## Development Regulatory Solvency in 9M11



## Reconciliation Regulatory Solvency Capital and Shareholders' Equity 9M11 (€m)



1. Goodwill Zwitserleven € 139m, Brand name Zwitserleven €95m, Goodwill AXA NL €436m and Other €20m

# Solvency 2: Still a Lot of Uncertainty; Relatively Robust Ratios for SNS REAAL

## Key Issues

- Solvency 2 ratio not directly comparable to Solvency 1 ratio
- Timelines expected to change leading to uncertainty and higher costs
- Material items still outstanding include:
  - Relevant yield curve plus premium
  - Definition and classification of capital
  - Calibration capital requirements for non-life

## QIS 5 (2009) Ratios for The Netherlands

Life versus Non Life	SR Life	Life Peers	SR Non Life	Non Life Peers
Solvency 1	248%	260%	368%	336%
Solvency 2 (QIS 5)	226%	150%	158%	178%

## SNS REAAL's Ratios

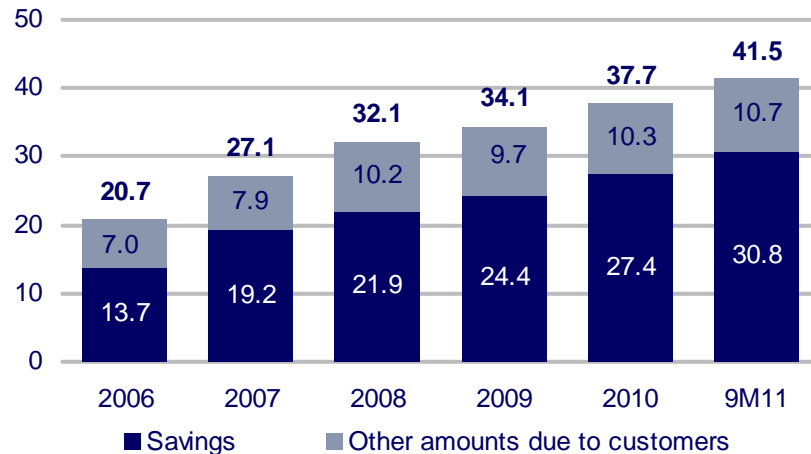
- Standard model based S2 solvency ratio is ~15% lower versus S1 ratio

	Solvency 1		Solvency 2	
(€m)	2009	2010	2009	2010
Capital Required (SCR)	1,367	1,390	2,046	2,158
Available Capital (Own Funds)	3,145	2,715	4,174	3,753
<b>Solvency Ratio</b>	<b>230%</b>	<b>195%</b>	<b>204%</b>	<b>174%</b>

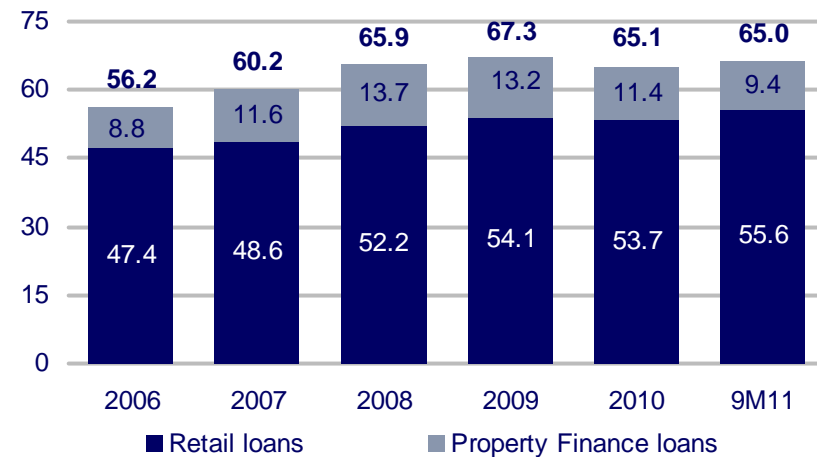
## 2D. Funding

# Loan-to-Deposit Ratio Improves as Savings Increase and Loans Starting to Decrease

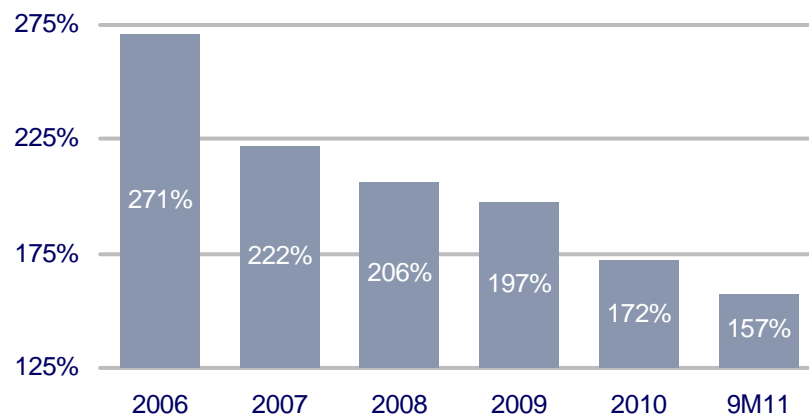
**Development Retail Funds 2006 – 9M11 (€bn)**



**Development Loans 2006 – 9M11 (€bn)**



**Loan-to-Deposit Ratio<sup>1</sup> Banking Activities**

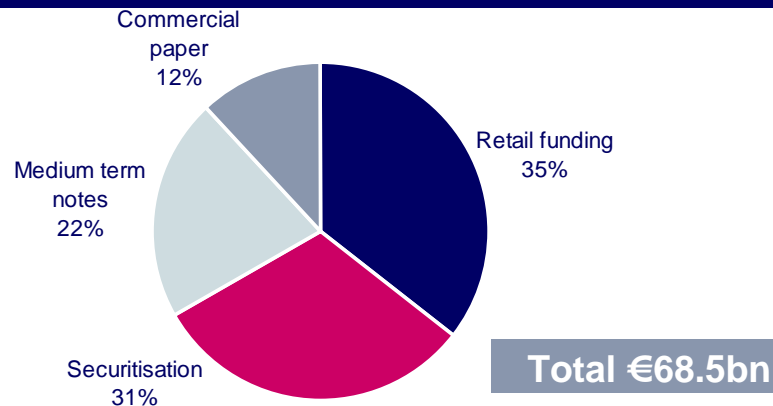


**Comments**

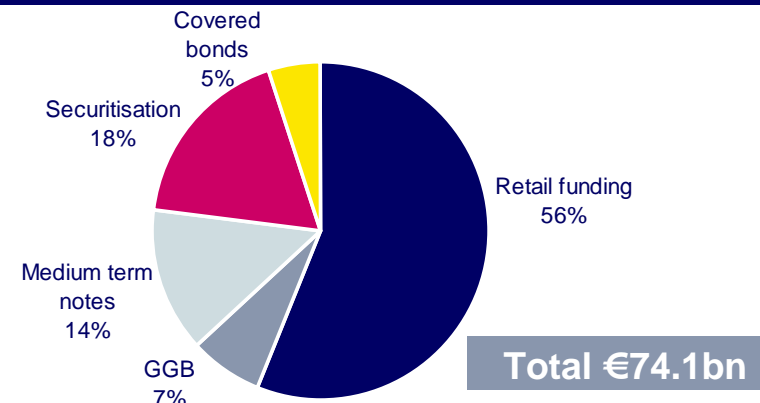
- Loan-to-Deposit ratio almost halved during the past 5 years as savings doubled
- Ambition for Loan-to-Deposit ratio is 125% - 150%

# Retail Funding Component Increased; Secured Finance Key Source, Limited Usage of CPs

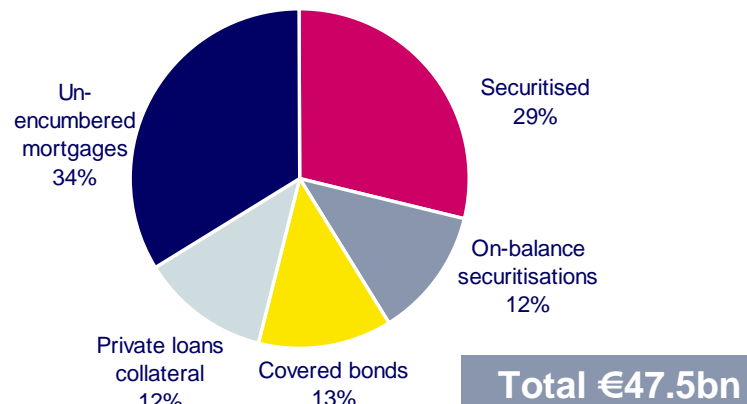
**Funding Mix Banking Activities 1H07**



**Funding Mix Banking Activities 9M11**



**Collateralisation Retail Mortgages 9M11**

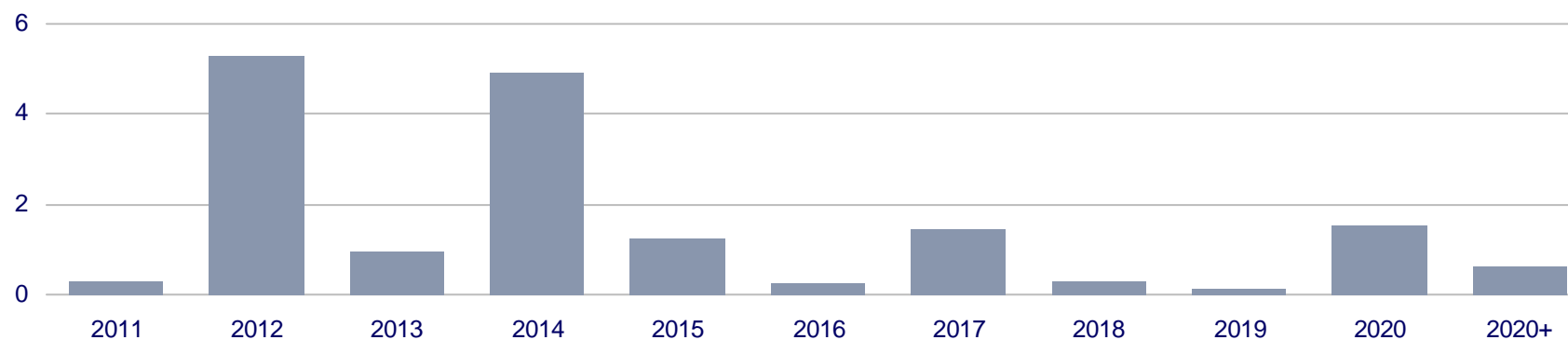


**Comments**

- Consistent increase of retail funding
- Wholesale funding was negligible in 2011
- Limited use of short term funding
- Going forward more relative use of secured funding
- Unencumbered mortgages of €16bn which also can be used as collateral

# Sound Liquidity Position; Cash Accumulated for 2012 Redemption

Maturity Profile – Per First Call Date (€bn)



## Liquidity Position

(€m)	1H10	YE10	1H11	9M11
Cash	3,594	2,980	4,078	4,998
Liquid Assets <sup>1</sup>	9,358	8,939	8,626	7,374
<b>Total Liquidity Position</b>	<b>12,952</b>	<b>11,919</b>	<b>12,704</b>	<b>12,371</b>

## Comments

- In 2012 and 2014 €5.4bn combined of State guaranteed bonds are maturing
- Cash position benefiting from savings inflows and decrease of loan portfolios

## 2E. Investment Management



# GIIPS and French Exposures Actively Reduced; Proceeds Reinvested in German and Dutch Bonds

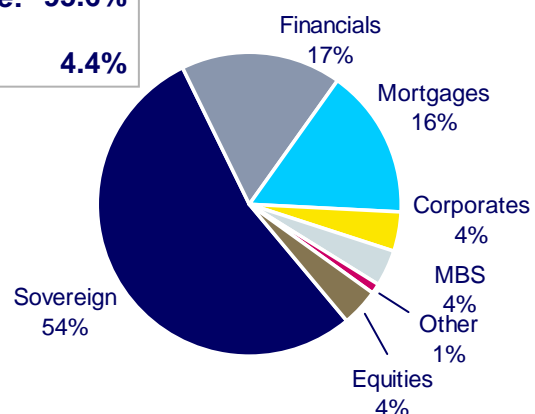
Sovereign Exposure <sup>1</sup> (€m)						
	2009	2010	9M11	% of Total	Δ vs 2009	Current
Ireland	439	245	269	1%	-39%	
Greece	355	47	28	0%	-92%	
Portugal	63	-	-	-	-100%	
Italy	2,509	1,328	895	5%	-64%	
Spain	959	343	191	1%	-80%	
<b>Subtotal</b>	<b>4,325</b>	<b>1,963</b>	<b>1,383</b>	<b>7%</b>	<b>-68%</b>	<b>&lt; 900</b>
Germany	4,087	6,400	7,269	38%	+78%	
France	3,736	3,193	1,845	10%	-51%	<1,500
Netherlands	2,515	3,514	5,109	26%	+103%	
Austria	935	1,721	2,452	13%	+162%	
Belgium	705	803	914	5%	+30%	
Other	130	139	394	2%	+203%	
<b>Total</b>	<b>16,433</b>	<b>17,734</b>	<b>19,366</b>	<b>100%</b>	<b>+18%</b>	

