

# ***SNS REAAL***

## **Financial Results First Half 2007**

**16 August 2007**



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# Agenda Financial Results First Half 2007

- I. Introductory Remarks, Strategic Update, Risk Profile - Sjoerd van Keulen, CEO
- II. Financial Performance - Ronald Latenstein, CFO
- III. Q&A
- IV. Appendices Financial Statements



**I. Introductory Remarks, Strategic Update,  
Risk Profile**

# Highlights of First Half 2007

## Strong Financial Performance

- Record net profit of €235mn, up 26.3%
- Net interest income at SNS Retail Banking up 6.3%, up 3.6% 1H07 / 2H06
- SNS Property Finance contributes €44mn to net profit, up 10%
- Regular life premium up 5.7% through organic growth
- Non-life gross premiums up 2.7% but Kyrill storm negatively impacts net result by €13mn
- Result at Group Activities benefits from €21mn gain on sale of Van Lanschot shares and €14mn gain on sale of stake in LSN
- EPS up by 14.9% to €1.00; Interim DPS up 12.5% to €0.36
- ROE increases to 14.6% (1H06: 13.2%; FY06: 12.7%)

## Executing on Strategy

- Further diversification of sources of income
- Continued investments in pockets of growth
- AXA Nederland acquisition a milestone for REAAL Verzekeringen
- Regio Bank acquisition closed on 1 July, expanding our distribution reach
- Strong cost control at SNS Bank and REAAL Verzekeringen
- Moderate risk profile maintained

# Growth in Core Products

## Mortgages & Property Finance

- Mortgage portfolio stable at €42.1bn, compared to year-end 2006
- Market share declined from 8.0% to 6.7% as we choose to defend margins
- New production of SME mortgages €267m
- SPF loan portfolio up 9.1% to €9.6bn

## Savings & Investments

- Savings portfolio up 9.5% to €15bn, compared to year-end 2006
- Market share up to 6.5% from 6.3%
- AUM SNS Asset Management up 12.5% to €18.4bn
- AUM SNS Fundcoach up 24.3% to €732mn

## Life Insurance

- Regular premiums up 5.7% to €503mn
- Single premiums at €305mn down 16.2%, but higher than 2H06
- Market share regular premiums (14.5%) and single premiums (7.6%) broadly stable

## Non-life Insurance

- Gross premiums up 2.7% to €232mn
- Non-life market still in downward cycle, pressure on premiums remains
- €13mn negative impact on net profit from Kyrill storm

# Acquisition of AXA NL<sup>(1)</sup>, Near Doubling of Market Share

## Transaction highlights

- Announced on 4 June 2007, expected closing before year-end 2007
- Acquisition price of €1,750mn. Financing secured in June-August 2007

## Leading Player in the insurance market in the Netherlands

- Near doubling share of the overall Dutch insurance market
- 10.8% share of life insurance market
  - 3<sup>rd</sup> largest provider of individual life products
- 6.0% share of non-life insurance market
- Strengthening position with IFA networks
- Improving platform for growth in Pensions, Disability and SME insurance

## Substantial synergies

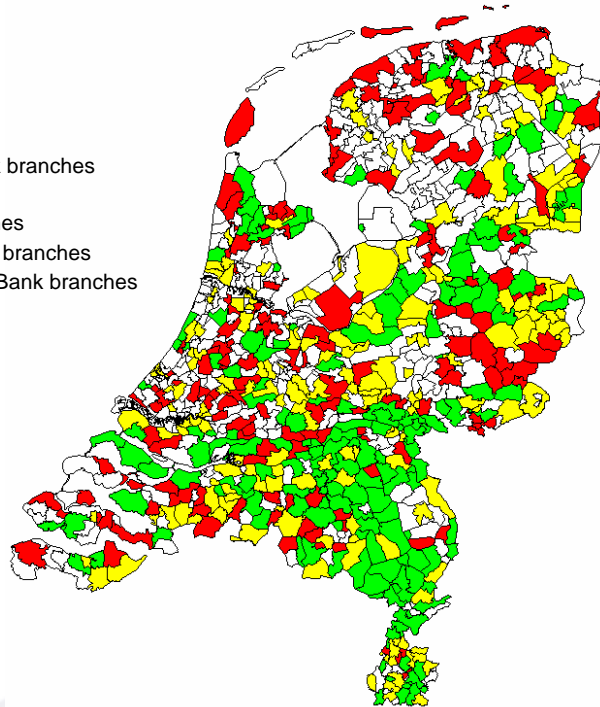
- Pre-tax cost synergies of €50mn p.a. as of 2011
- Restructuring one off charge of €60mn
- Revenue synergies not factored in
- Strong integration track record