# Insurance Activities: Fixed-Income Portfolio

## Investment Portfolio (Sector) 9M11

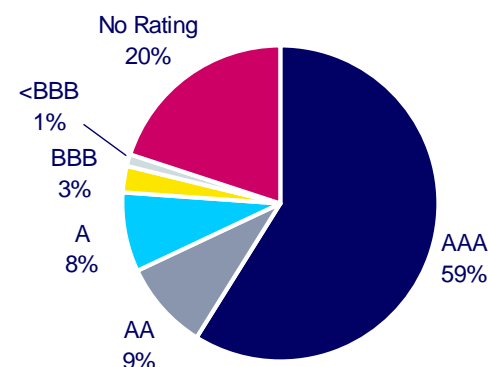
**Fixed-income: 95.6%**

**Equities: 4.4%**



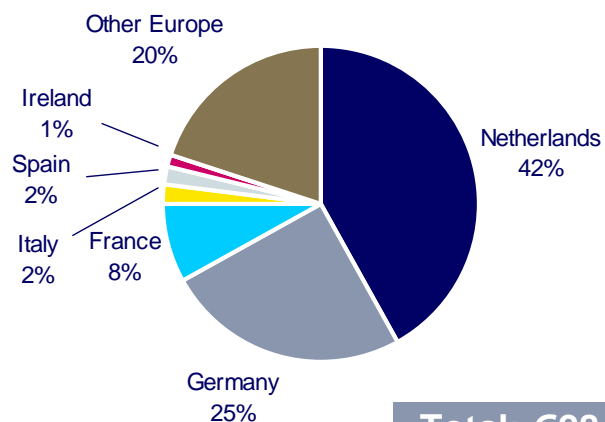
**Total: €29,661m**

## Fixed-Income Portfolio (Rating) 9M11



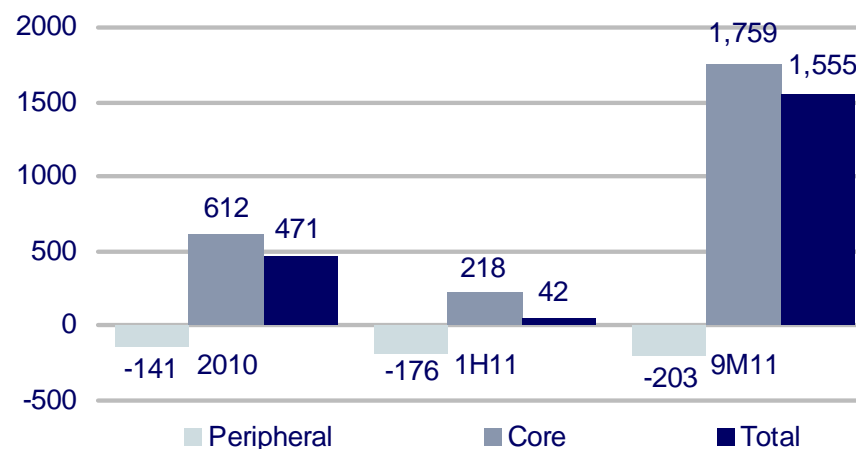
**Total: €28,355m**

## Fixed-Income Portfolio (Geography) 9M11



**Total: €28,355m**

## Gross Fair Value Reserve (€m)



# Key Take-Aways

- Reduction of commitments Property Finance successfully continued in 2011
- Improving capital ratios at SNS Bank supported by reduction in risk weighted assets:
  - Tier 2 exchange will further strengthen core Tier 1 ratio
  - Ambition to achieve core Tier 1 ratio of 10%
- Solvency Insurance activities resilient despite adverse capital markets
- Sound liquidity position of Banking activities and significantly enhanced loan-to-deposit ratio
- Actively derisking of investment portfolio continued

### 3. Q&A

## 4. Realising our Ambitions

# Realising our Ambitions

*“Fixing the foundations”*

Repositioning of SNS Property Finance

Strong Capital Management with Focus on Repurchase State and Foundation CT1 Securities

*“Building for the future”*

Winning, Helping and Retaining Clients

Reducing the Cost Base

① Capturing Growth Opportunities

Putting Client interests first

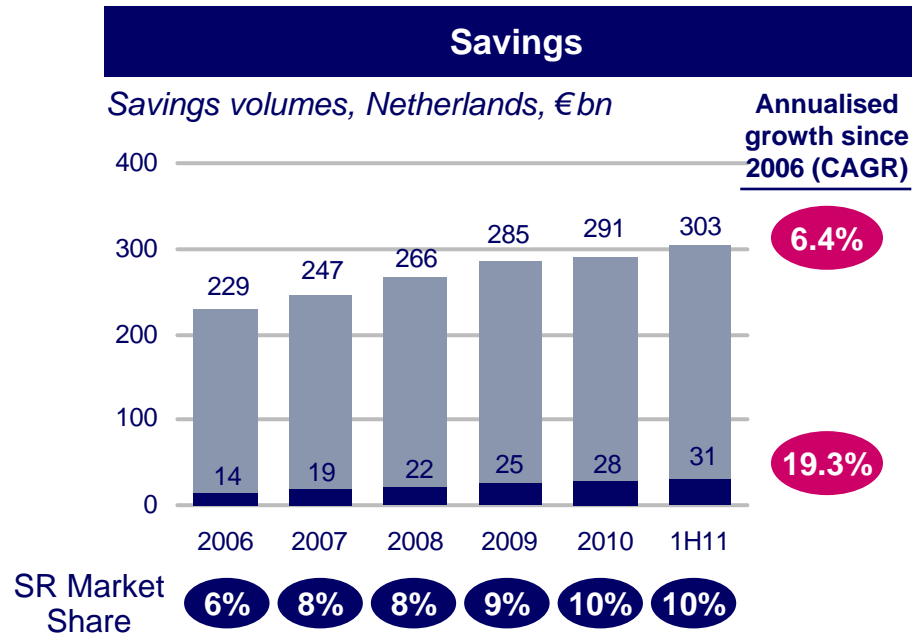
Brand portfolio management

② Improving back-office efficiency

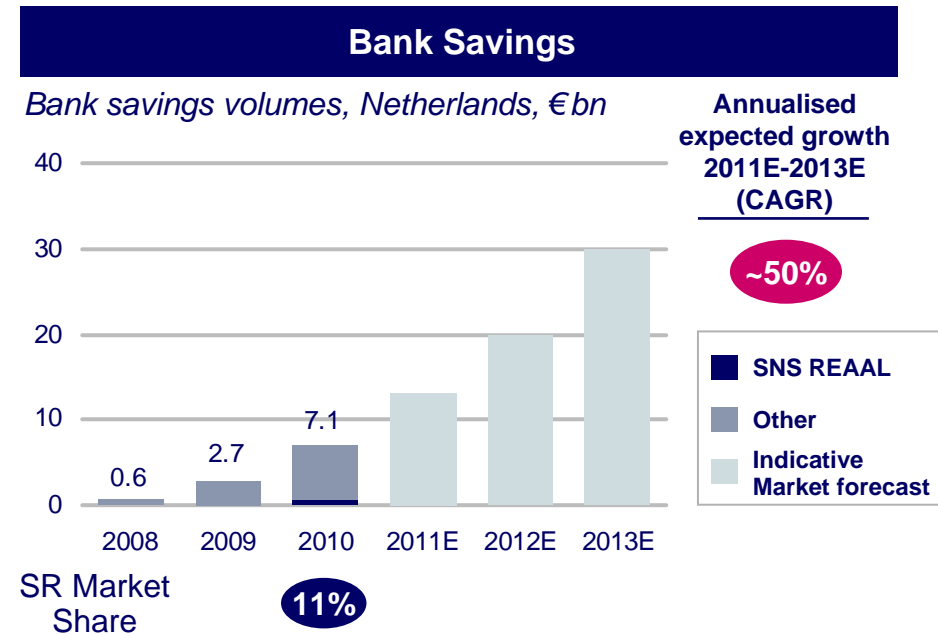
# ① Focus on Selected Growth Opportunities

Product <sup>1</sup>	Expected Market Δ	Drivers for Growth	Market Share Current	Market Share Ambition
Savings (Portfolio)	➡	<ul style="list-style-type: none"> <li>Modest growth: retail investors still risk averse</li> <li>Retail investors continue to hold savings at multiple banks</li> </ul>	10%	12-15%
Bank Savings (Portfolio)	↗	<ul style="list-style-type: none"> <li>Relatively new product, strong growth expected to continue</li> <li>Product appeals to customers due to its simplicity and pricing</li> </ul>	~11%	~15%
Mortgages (Production)	➡	<ul style="list-style-type: none"> <li>Limited growth due to slow recovery of housing market</li> </ul>	6%	6%
Individual Life (Regular, NAPE)	product dependent	<ul style="list-style-type: none"> <li>Decline in accumulation products</li> <li>Growth in 'pure' life risk products, combined with bank savings</li> </ul>	14%	~17%
Non-life / Disability (Gross Premiums)	➡	<ul style="list-style-type: none"> <li>Limited growth in mature non-life market</li> <li>Growth in disability insurance for private individuals</li> </ul>	5% 9%	~6% ~15%
Group Life (APE)	➡	<ul style="list-style-type: none"> <li>Growth potential from contracts transferred from Company Pension Funds to insurers</li> </ul>	17%	16-18%

# ① Growth Opportunities in Savings



- Savings market increased significantly
- SNS REAAL increased market share and aims to continue strong growth record



- Bank savings is a fast growing wealth accumulation product
- Strong starting position for SNS REAAL given multi channel distribution platform

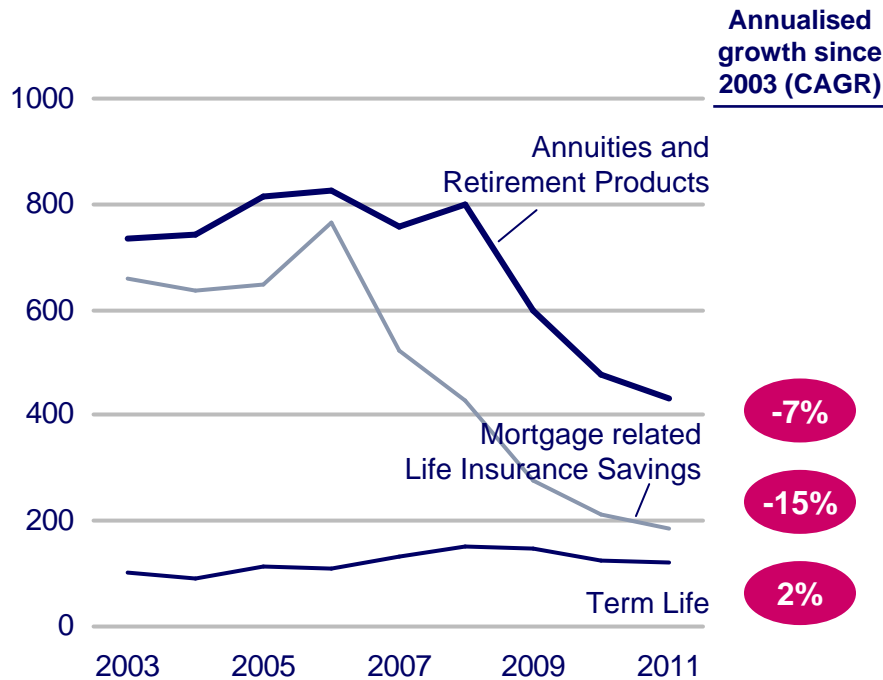
**Growth expected in both regular savings and bank savings; SNS REAAL well positioned**



# ① Growth Opportunities in Term Life

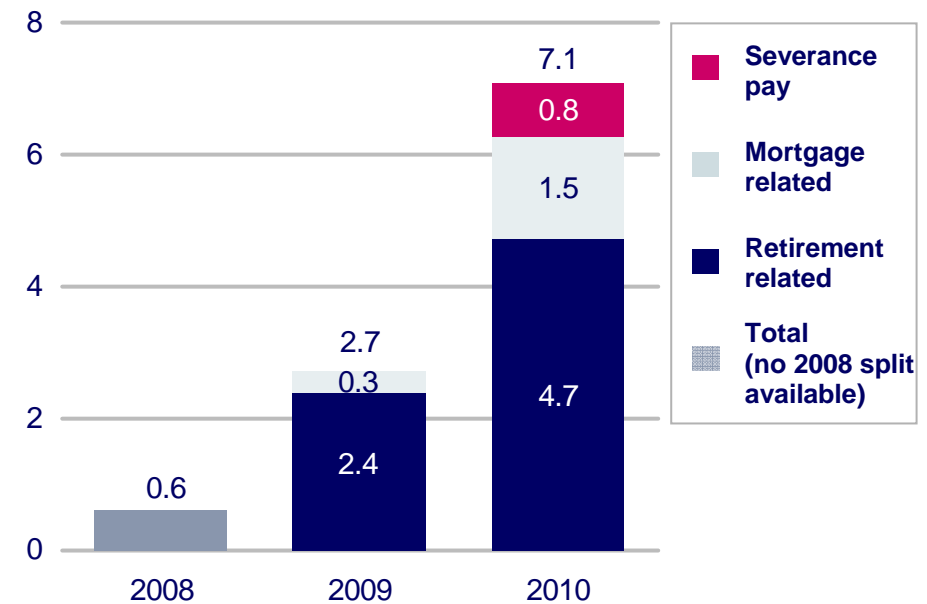
## Term life products relatively stable...

Individual life insurance APE production, Netherlands, €m



## ... as complementary product to bank savings

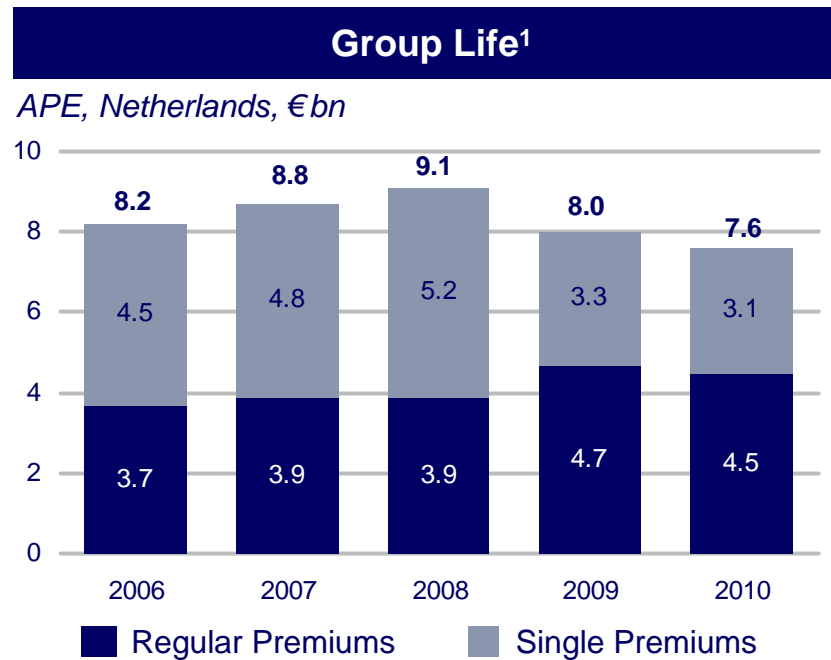
Bank savings outstanding balance, Netherlands, €bn



No sharp decline in term life products, as bank savings products do not cover mortality risks

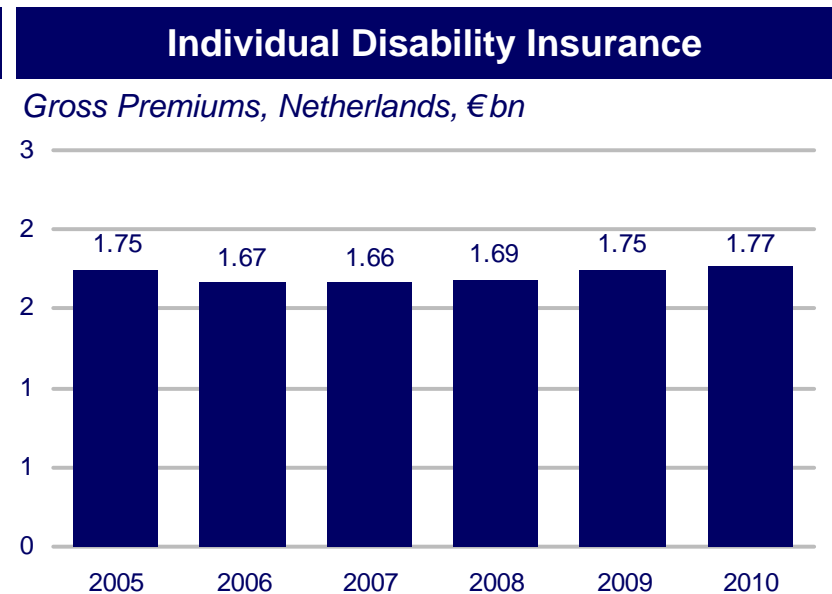
Mortgage related share of bank savings expected to increase, with term life cross sell potential

# ① Growth Opportunities in Group Life and Disability Insurance



- Decreasing premiums, but growth potential from transfer of company pension contracts
- Pressure on margins due to new products with lower cost loadings

**Growth Potential;  
Pressure on Margins**



- Limited growth in total market volumes due to price pressure and economic downturn
- However, increase expected in production, driven by shift to repriced products

**Market volumes stable;  
increase in switching expected**

# ① Continuing to Put Client Interests First

## Client initiatives – Examples

### Culture and Governance

- Push on transparency: 'Simplicity in Finance'
- Client focused culture: GEEF! and Corporate Social Responsibility (CSR)
- Leading in CSR investing
- Brand portfolio management: addressing client needs

### 'Best in Class' Products

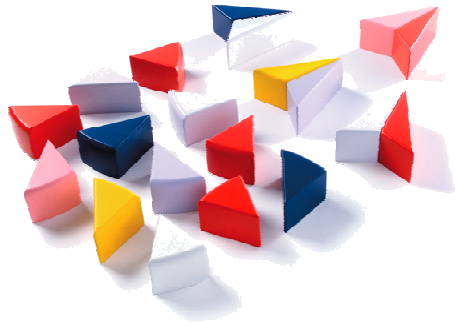
- SNS Bank: innovative, interest paying, payment proposition
- REAAL: new disability and P&C proposition
- 'Zwitserleven Exclusief Pensioen'
- SNS Asset Management: top scores on responsible investment
- ASN: FD Morningstar award 'Milieu en Waterfonds'

### Improving 'End-to-End' Client Services

- SNS Bank: client panels, client satisfaction programme
- REAAL: client contact centers, Darwin 2.0
- Zwitserleven: lean six sigma, direct SME proposition

# ① Focused Brand Portfolio Management...

## Strong Brands



ZwitserLeven 

REAAL 

SNS  Bank

RegioBank 

ASN  BANK  
VOOR DE WERELD VAN MORGEN

BLG  Hypotheken

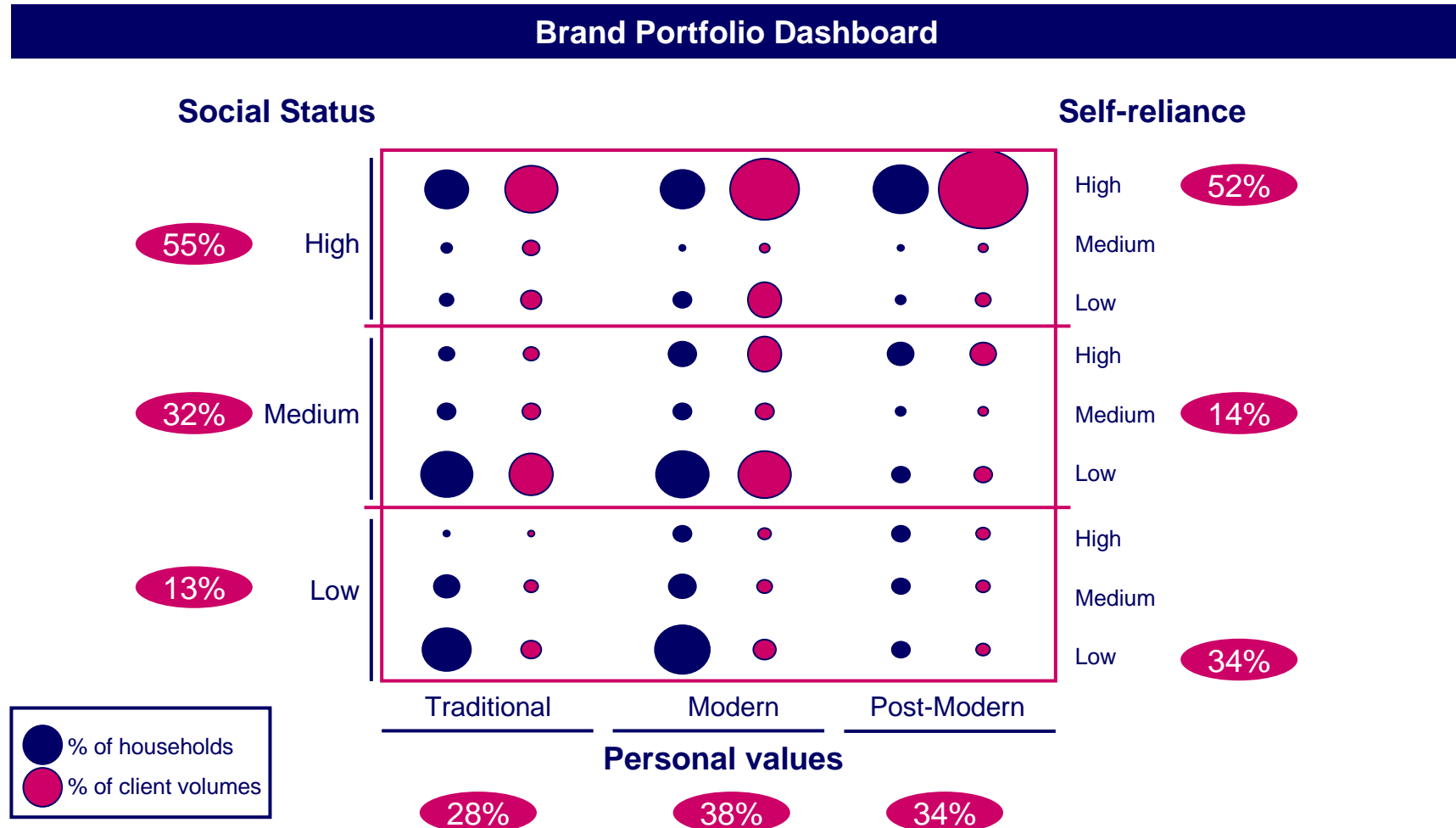
## Distinctive and Complementary Brands



- Creating a portfolio of distinctive and complementary brands:
  - Based on deep clients insight
  - Executed through group-wide coordination
- Focused targeting of client communities
- Improved use of marketing resources

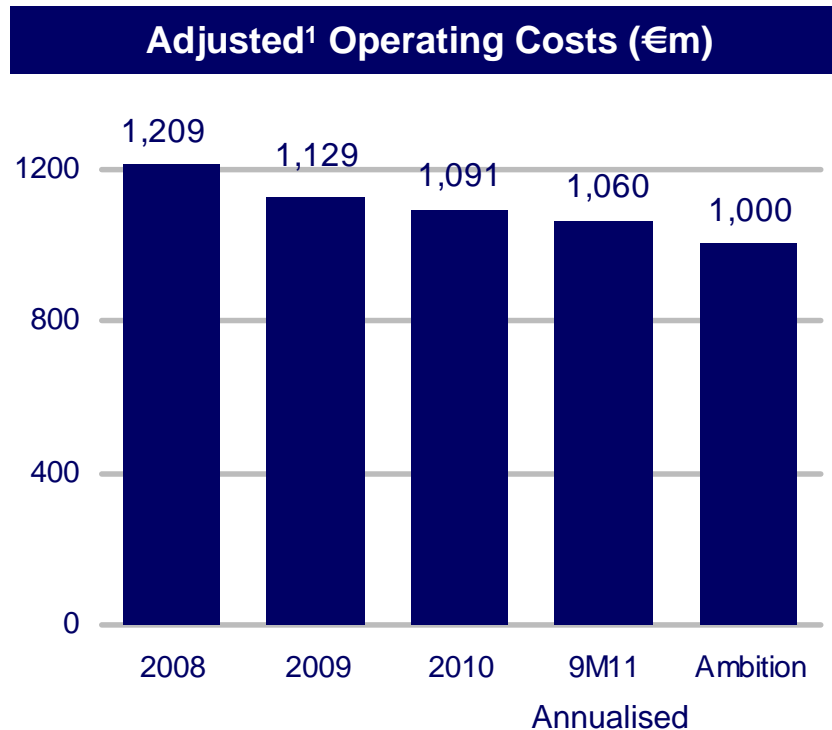
**SNS REAAL is optimising its portfolio of distinctive and complementary brands**

# ①... Based on Rigorous Analytics



**SNS REAAL has developed a state-of-the-art tool to optimise its brand positioning**

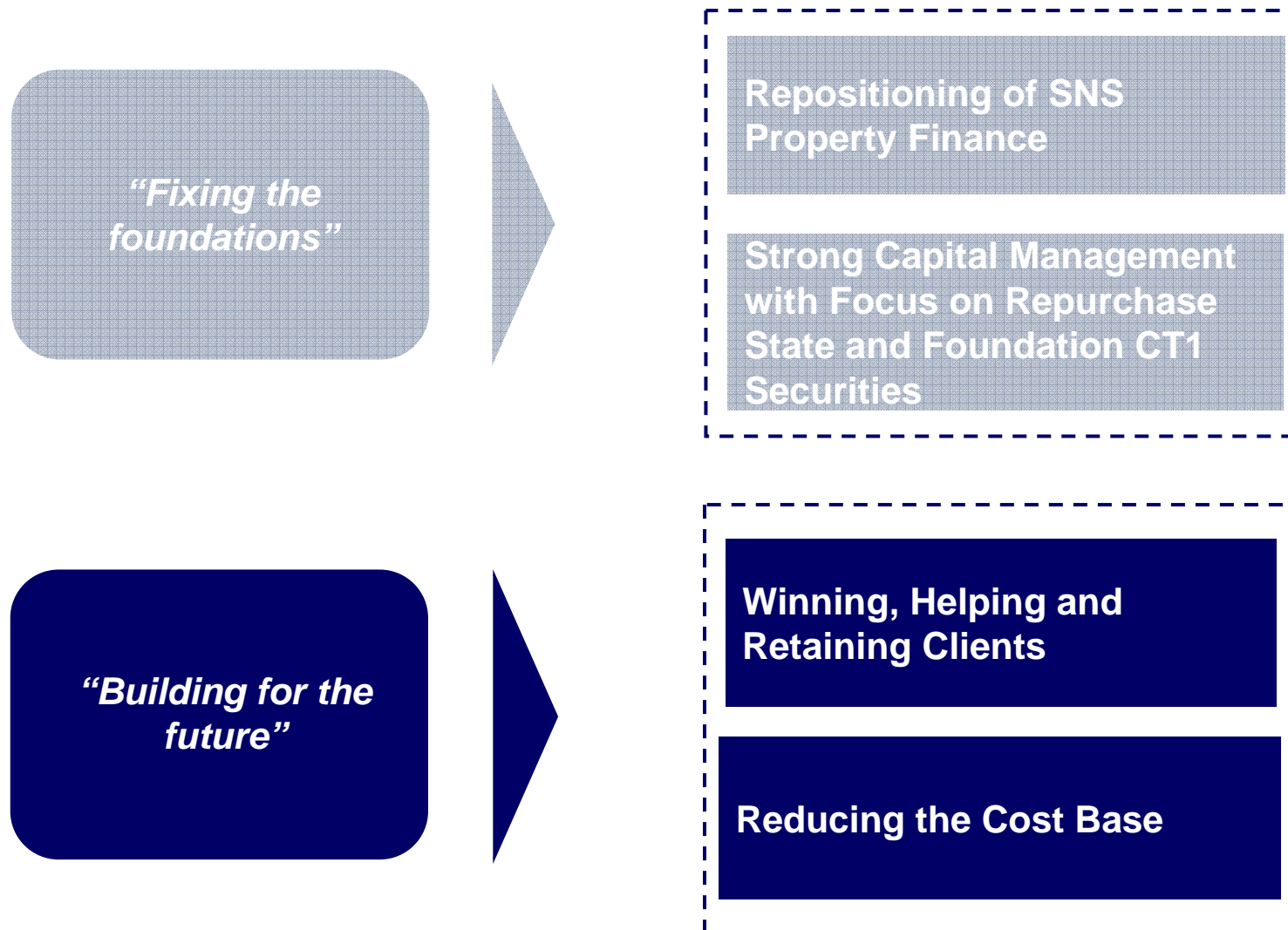
## ② Good Progress on Cost Reduction, Additional Efforts to Further Reduce Cost Base