1. AXA NL, Winterthur NL and DBV NL.

# SNS Regio Bank, Expanding our Distribution Reach



CVB and Regio Bank branches  
□ no branches  
■ only CVB branches  
■ only Regio Bank branches  
■ CVB and Regio Bank branches

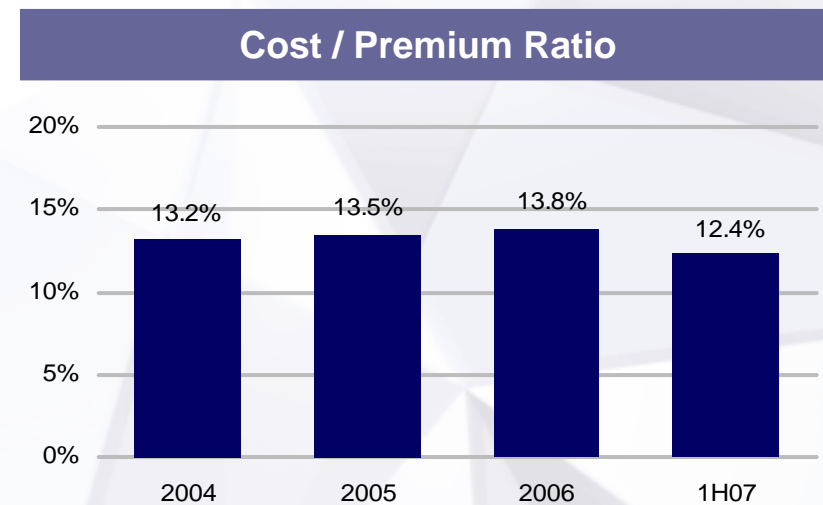
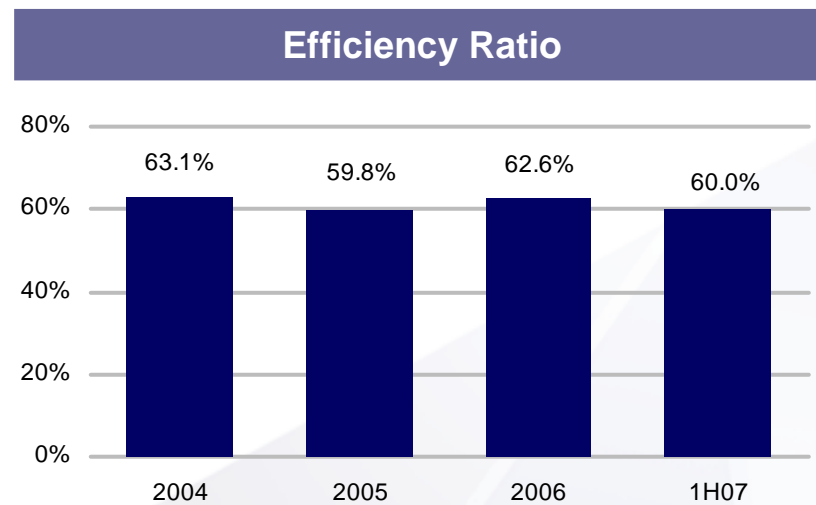


- Transaction closed on 1 July 2007
- Integration of Regio Bank and CVB organisations underway
- Significant cost synergies expected
- Full conversion of 700-800 branches before year-end 2007
- Rebranding started in August 2007
- Up to now, more than 300 franchisees signed a new contract with SNS Regio Bank
- New production through SNS Regio Bank started immediately after closing



# SNS REAAL: Continued Focus on Cost Control

- Focus on cost control remains a firm priority
- 1H07 shows efficiency gains
- FTE reduction of approximately 200 for the Group
- Staff expense broadly flat at SNS Bank and REAAL Verzekeringen
- STP and SME programmes already delivering cost savings at SNS Bank
- AXA NL integration synergies will deliver further economies of scale at REAAL Verzekeringen



# SNS REAAL: Maintaining Moderate Risk Profile

- No exposure to US sub-prime mortgages
- Negligible exposure to CDOs/CLOs of €18mn with low LtVs
- 84% of bond portfolio AA rated or higher
- Approximately 40% of equity portfolio SNS REAAL for own risk and reward hedged in January/February 2007
- Equity portfolio AXA NL hedged with a bandwidth of 10% early July 2007
- Entire funding of acquisitions (AXA NL, Regio Bank) already in place
- SNS Bank fully funded for 2007
- Low value adjustments, low duration of equity and diversified funding policy of SNS Bank

## **II. Financial Performance**

# SNS REAAL: Strong Growth in 1H07 Net Profit

## Net Profit on a Half Year Basis

EURm	H1 06	H2 06	2006	H1 07
<b>NET PROFIT SNS REAAL</b>	<b>186</b>	<b>185</b>	<b>371</b>	<b>235</b>
<b>SNS Bank</b>	<b>112</b>	<b>102</b>	<b>214</b>	<b>135</b>
of which SNS Retail Bank	112	96	208	91
of which SNS Property Finance	0	6	6	44
<b>REAAL Verzekeringen</b>	<b>78</b>	<b>92</b>	<b>170</b>	<b>90</b>
of which REAAL Life Insurance	69	80	149	94
of which REAAL Non-life insurance	9	12	21	-4
<b>Group act./Consolidation adjustm.</b>	<b>-4</b>	<b>-9</b>	<b>-13</b>	<b>10</b>

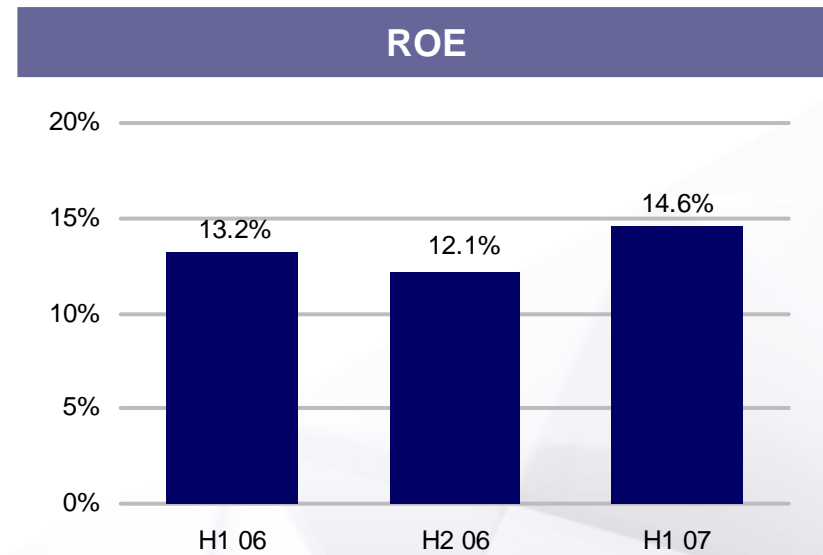
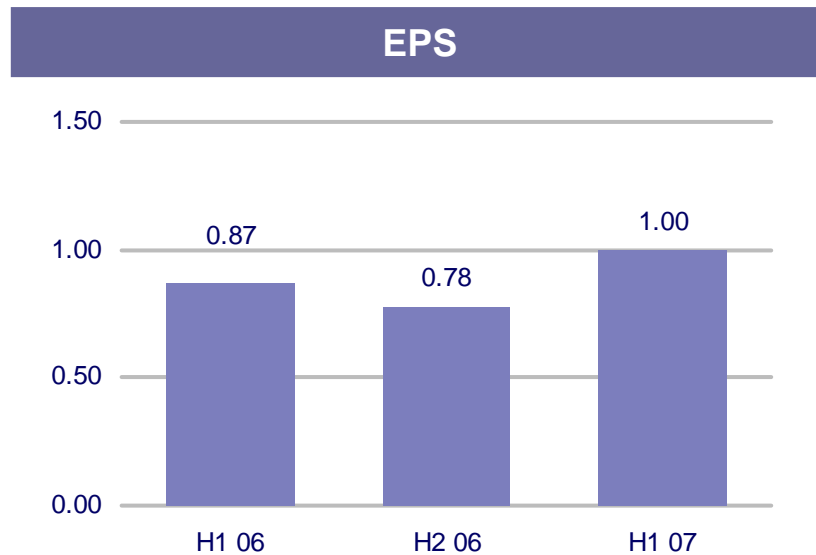
## Effective Tax Rate

Tax Rate SNS REAAL	FY04	FY05	FY06	H107
Dutch Corporate Tax Rate	34.5%	31.5%	29.6%	25.5%
<b>Effective Tax Rate</b>	<b>19.6%</b>	<b>22.4%</b>	<b>19.2%</b>	<b>17.5%</b>