### Comments

- Good progress on target to decrease adjusted operating costs by €200m vs. 2008
- Pressure on revenues in specific areas require lower operating costs
- Focus on further cost reduction:
  - Finalisation of integrations
  - Single platform strategy
  - Lean
  - Closed-book
  - SNS SME
  - Collective labour agreements

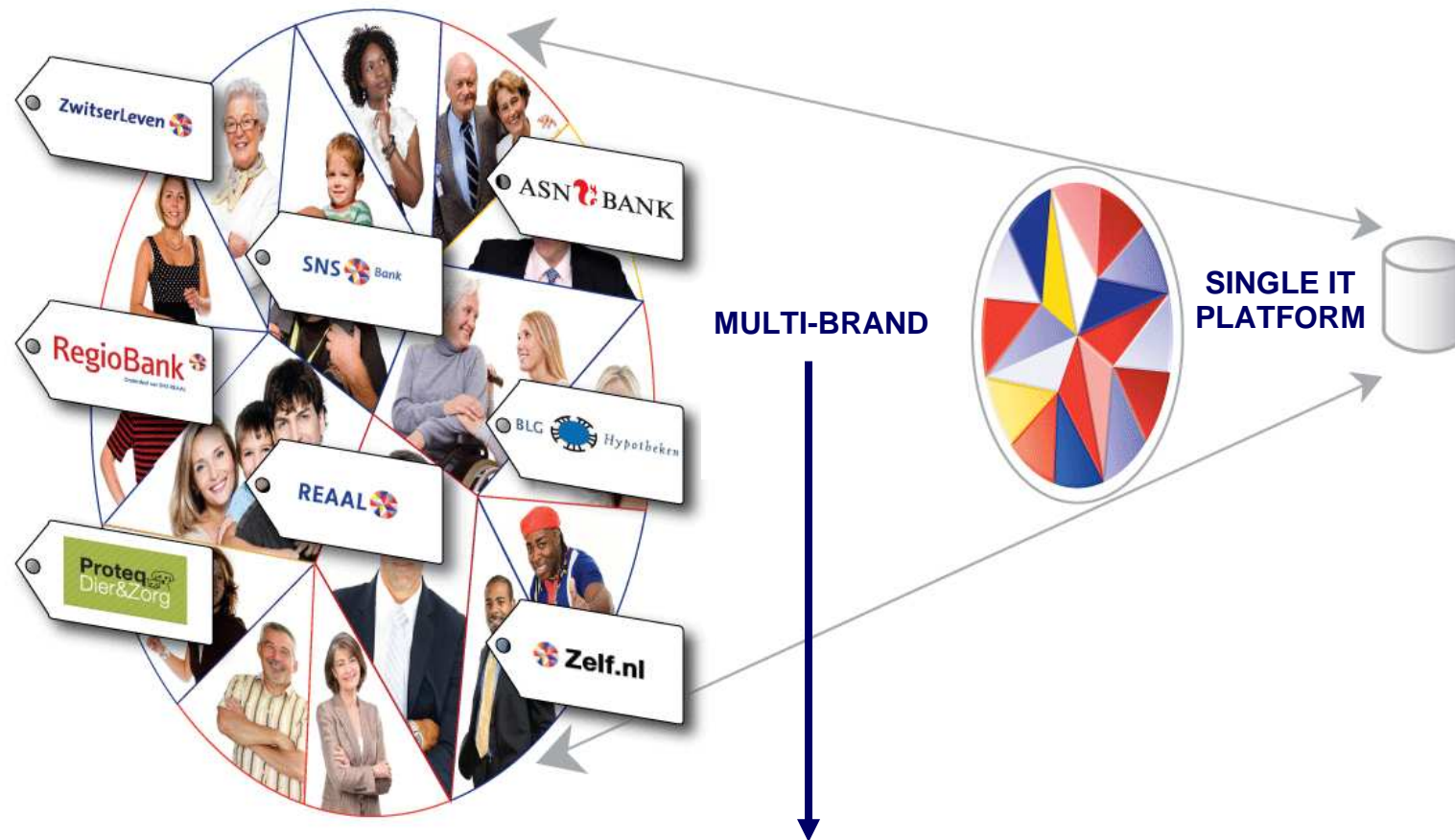
# Realising our Ambitions



## **5. Winning, Helping and Retaining Clients**



# Value Creation Through Multi-Brand Strategy



- Our effective multi-brand market approach
- Underpinned by new segmentation model
- Focused on growth areas and value creation
- ... results in strong and sustainable propositions

# Multi-Brand Strategy - Riding Trends in Society

## Trends in Society

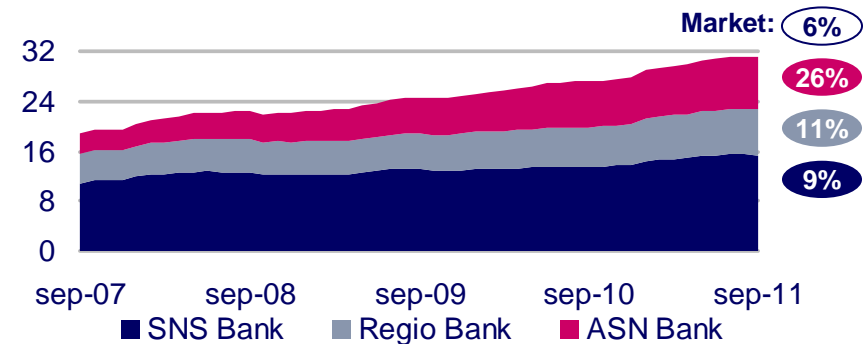


- Trends benefit multi-brand approach:
  - Increasingly diverse society
  - Post-crisis client need for 'trusted brands'
  - Increased use of multiple banks
  - New technology and social media enable tailored targeting of segments

## SNS REAAL Response

SNS REAAL savings balance by brand, €bn

Annualised growth since 2007 (CAGR)



- SNS REAAL benefits from trends:
  - Capturing relatively large share of growth through multi-brand approach
  - Focused brands outperforming market growth, as more appealing to target segments than 'one size fits all' brands

**SNS REAAL well positioned to benefit from diverse society trends**

# Multi-brand Strategy - Requires Deep Client Insights

## Segmentation

- Which customer segments can be identified that are similar in needs, beliefs and characteristics?
- How can these segments be described quantitatively and qualitatively? (e.g., segment size, socio-demographics, media use)
- Which segments are served by our brands *at this moment*?

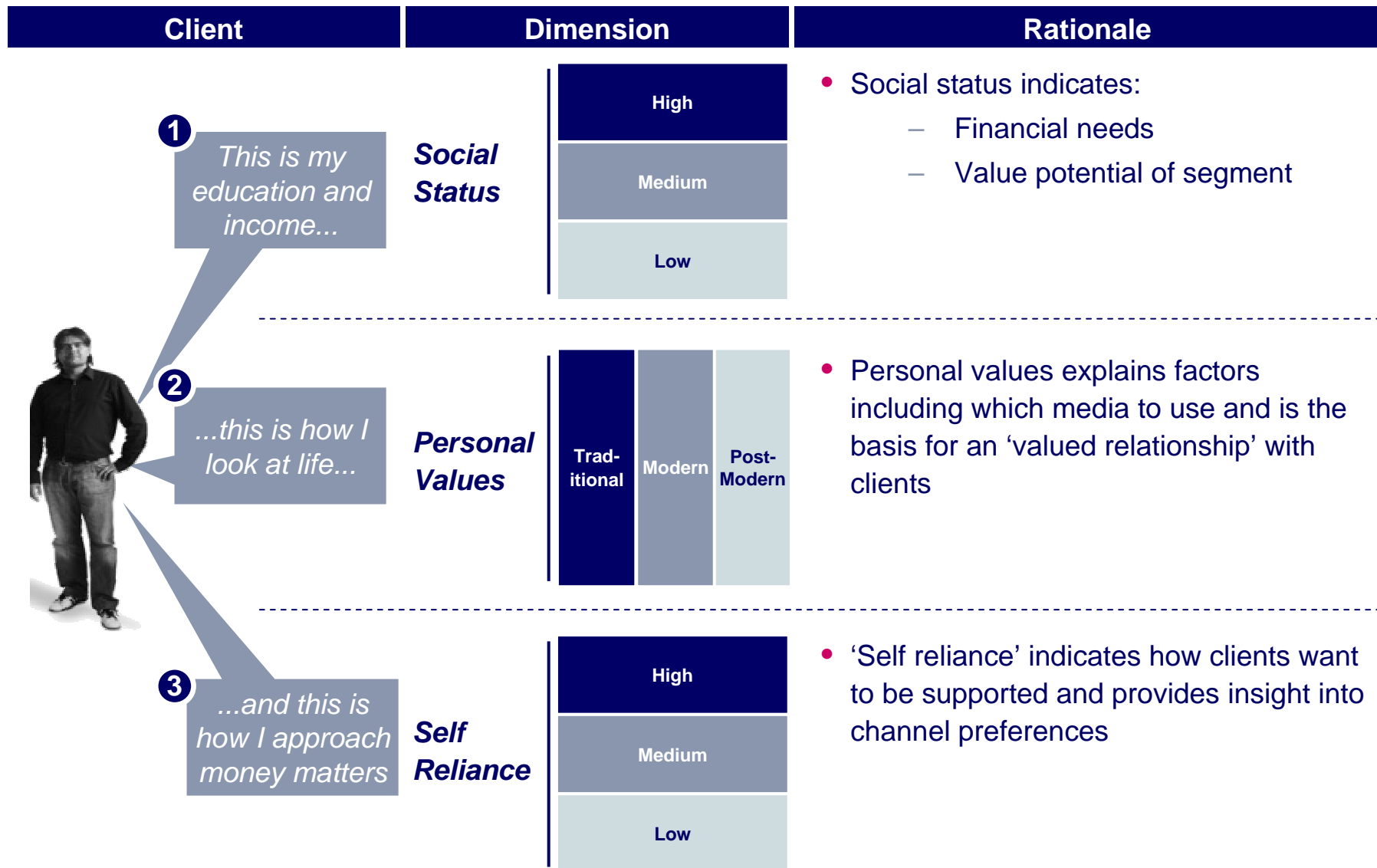
## Targeting

- Which segments do we target *in the future*? With which brands?
- What is the growth direction for each brand? (new segments vs. new propositions)
- What is the potential value that can be captured with this targeting?

## Positioning

- Which emotional value is the basis for the client relationship (brand theme)
- How can each of the brands optimally service the clients in their target segments? (channels, products, etc.)

# Market Segmentation - Three Dimensions



# Market Segmentation - Extensive Analysis

## Business Volumes

- Business volumes split per segment (savings, mortgages, motor insurance, etc.):
  - Average per household
  - Total in segment

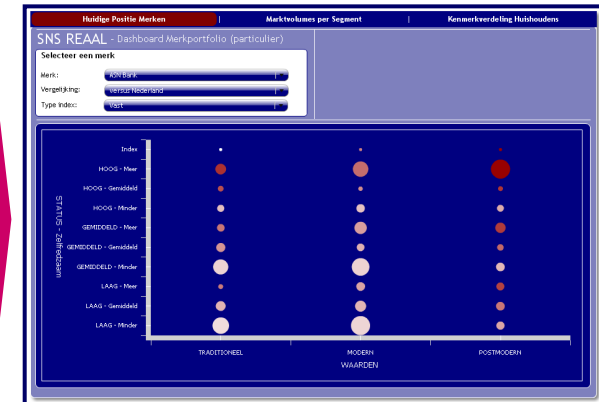
## Segment Characteristics

- Characterisation of each segment:
  - Socio-demographics
  - Traditional media usage
  - Social media usage
  - Beliefs

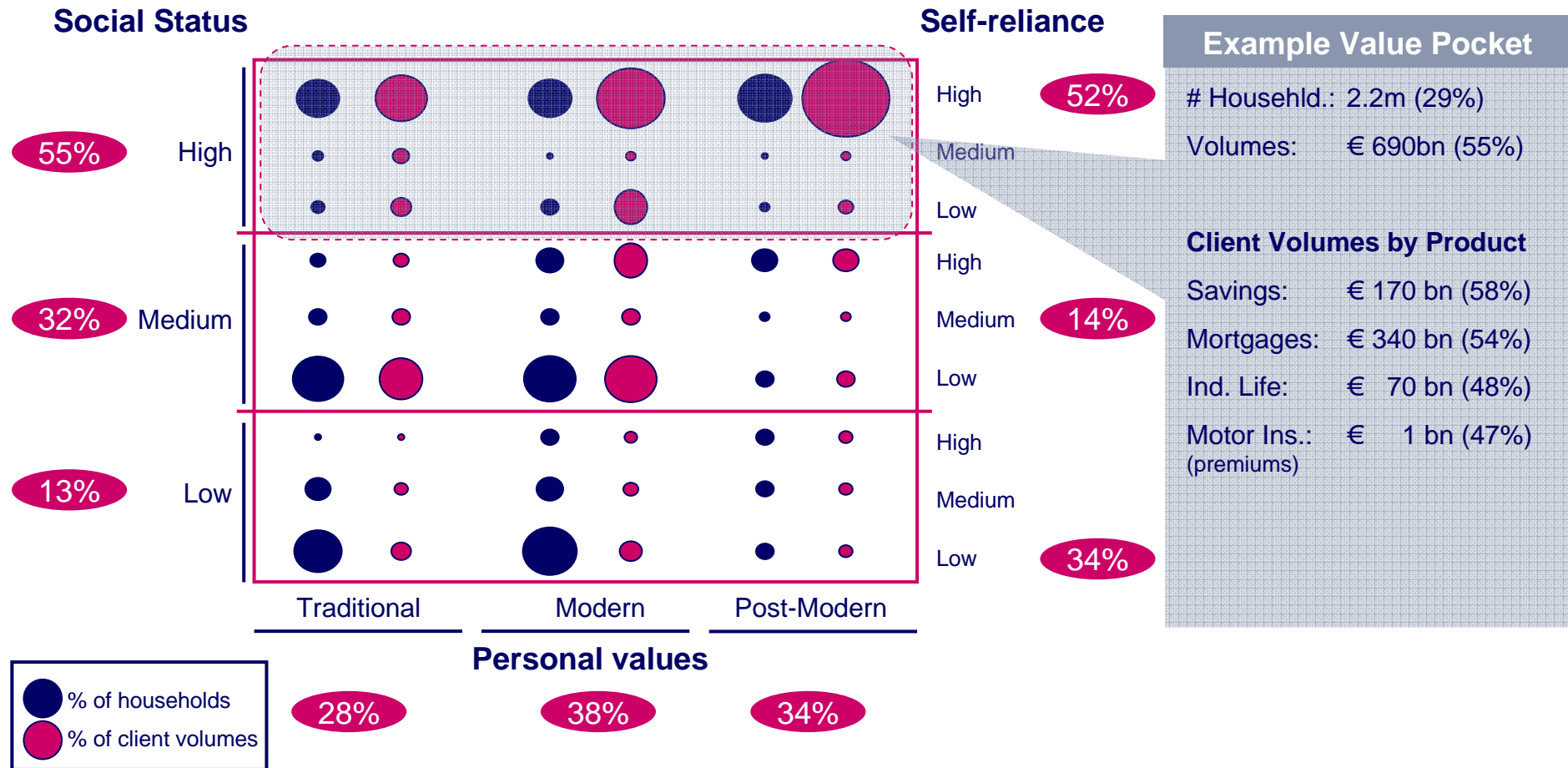
## Positioning of Brands

- Mapping current and desired targeting by brand, taking into account:
  - Competitor positioning
  - Expected developments in distribution and product landscape