## Highlights

- Net profit up €49mn to €235mn (+26.3%)
- Result before tax up €45mn to €286mn (+18.7%)
- Lower net profit at SNS Retail Bank, mainly due to sharply lower bond gains and results on derivatives, compared to the high level in 2006
- €44mn contribution of SNS Property Finance
- Solid profit at Life insurance, driven by higher regular premiums and investment income
- €4mn loss at Non-life Insurance due to €13mn net loss from Kyrill storm
- Net gain on sale of Van Lanschot shares (€21mn) and stake in LSN (€14mn) leads to €10m net profit at Group Activities
- Effective tax rate of 17.5%

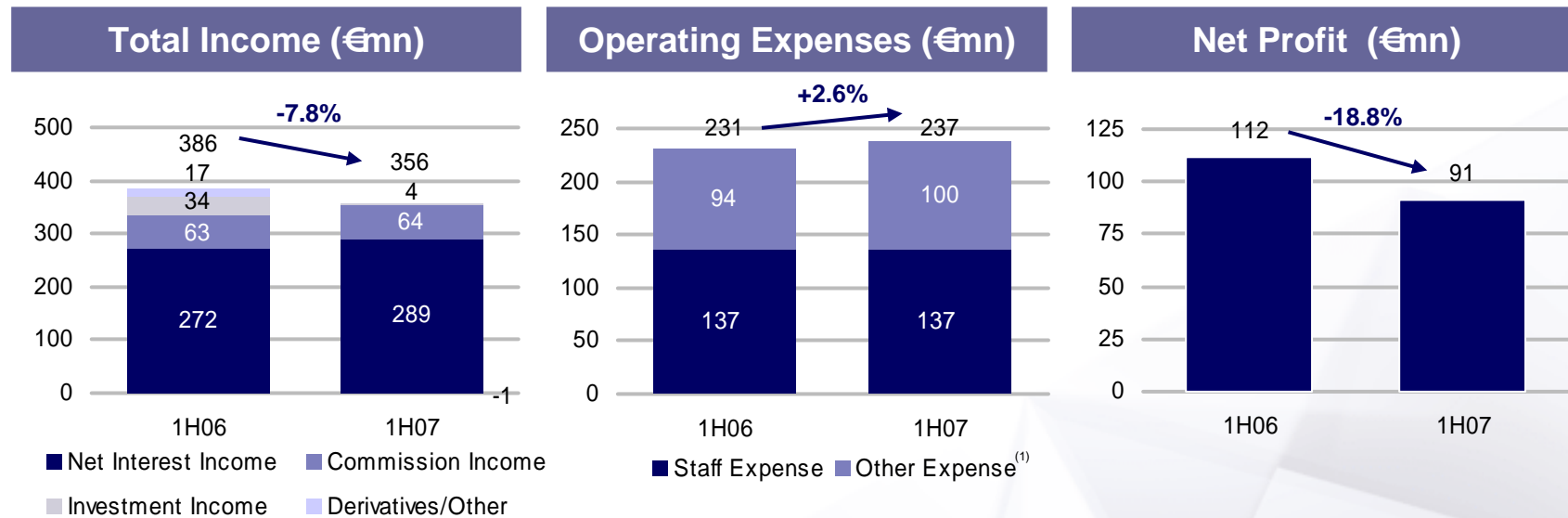
# SNS REAAL: 1H07 EPS and ROE Show Good Momentum



- EPS increased by 14.9% to €1.00, still reflecting the impact of the 2006 IPO on the average number of shares outstanding
- Weighted average number of shares for 1H07 is 235.7mn shares, up 9.8% yoy
- Interim dividend 2007 €0.36 per share, approx. 50% of 2006 FY dividend

- ROE SNS Bank lower at 13.0% vs 15.1% in 1H06, as positive impact of SPF consolidation is offset by lower profit of SNS Retail Bank
- ROE REAAL Verzekeringen up from 13.3% in 1H06 to 14.2% in 1H07

# SNS Retail Banking: Lower Net Profit but Robust Underlying Performance



- Higher net interest income (+6.3%) despite significantly lower penalty interest
- Adjusted for transfer SAM to Group Activities, commission income rose 16.1%
- Sharp drop in realised bond gains and lower results on derivatives lead to 7.8% lower total income
- Staff expense kept flat as efficiency programmes start to deliver costs savings. FTE reduced by approx. 200 yoy
- Increase of other expenses due to depreciation and acquisition/integration costs
- 1H07 efficiency ratio up at 66.6% mainly due to lower income
- Value adjustments were €5mn lower at €10mn
- Tax rate improved to 16.5% (1H06: 20%)
- Net profit decreased on the back of lower bond gains and results on derivatives

1. Other expenses include depreciation, other operating expenses (excluding other interest expenses) and value adjustments.

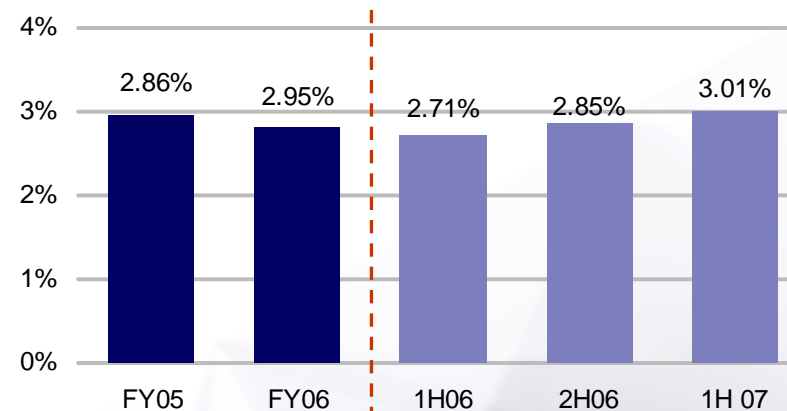
# SNS Retail Bank: Continued Improvement in Interest Income in 1H07

## Net Interest Income

EURm	1H06	2H06	1H07
- SNS Retail Bank	272	279	289
- penalty interest	36	17	14
- SNS Retail Bank excl penalty interest	236	262	275

- Excluding the impact of lower penalty interest, the interest result at SNS Retail Bank increased 16.5% yoy and 5.0% compared to 2H06
- The increase is driven by a higher commercial interest result (lower at mortgages, higher at savings and SME) and a higher ALM result

## Net Interest Margin (as a% of RWA)

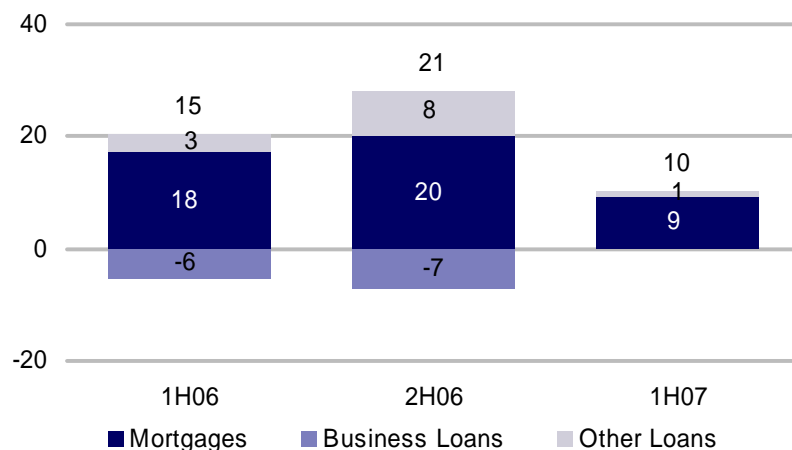


RWA	€20.2bn	€19.5bn	€20.1bn	€19.5bn	€18.9bn
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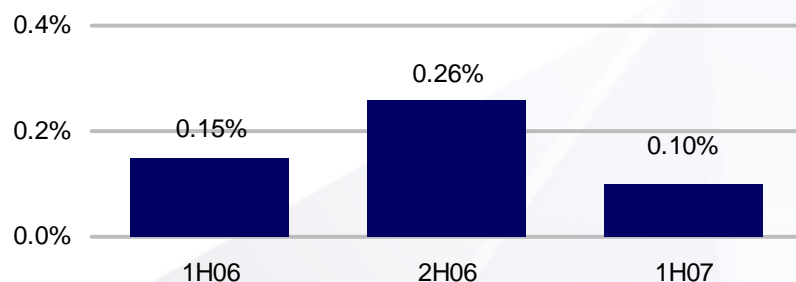
- Net interest margin as a percentage of RWA continues to improve in 1H07 due to both higher net interest income and lower RWAs
- RWAs lower as % of mortgages at zero weighting has increased