Visualised in easy-to-use tool  
*“Brand portfolio dashboard”*

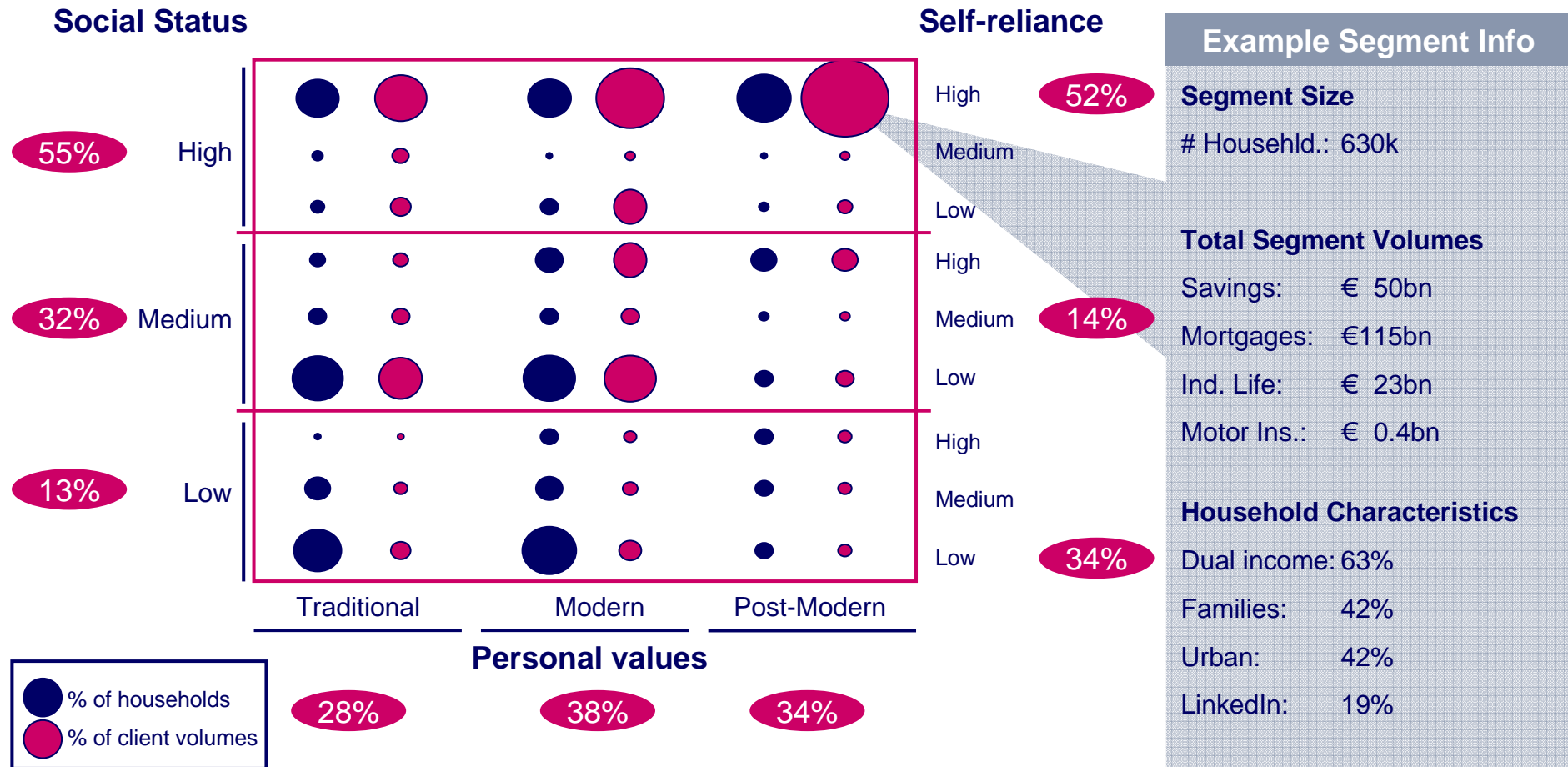


# Market Segmentation - Dashboard (1/2)



Segmentation analysis facilitates identification of value pockets to be targeted

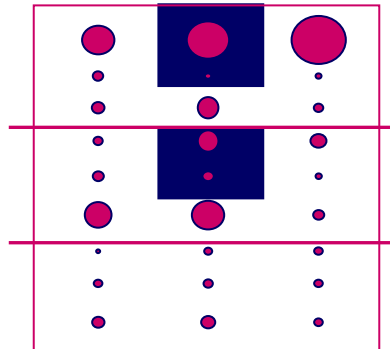
# Market Segmentation - Dashboard (2/2)



Detailed information available for 27 segments, enabling tailored targeting

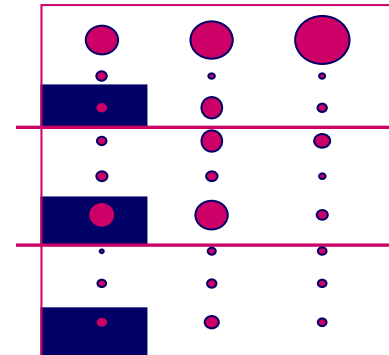
# Targeting - Examples

**SNS Bank**



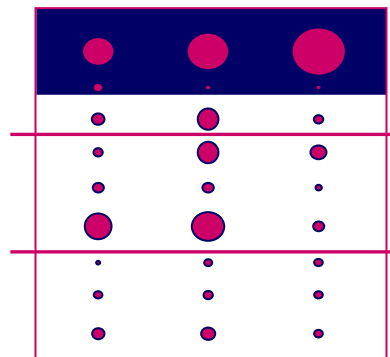
- Primary segments:
  - Modern households
  - Medium and high social status
  - Medium and high 'self reliant'

**RegioBank**



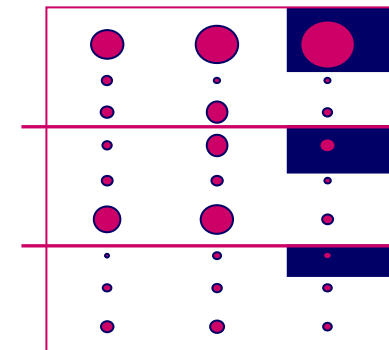
- Primary segments:
  - Traditional households
  - Less 'self reliant'

**ZwitserLeven**



- Primary segments:
  - High social status
  - More 'self reliant'

**ASN BANK**  
VOOR DE WERELD VAN MORGEN











- Primary segments:
  - Post-modern
  - More 'self reliant'

**Deliberate targeting to ensure that portfolio of brands optimally captures value**



# Capturing Growth through Multiple Brands

Product	Expected Market $\Delta$	ZwitserLeven 	REAAL 	SNS 	Bank 	RegioBank 	ASN  BANK VOOR DE WERELD VAN MORGEN	BLG 	Hypotheken 
Savings	➡		✓	✓	✓	✓			
Bank Savings	↗		✓	✓	✓				✓
Mortgages	➡		✓	✓	✓				✓
Term Life & Offset Mortgages	➡		✓	✓					✓
Disability	➡		✓	✓					
Group Life	↘	✓							

Multi-brand presence in selected growth areas

# Capturing Value - Focus on Profitable Products

Product	Focus Area	Market Size (1H11)	Market Share (1H11)	Profitability (1H11)
Savings	✓	~€300bn	10%	✓✓
Bank Savings	✓	~€10bn	11%	✓
Mortgages	✓	€36bn	6%	✓✓
Term Life & Offset Mortgages	✓	~€120m	30%	✓✓✓
Disability	✓	~€50m	9%	✓✓✓
Group Life (regular premium)	✓	~€120m	31%	✓✓✓
Annuities		~€180m	6%	
Other Individual Life		~€50m	7%	

High market shares in profitable focus areas

# Building Strong and Sustainable Propositions, Taking into Account Sector Developments

## Distribution Cost Base

- Optimising distribution cost base through strengthening internet propositions and through franchise shops:
  - 90% of SNS Bank payments now via internet
  - 30% of shops operated through franchise structure

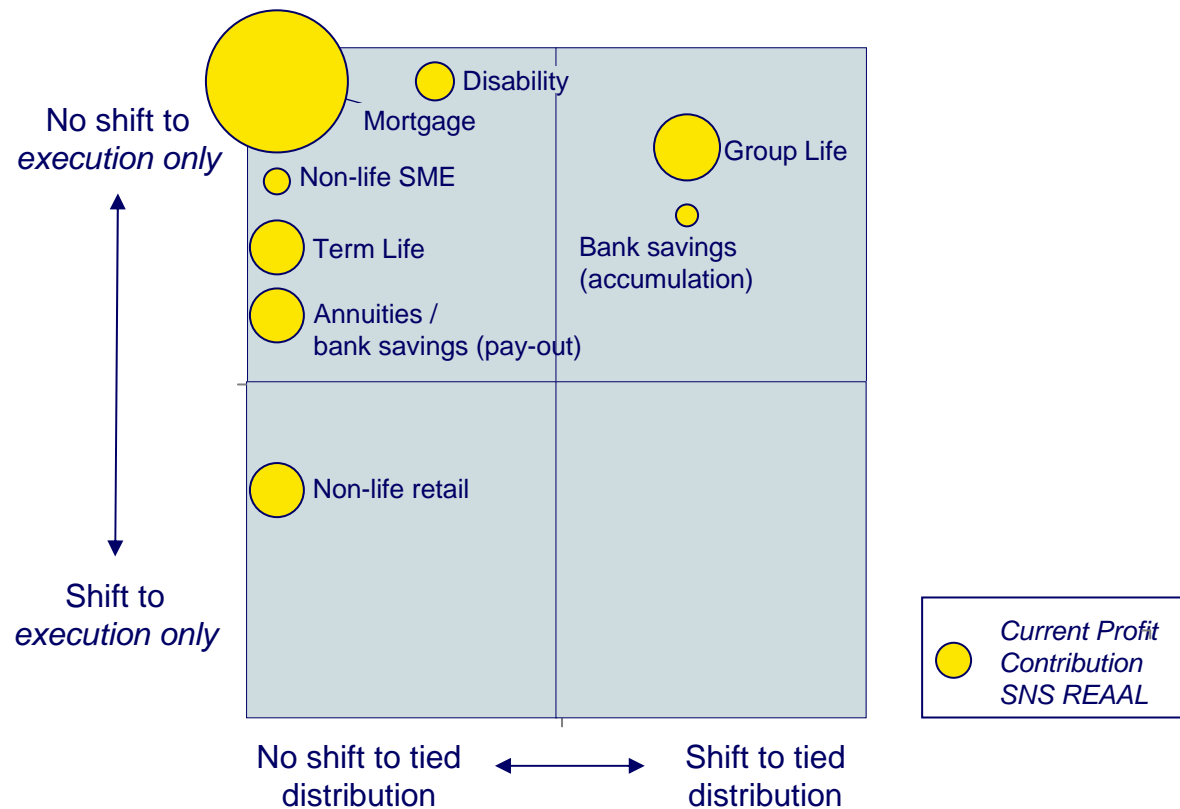
## Product Innovation

- Low time to market for new products, e.g.
  - Innovative interest paying current account for SNS Bank
  - ASN credit card
- Individual life insurance accumulation products replaced by bank savings, where possible combined with term life products:
  - SNS REAAL leveraging bancassurance capabilities

## Distribution

- Shift towards 'Do It Yourself' model, particularly in non-life
- Changes in distribution landscape driven by regulation:
  - Shift towards Customer Agreed Remuneration for life products
  - Impact differs by product category; SNS REAAL well prepared

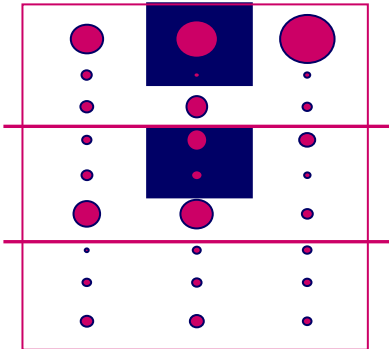
# Changes in Distribution Landscape Driven by Regulation



**Impact limited to certain products; SNS REAAL positioning for expected changes**

# Propositions - SNS Bank

## Targeting



- Targeting
  - Modern households
  - Medium and high social status
  - Medium and highly 'self reliant'
- Attractiveness of target segments:
  - 20% of client volume
  - 18% of savings
  - 21% of mortgages

## Positioning

### Theme

- Accessible and internet oriented
- 'best buy'

### Products

- Payments, savings, mortgages, investments, insurance
- Third party products (e.g. mortgages)

### Distribution Focus

*Internet*

*Shop*

*Intermediary*



### Ambitions

- Increase presence in primary segment
- Deepen client relationships and increase client value
- Strengthen distribution effectiveness