# SNS Retail Bank: Lower Value Adjustments in Benign Environment

## Value Adjustments to Loans (€mn)



## Risk costs (Value Adjustments / RWA)



1. Weighted average LtMV, taking into account house price appreciation.

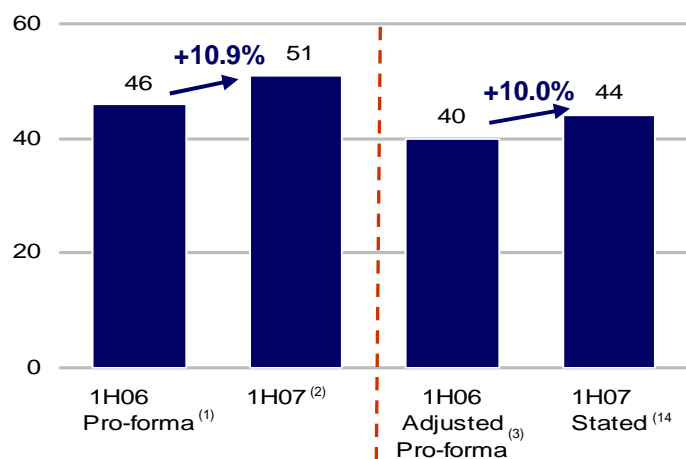
## Highlights

- Value adjustments in 1H07 dropped to €10mn, compared to €15mn in 1H06 and €21mn in 2H06
- For retail mortgages, provisioning was lower due to lower defaults and foreclosure losses
- Low average LtV<sup>(1)</sup> at 68% (FY2006: 69%)
- For SME, focus on mortgages resulted in lower provisions, offset by lower releases in 1H07
- Low risk costs reflecting benign credit environment and moderate risk profile



# SNS Property Finance Posts 1H07 Net Profit of €44mn

## Net Profit (€mn)



€mn	Pro-forma		chg
	1H 06	1H07	
Total income	99	99	0,0%
Total expenses	33	30	-9,1%
Result before tax	66	69	4,5%
Taxes	-20	-18	-10,0%
<b>Net profit</b>	<b>46</b>	<b>51</b>	<b>10,9%</b>
Adjustm for PPA/higher funding costs	-6	-7	
Adjusted net profit	40	44	10,0%

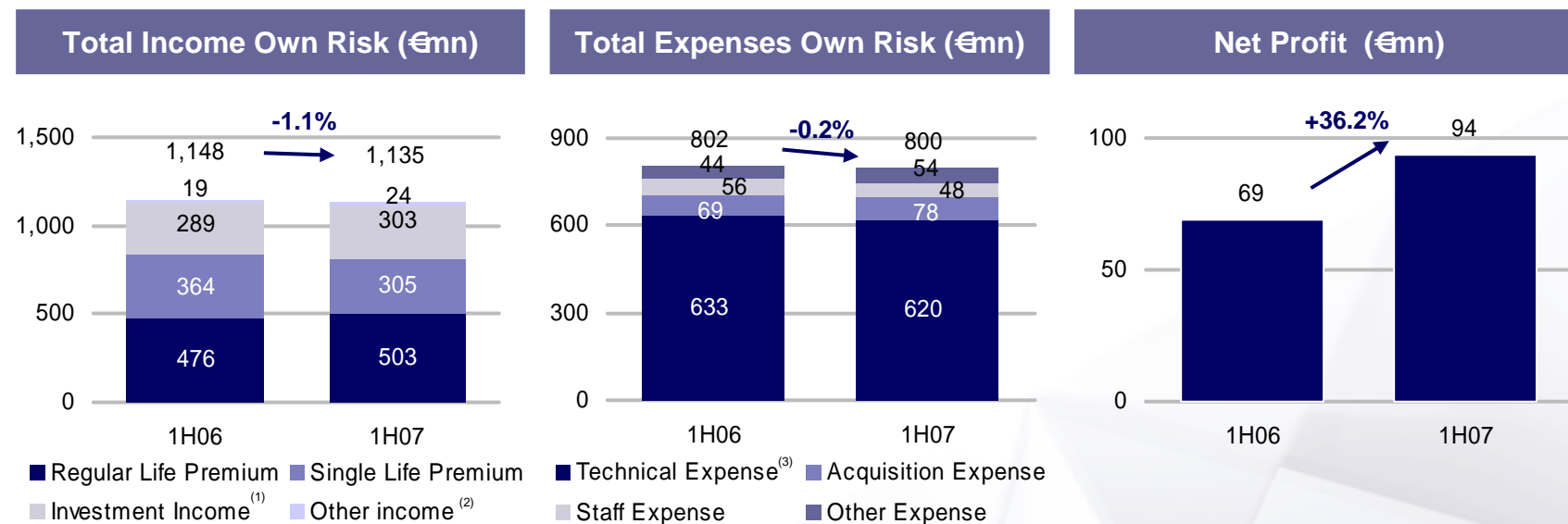
1. 1H06 pro-forma net profit, unaudited before PPA and higher funding costs.  
2. 1H07 net profit before PPA and higher funding costs.