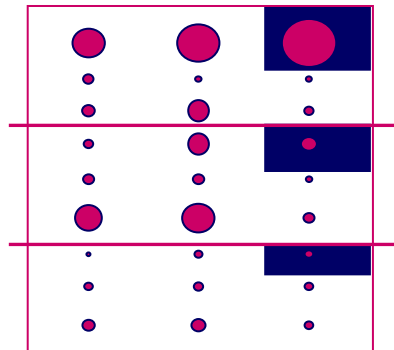
## Results

- ~1.1m households bank with SNS Bank
  - Increase of 23k in 2011<sup>1</sup>
- Successful new current account proposition
- Very strong increase in Net Promotor Score
  - +34 percentage points since 2010
- Lower and increasingly flexible cost base:
  - Cost/income ratio of 57%



# Propositions - ASN Bank

## Targeting



- Targeting
  - Post-modern
  - Highly 'self reliant'
- Attractiveness of target segments:
  - 22% of client volume
  - 21% of savings
  - 23% of mortgages

## Positioning

### Theme

- Sustainability

### Products

- Low-advice products: Payments, savings, fund investments

### Distribution Focus

*Internet*

*Shop*

*Intermediary*



### Ambitions

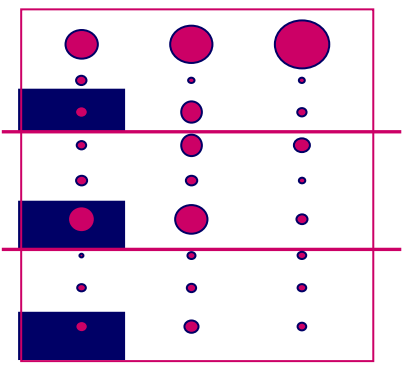
- Retain high new client growth
- Expand within theme
- Grow current account customer base




## Results

- ~600k clients, marked increase in clients:
  - Increase of 54k clients in 2011<sup>1</sup>
- Current account and credit card added
- High and increasing Net Promotor Score:
  - +15 percentage points since 2010
  - Customer Centric DNA Award 2011
- Cost/income ratio of 26%




# Propositions - RegioBank

Targeting
 <ul style="list-style-type: none"> <li>• Targeting                     <ul style="list-style-type: none"> <li>– Traditional households</li> <li>– Less 'self reliant'</li> </ul> </li> <li>• Attractiveness of target segments:                     <ul style="list-style-type: none"> <li>– 12% of client volume</li> <li>– 15% of savings</li> <li>– 10% of mortgages</li> </ul> </li> </ul>

Positioning		
<b>Theme</b> <ul style="list-style-type: none"> <li>• Local Bank</li> <li>• Personal advice</li> <li>• Simple products</li> </ul>		<b>Products</b> <ul style="list-style-type: none"> <li>• Payments, savings, mortgages, investments, insurance</li> </ul>
<b>Distribution Focus</b> <div> <i>Internet</i>    <i>Shop</i>    <i>Intermediary</i> </div> <div>    </div>		<b>Ambitions</b> <ul style="list-style-type: none"> <li>• Win new clients in primary segment</li> <li>• Further grow savings volumes and increase non-life insurance sales</li> </ul>
<b>Results</b> <ul style="list-style-type: none"> <li>• ~300k households bank with RegioBank                     <ul style="list-style-type: none"> <li>– Increase of 3k in 2011<sup>1</sup></li> </ul> </li> <li>• Improved selection of intermediaries</li> <li>• Increased intermediary satisfaction</li> <li>• Strong increase in Net Promotor Score                     <ul style="list-style-type: none"> <li>– +15 percentage points since 2010</li> </ul> </li> <li>• Cost/income ratio of 28%</li> </ul>		

RegioBank wenst u smakelijk eten!



Wij zijn uw bank. RegioBank <sup>nl</sup>

# Propositions - REAAL



Targeting
<ul style="list-style-type: none"> <li>Targeting:                     <ul style="list-style-type: none"> <li>Less and medium 'self reliant'</li> <li>Medium social status</li> </ul> </li> <li>Attractiveness of target segments:                     <ul style="list-style-type: none"> <li>22% of client volume</li> <li>25% of individual life</li> <li>25% of non-life</li> </ul> </li> </ul>

Positioning	
<b>Theme</b> <ul style="list-style-type: none"> <li>Reliable business partner for intermediaries</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>Life and non-life insurance, savings, bank savings, mortgages</li> </ul>
<b>Distribution Focus</b> <div> <i>Internet</i>    <i>Shop</i>    <i>Intermediary</i> </div> <div> </div>	<b>Ambitions</b> <ul style="list-style-type: none"> <li>Strong presence in value creating life risk products</li> <li>Increasing non-life sales through focus on bundled products</li> </ul>
<b>Results</b> <ul style="list-style-type: none"> <li>Launch REAAL Customer Contact Centre</li> <li>Strong increase in Net Promotor Score:                     <ul style="list-style-type: none"> <li>+ 24 percentage points since 2010</li> </ul> </li> <li>Strong growth in bank savings, disability and mortality risk products</li> <li>Reducing costs:                     <ul style="list-style-type: none"> <li>Cost/premium ratio of 11%</li> </ul> </li> </ul>	

REAAL Verzekeringen

**45% KANS  
DAT U EEN HUIS  
MET OPEN  
HAARD WILT**

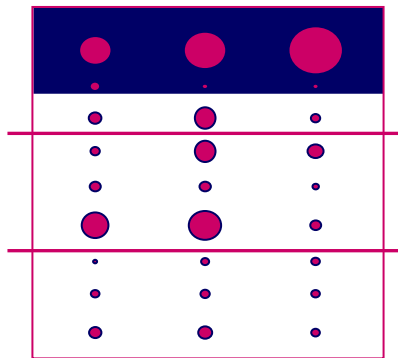
DE OPSTAPHYPOTHEEK VAN  
REAAL. REALIST IN VERZEKEREN

reaal.nl



# Propositions - Zwitserleven

## Targeting



- Targeting
  - High social status
  - More 'self reliant'
- Attractiveness of target segments:
  - Segments with highest client volumes
  - 43% of client volume
  - 46% of savings
  - 35% of life

## Positioning

### Theme

- 'Relax in retirement'

### Products

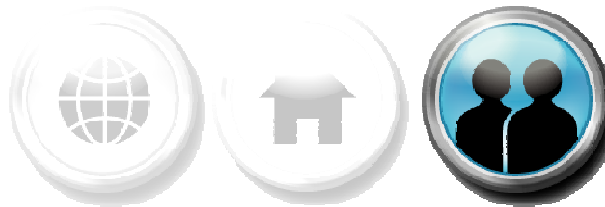
- Group life

### Distribution Focus

Internet

Shops

Intermediary



### Ambitions

- Introduce direct SME proposition
- Extend product offering

## Results

- Consistently ranked number one in intermediary performance survey
- Strong Increase in Net Promotor Score:
  - +18 percentage points since 2010
- Increased market share in group life
- Reducing costs
  - Cost/premium ratio of 12%



# Key Take-Aways

- Our effective multi-brand market approach
  - Underpinned by new segmentation model
  - Focused on growth areas and value creation
- ... results in strong and sustainable propositions

## Q&A

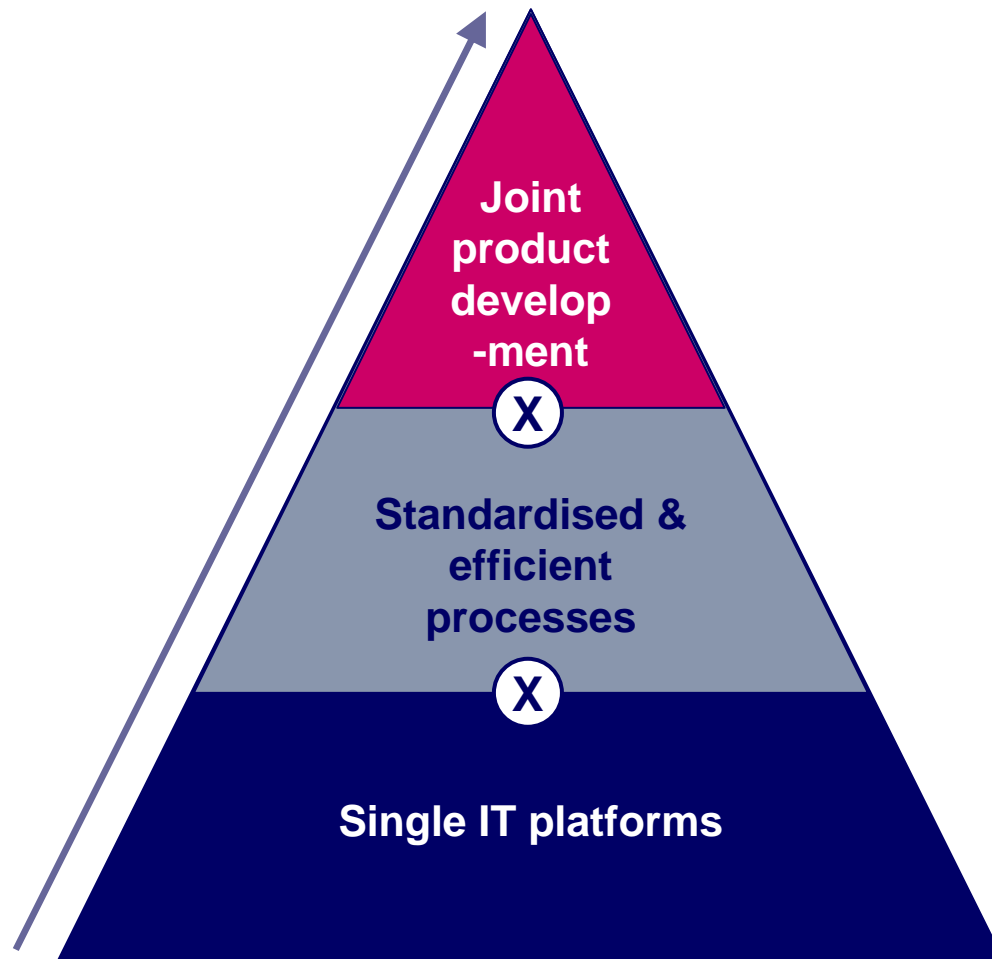
## 6. Reducing the Cost Base

# Alignment of Cost Structure Based on Four Pillars



- ① Facilitating the multi brand strategy, in order to get close to the consumer
- ② Rationalising insurance & pension mid and back offices
- ③ Optimising the way business is run
- ④ Implementing 'closed book' strategy

# Single Platform Approach Reduces Complexity, while Increasing Efficiency and Time-to-Market



- (C) Shorter time-to-market**
- 1x new product development
  - Fast roll-out across labels



- (B) Increased efficiency**
- Applying 'lean' thinking
  - Leveraging scale efficiencies



- (A) Reduced complexity**
- Limited # of core systems
  - Limited # of interfaces
  - Reduced complexity in projects

# ① SNS REAAL Servicing Multiple Brands with a Single IT Platform per Product Line

Product	# of IT-Platforms	# of Back-offices	ZwitserLeven	REAAL	SNS Bank	RegioBank	ASN BANK VOOR DE WERELD VAN MORGEN	BLG Hypotheken
Savings	①	①		✓	✓	✓	✓	
Bank Savings			✓*	✓	✓	✓	✓*	✓
Mortgages	①	①		✓	✓	✓		✓
Term Life & Offset Mortgages	①	①		✓	✓	✓*	✓*	✓
Non-Life	①	①		✓	✓			
Group Life	②	①	✓					

✓ : Current product offering

✓ : Recently implemented

✓\* : Future possibilities

# ① ASN Bank Achieving Fast Time-to-Market by Building on Existing IT and Processes

Example introduction of current account

SNS Bank



ASN Bank



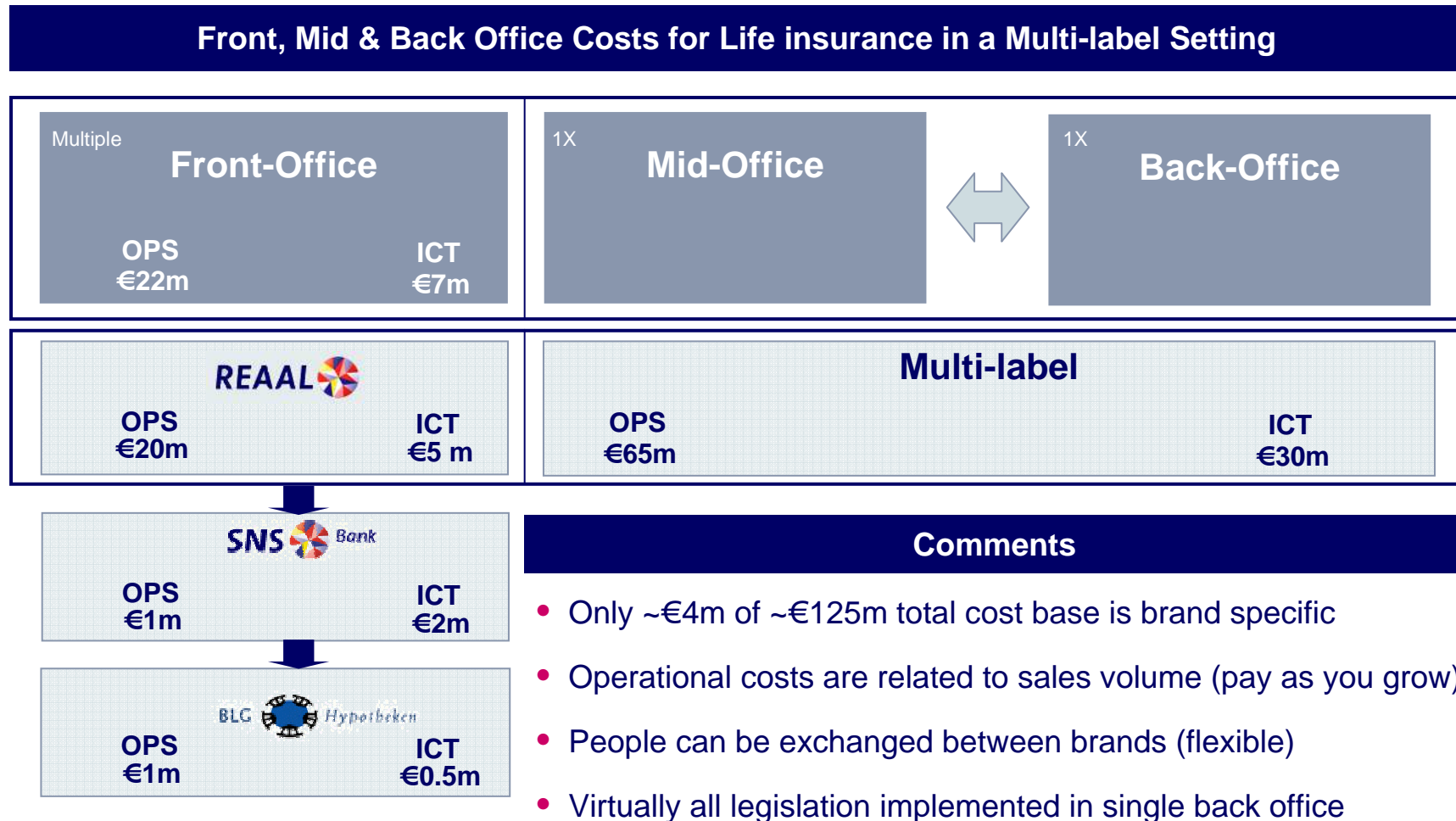
RegioBank



- Current account introduced
  - Fulfills need voiced by ASN Bank's clients
  - Deepens client relationship
  - Increases 'stickiness'
- Time-to-market of new product less than 7 months
  - Re-use of SNS Retail Bank platform
  - However, tailored to ASN Bank: low cost, low debit interest, credit interest 1%
- Introduction successful
  - 70,000 current accounts
  - Favorable reactions: high customer satisfaction