## Highlights

- Pro-forma 1H07 net profit, before PPA adjustments and higher cost of funding, up 10.9% to €51mn, compared to 1H06
- Loan portfolio up 9.1% to €9.6bn
- 1H07 pro-forma total income flat yoy at €99mn, as lower transaction related interest income offset higher recurring interest revenues
- Pro-forma operating costs broadly flat, efficiency ratio at 33.7%
- €1mn positive contribution from value adjustments, as a result of a €5mn release of provisions related to specific projects
- 1H07 pro-forma tax rate of 26.6% (1H06: 30.3%)
- PPA/higher cost of funding leads to a €7mn adjustment: 1H07 net stated profit of €44mn. (1H06 pro-forma net profit adjusted for PPA/higher cost of funding: €40mn)
- PPA adjustments and higher funding costs under IFRS allocated to different P&L lines; for details see appendix, page 30

3. 1H06 pro-forma net profit, post pro-forma impact PPA and higher funding costs.  
4. 1H07 stated net profit, post PPA and higher funding costs.

# REAAAL Life: Significantly Higher Net Profit



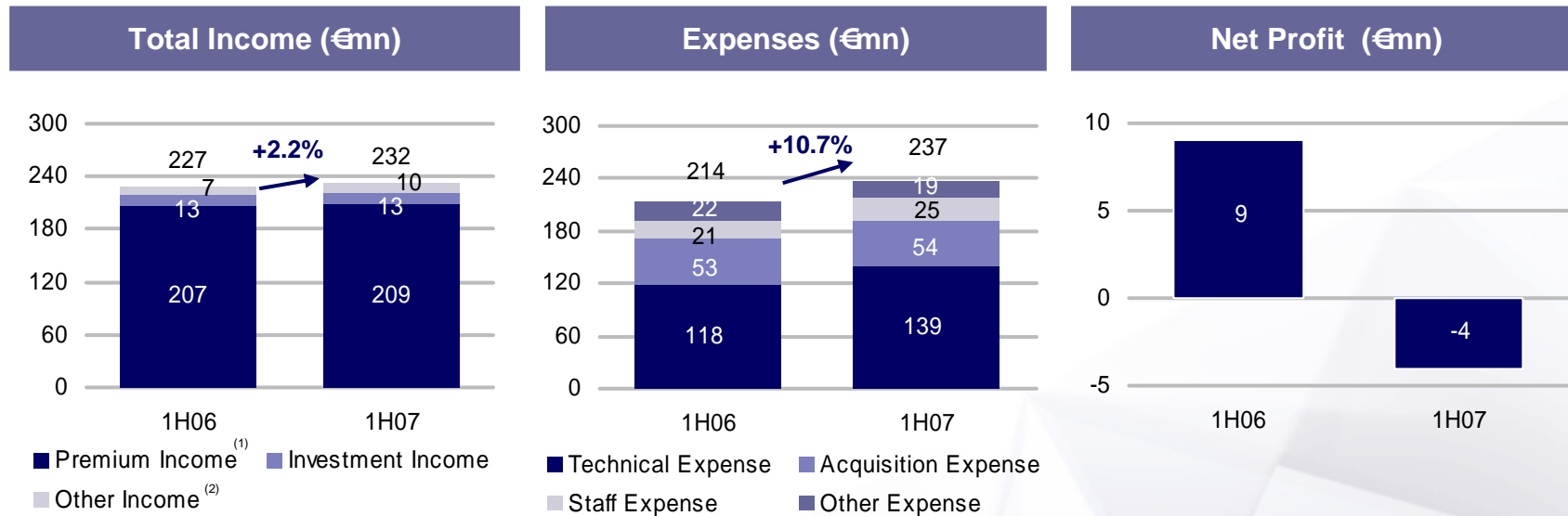
- Organic growth in regular premium (+5.7%) achieved despite declining market, through improvements in lapses
- Single premium lower than 1H06 but higher than 2H06
- Investment income up due to higher equity related gains
- VNB 1H07: €8mn

- Stringent cost control leads to lower staff costs
- Lower technical expense on the back of lower premiums
- Acquisition expense higher due to higher regular premium component in the mix and higher amortisation of acquisition costs

- Strong increase in net profit driven by higher regular premiums, investment income and a lower tax rate (1H07: 18.8%; 1H06: 31.0%)

1. Excludes investment income for the risk of policyholders.  
 2. Includes commission income and other income.  
 3. Excludes technical expenses for the risk of policyholders.