## ② Standard and Efficient Processes: Example of Single Platform and Process

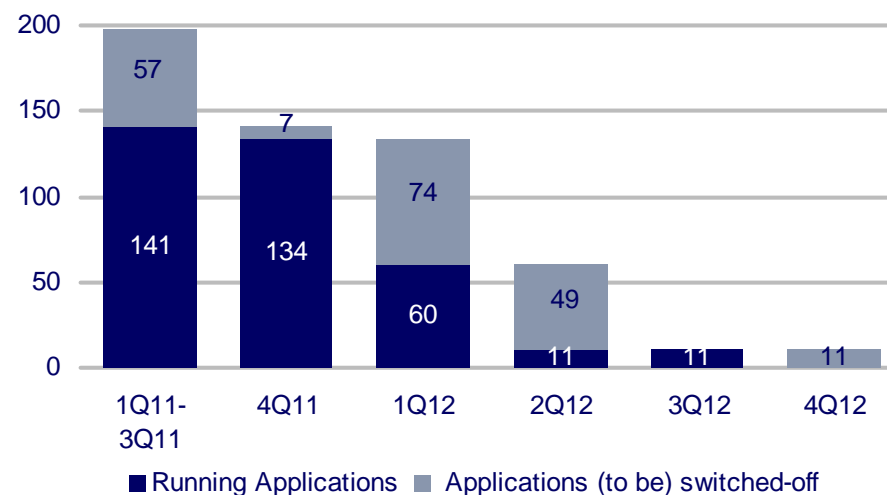


## ② Update on Integrations

### Update on AXA NL Integration

- Organisation, products, systems and processes have been fully integrated
- Annual cost synergies already fully delivered
- In total 198 applications and 6 systems will be switched off
- Switching off remaining applications will deliver additional synergies

### Phasing out 198 AXA NL Applications



### Update on Zwitserleven Integration

- Organisation, selling products and processes have been fully integrated
- Significant part of cost synergies delivered
- Systems integration to be finalised in 4Q12
- Switching off applications will deliver additional synergies

### New IT System for Pensions

- New IT system for Pensions under construction to offer full STP processing and internet integration
- Implementation system starts in 2Q12 (testing phase has commenced)
- System facilitates group life (defined contribution) & Premium Pension Institution functionality
- Eventually all current contracts will be transferred to new system

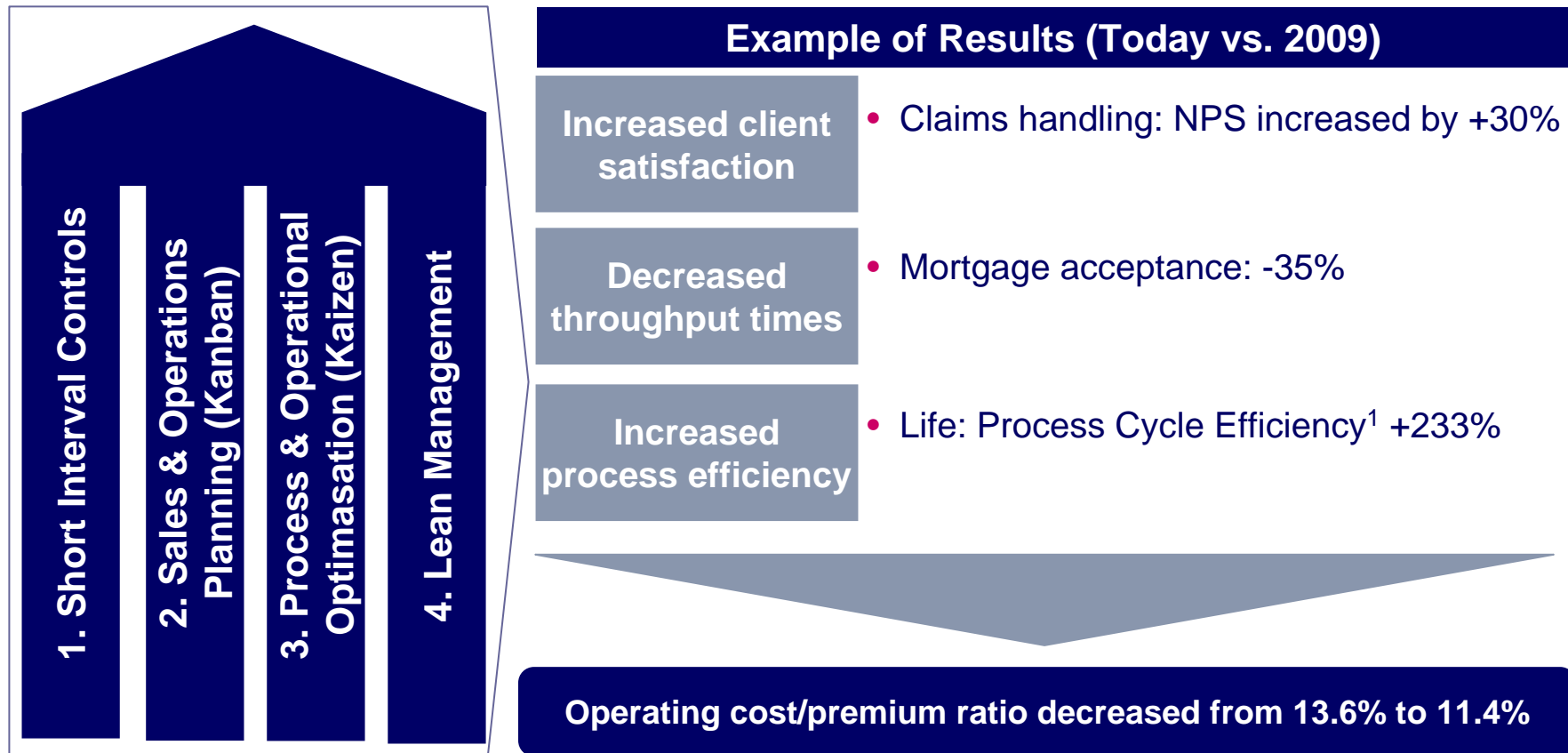
## ② Realised Cost Synergies Ahead of Target

### Total Overview Cost Synergies as per 30 September 2011

Costs	Progress (9M11)	Target (end of 2012)	% Achieved (9M11)	On Track
Total integration costs	€95m	€95m	100%	
Total cumulative cost synergy	€113m	€95m	119%	✓
FTE reduction	831 FTE	700 FTE	119%	✓

### ③ 'Lean' Thinking Applied to Improve Processes

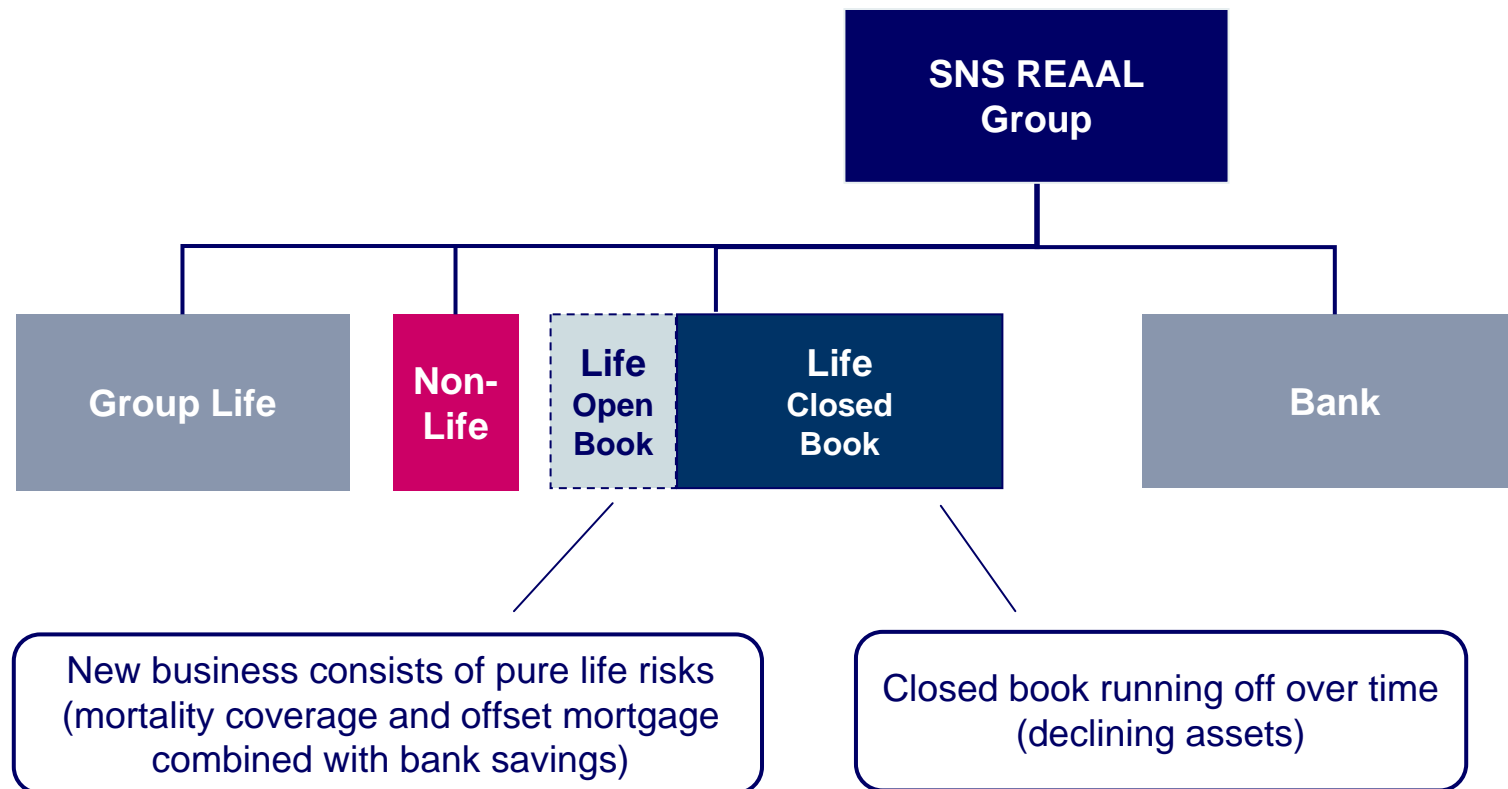
Example REAAL Darwin program



## ④ Managing a Closed Book for Individual Life is Fundamentally Different than for Open Book

		Open book / new business <sup>1</sup>	Closed book
Primary processes	Product development	Focus on innovation to increase market share & value creation	Focus on rationalising product line & new legislation
	Marketing & sales	Strong branding towards end client and intermediary channel	Limited branding or no branding
	Policy acceptance	Focus on end-client satisfaction and speed of service	Not applicable
	Claims & service	Servicing should generate new sales, requiring sales attitude from staff	Servicing purely focused on service tasks, efficiency the key success metric
Secondary processes	Strategy & management	Manage for growth, innovation and strong branding	Manage cost and retention: focus on simplifying processes and IT
	Financial & ALM	Invest in growth and focus on long term value (VNB)	Manage capital and maximize efficiency (with declining assets)
	HR capability building	Focus on product development, service and sales	Focus on process and IT optimization
	IT Systems	Flexible systems that can handle product innovation Front-Office integration	Reducing complexity and increasing ability to scale down

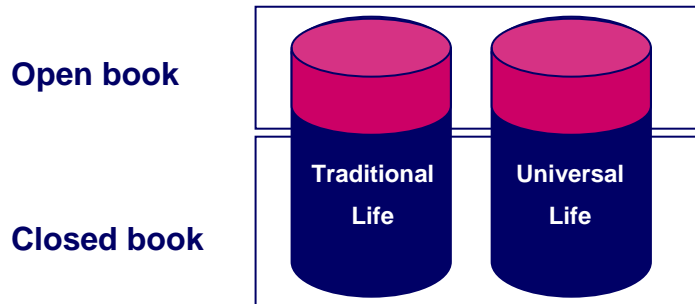
## ④ Individual Life Business can be Split in 'Closed Book' and 'Open Book'



**REAAL is currently aligning organisation to address closed-book opportunities**

## ④ There are Two Basic Scenarios for Structuring a Closed Book Business

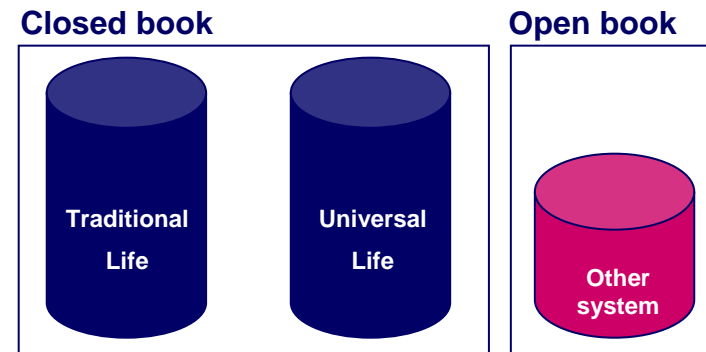
### A Organisation only



- IT systems divided based on e.g.:
  - Time of contract
  - Clients group
  - Products / product groups

- ✓ Possible regardless of IT landscape; may yield significant benefits
- ✗ Value creation requires strong discipline, e.g. frequent alignment required for resource allocation
- ✗ Limited strategic flexibility

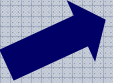
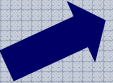

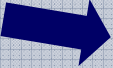
### B Organisation and IT



- IT systems and organisation rigidly separated

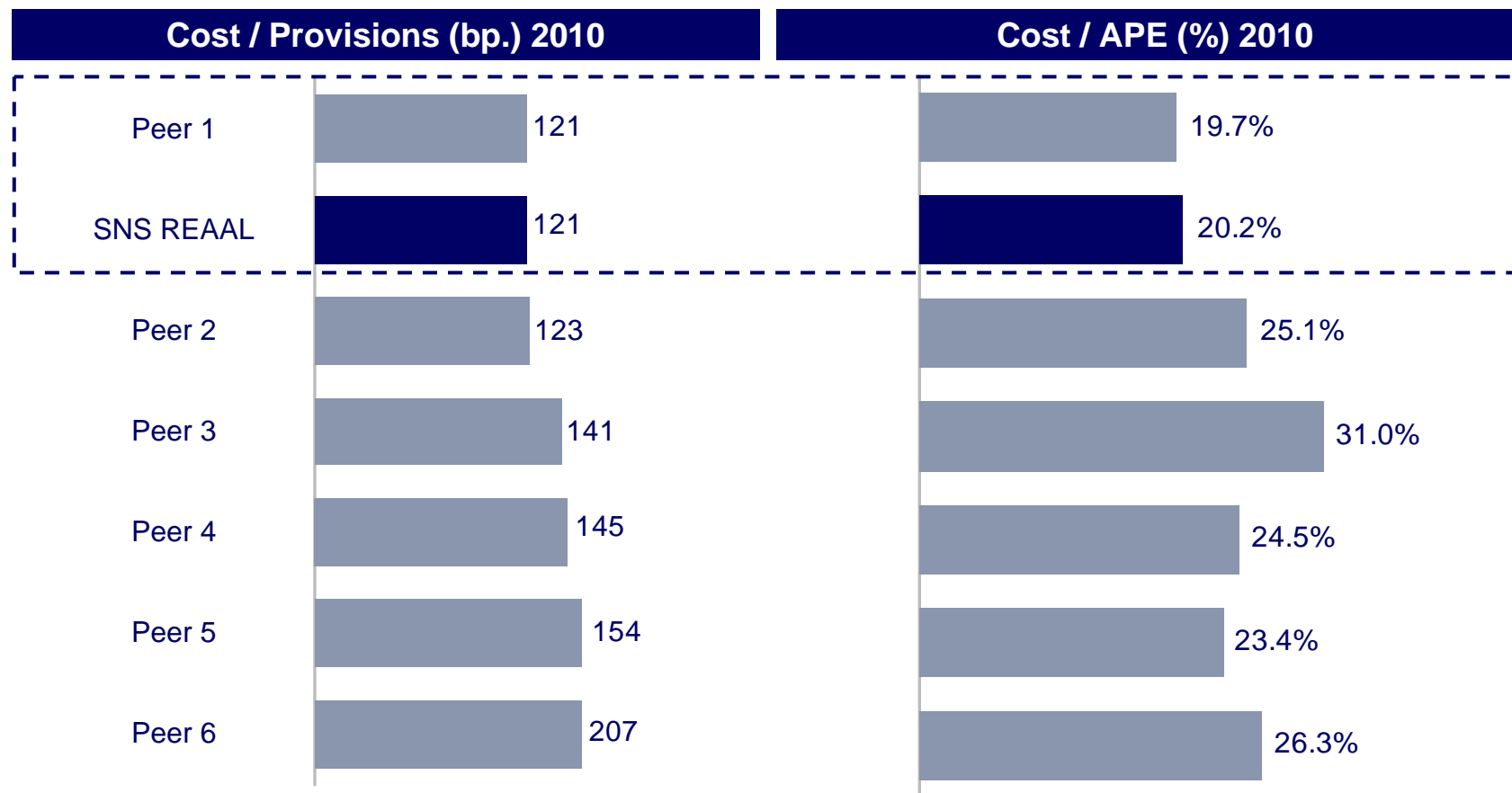
- ✓ Optimal value creation in both back-book and new business due to focus on key success factors
  - Back-book: efficiency
  - New business: long-term value, flexibility
- ✓ Optimal strategic flexibility
- ✗ Low complexity IT landscape required to avoid lengthy IT migrations and / or greenfields

## ④ 'Open Book' vs. 'Closed Book'

Breakdown 'In-force book' REAAL Individual Life 2010						
				CAGR	# products	Growth
Open book	# policies	0.2m	4%	~25%	3	
	Technical reserves	€0.3bn	1%			
Closed book	# policies	3.9m	96%	~ -8%	~900	
	Technical reserves	€24.7bn	99%			






## ④ Shared #1 Position Based on 2010 Ratios



**SNS REAAL is well positioned to manage the best value out of the closed book and is a natural party to be involved in a possible closed book transactions**

## ④ SNS REAAL Well Positioned for Managing Closed Books Successfully

Key Factors	Why important?	Position SNS REAAL
Low complexity IT landscape	<ul style="list-style-type: none"> <li>• Lower cost of operations (e.g. regulatory changes)</li> <li>• Strategic flexibility</li> </ul>	 <ul style="list-style-type: none"> <li>• Only two core IT platforms (universal life and traditional life)</li> </ul>
Sizeable closed book	<ul style="list-style-type: none"> <li>• Minimum scale required</li> </ul>	 <ul style="list-style-type: none"> <li>• #1 life insurer in terms of cost / provision ratio, with €25bn of technical provisions</li> </ul>
Operational & integration skills	<ul style="list-style-type: none"> <li>• Ensuring efficiency in IT and processes</li> </ul>	 <ul style="list-style-type: none"> <li>• Proven integration skills</li> <li>• Successful lean program resulting in low cost levels</li> </ul>

# Key Take-Aways

- **SNS REAAL is well underway to deliver on the promise of the single back office architecture leading to top notch cost levels**
- **Single back office architecture allows for multi-brand marketing with fast time to market and little extra cost**
- **SNS REAAL maximising its leverage on investment in LEAN processes and management through its single Back Office architecture**
- **REAAL has prepared its organisation for the implementation of a closed book strategy**

## Q&A

## 7. Summary

## 8. Q&A

# Appendix

# SNS REAAL Executive Board Biographies

## Ronald Latenstein



- **Position:** Chief Executive Officer SNS REAAL
- **Date of Birth:** 23 July 1964
- **Current and previous responsibilities:** CEO since 2009. Supervises the group staff departments Compliance & Operational Risk Management, Group Audit, Corporate Communications and Corporate Strategy. CFO SNS REAAL from 2002 until 2009
- **Relevant industry experience:** Former CFO of Bank Insinger de Beaufort

**Education and early career:** After completing his Bachelors degree in economics (international management), and Masters degree in business administration, Mr Latenstein also followed various executive programmes at Harvard and Insead

**Professional career:** After having occupied various national and international management financial positions, including at Randstad Dienstengroep and Thomas Cook, Mr Latenstein joined SNS REAAL in 1995. In addition to his position as CFO, he was also a member of the Board of SNS Bank Nederland. In 2001, Mr Latenstein moved to Bank Insinger de Beaufort, where he was a member of the Executive Board as CFO for just over 18 months. At the end of 2002, Mr Latenstein returned to SNS REAAL

**Additional Positions:** Mr Latenstein is a supervisory board member Sligro Food Group N.V., chairman of the Dutch Insurers' Association, board member of the Dutch Employers' Association VNO-NCW, member of The Bank Council DNB and board member Oranje Fonds



# SNS REAAL Executive Board Biographies

## Ference Lamp



- **Position:** Chief Financial Officer SNS REAAL
- **Date of Birth:** 28 December 1971
- **Current and previous responsibilities:** CFO since 2009
- **Relevant industry experience:** Former Managing Director Financial Institutions Group at Lehman Brothers

**Education and early career:** Mr Lamp studied Business Administration at the RSM / Erasmus University Rotterdam, the Netherlands and at the University of Michigan, United States

**Professional career:** After completing his degree, Mr Lamp joined MeesPierson / Fortis Investment Bank where he worked in Corporate Finance & Capital Markets. Before joining the Executive Board of SNS REAAL in 2008, Mr Lamp acted as Managing Director Financial Institutions Group at Lehman Brothers

**Additional Positions:** Mr Lamp is a member of the supervisory board of Stichting Radio Nederland Wereldomroep, treasurer Duisenberg School of Finance and supervisory board member of Regional Community College of Amsterdam (ROC)

# SNS REAAL Executive Board Biographies

## Dick Okhuijsen



- **Position:** Chief Operations Officer SNS REAAL
- **Date of Birth:** 19 October 1965
- **Current and previous responsibilities:** Member of the Executive Board since September 2009, responsible for the Bank & Insurance activities and SNS AM
- **Relevant industry experience:** Former Chief Executive Officer/President ING Life Insurance Company Ltd. Japan

**Education and early career:** After completing his study of Applied Mathematics at the University of Twente he finished his MBA. He followed a post-MBA course at Insead Business School (2002) and the Advanced Management Program at Harvard Business School (2007)

**Professional career:** 18 years experience in Insurance and Banking with ING Group and Nationale Nederlanden in the Dutch market as well as abroad. Before joining SNS REAAL in 2009 as a member of the Executive Board, Mr. Okhuijsen was CEO of ING Czech and Slovak Republic followed by CEO of ING Life Japan

**Additional Positions:** Mr. Okhuijsen is a board member of the Foundation of Management Studies and board member of the Dutch Bankers Association

# SNS REAAL Executive Board Biographies

## Wim Henk Steenpoorte



- **Position:** Chief Technology Officer SNS REAAL
- **Date of Birth:** 1 April 1964
- **Current and previous responsibilities:** Member of the Board of REAAL, Manager of REAAL Program and Information management, responsible for Service Center within REAAL. Board member of Ogilvy & Mather Netherlands
- **Relevant industry experience:** Board member of Dutch Insurance Association (non-life)

**Education:** Mr. Steenpoorte graduated in Management Studies at the Polytechnic school of Alkmaar in 1985. After this Mr. Steenpoorte studied Economics and Informatics, in 1995 he received his Masters degree in Information Management at the University of Amsterdam. In 2005 he followed the Advanced Management Program at INSEAD

**Professional career:** Mr. Steenpoorte Started his career in systems development at 't Hooge Huys Verzekeringen, Mr. Steenpoorte was ultimately responsible for the systems development for non-life ICT systems. In the mid 90's Mr. Steenpoorte was responsible for the project management of the first insurance integration within SNS REAAL (Helvetia, REAAL, 't Hooge Huys). After this Mr. Steenpoorte joined Ogilvy & Mather. In 2001 Mr. Steenpoorte re-joined SNS REAAL as head of the program management office.

**Additional Positions:** Mr. Steenpoorte is a member of the Board for the non-life insurance industry, responsible within the board for authorised agents (volmachten) and statistics office (CVS) and membership of the supervisory board van VAN (Verenigde Assuratiebedrijven Nederland)

# Notes

Slide 5	1. Excluding Health
Slide 9	1. Source: CBS
Slide 18	1. Basel I with 80% floor
Slide 21	1. Operating expenses excluding restructuring charges, advisory costs for Property Finance run-off loan portfolio and DSB and Icesave claims
Slide 31	1. Loan-to-value: commitments divided by net realisable value
Slide 32	1. Impairments excluding goodwill
Slide 38	1. Excludes revaluation and fair value reserves
Slide 42	1. Goodwill Zwitserleven €139m, Brand name Zwitserleven €95m, Goodwill AXA NL €436m and Other €20m
Slide 45	1. Loan-to-deposit ratio: loans as a percentage of deposits
Slide 47	1. Definition of liquid assets has been changed to assets which are ECB eligible and readily available. Comparative figures have been adjusted accordingly
Slide 49	1. Sovereign exposure also includes sub-sovereigns
Slide 55	1. Savings: balance at September 2011; bank savings: balance at YE2010; Mortgages: 9M11 cumulative production; Individual life: 2010 NAPE; Non-life: 2010 Gross Written Premium; Group Life: 2010 APE
Slide 58	1. Group life 2009 excludes internal pension contract of €1.1bn of Eureko
Slide 62	1. Excluding restructuring charges, advisory costs for Property Finance run-off loan portfolio and DSB and Icesave claims
Slide 77-79	1. Net increase, 9M11 annualised
Slide 92	1. Measured as working time / throughput time
Slide 93	1. Source: BCG analysis
Slide 97	1. Source: DNB statistics

# Forward-looking Statements

This presentation may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these forward-looking statements, as they are based upon management's current estimates, expectations, beliefs and assumptions regarding anticipated developments and other factors affecting SNS REAAL. These forward-looking statements speak only as of the date of this presentation. They are not historical facts, nor are they guarantees of future performance. Because these forward looking statements are subject to risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. For a more in-depth discussion of these factors, and the risks and uncertainties that may affect the future results of SNS REAAL, please see SNS REAAL's filings with Euronext Amsterdam and the Dutch Authority Financial Markets, including SNS REAAL's annual report & accounts.