# REAAAL Non-life: Impacted by Kyrill Storm



- 2.7% growth in gross premium income in difficult market, mainly driven by transportation
- Gross premium income increase partially offset by higher reinsurance cost: net premiums up 1.0%

- Higher technical expense mainly driven by Kyrill storm related claims (€17mn)
- Claims ratio up 11 percentage points to 66.4%, due to Kyrill storm. Fire and, to a lesser extent Motor, are the most affected segments
- Combined ratio at 109.0% due to impact of Kyrill storm (100.8% excluding Kyrill)

- Negative results principally due to Kyrill storm impact (€13mn)

1. Net Premium Income.  
 2. Includes commission income and other income.

# SNS REAAL: Result of Group Activities

- Group Activities posts 1H07 net profit of €10mn (1H06: -€13mn<sup>1</sup>)
- €21mn book profit on shares of Van Lanschot and €14mn gain on sale of stake in LSN
- €6m negative net impact from financing of Group companies (mainly SPF)
- Compliance and regulatory projects, acquisitions, long term incentive scheme and bonus provisioning costs also negatively impacted result of Group Activities in 1H07

1. Stated -€4mn, adjusted for release on SNS REAAL Invest of €9mn.

# Solid Capital Position

Capital Position and Solvency			
	1H06	FY06	1H07
<b>SNS REAAL</b>			
Shareholders Equity (€mn)	2,920	3,200	3,546
Double Leverage	86.7%	107.8%	94.6%
<b>SNS BANK</b>			
Shareholders Equity (€mn)	1,406	2,097	2,053
Tier 1 Ratio	8.6%	8.2%	8.3%
Total Capital Ratio	11.8%	11.2%	11.4%
Core Capital Ratio	6.5%	6.5%	6.6%
<b>REAAL Verzekeringen</b>			
Shareholders Equity (€mn)	1,083	1,304	1,250
Solvency Ratio Life	215%	236%	241%
Solvency Ratio Non-life	261%	279%	286%

# Interim Dividend

- Interim dividend 2007 of €0.36 per share (+12.5%)
- In principle interim dividend amounts to 50% of the total dividend in the previous year (2006 total dividend per share: €0.71)
- Choice between stock and cash dividend
- Stock-or-cash-decision should be made between 17 August 2007 and 4 September 2007
- SNS REAAL share quoted ex-interim dividend as from 17 August 2007
- Interim dividend is payable as per 13 September 2007

# Key Take-Aways First Half 2007

- Strong financial performance underpinned by positive underlying developments
  - Banking net profit +20.5% yoy :
    - Net interest income at SNS Retail Banking up 6.3% yoy, up 3.6% 1H07 / 2H06
    - SNS Property Finance contributes €44mn to net profit, up 10%
  - Insurance net profit +15.4% yoy :
    - Regular life premium up 5.7% through organic growth
    - Non-Life gross premiums up 2.7% but Kyrill storm negatively impacts net profit by €13mn
  - Net profit benefits from gains on Van Lanschot shares (€21mn) and LSN stake (€14mn)
  - Net profit up 26.3% to €235mn; EPS up 14.9% to €1.00; ROE 14.6%
- Execution on strategy
  - Further diversification of sources of income and investments in pockets of growth
  - SNS Regio Bank: expanding our distribution reach
  - AXA NL acquisition, nearly doubling of insurance market share, funding fully secured
- Moderate risk profile maintained

### **III. Q&A**



## **IV. Appendices**

## **B. Financial Statements First Half 2007**

# Income Statement – SNS REAAL

In € millions	1st HY 2007	1st HY 2006	Change	2nd HY 2006	Change
<b>Income banking operations</b>					
Net interest income banking operations	377	272	38,6%	295	27,8%
Net commission and management fees	65	63	3,2%	57	14,0%
Other income	3	51	-94,1%	30	-90,0%
<b>Total income banking operations</b>	<b>445</b>	<b>386</b>	<b>15,3%</b>	<b>382</b>	<b>16,5%</b>
<b>Income insurance operations</b>					
Net premium income	1.017	1.047	-2,9%	913	11,4%
Result on investments	316	302	4,6%	274	15,3%
Result on investments for insurance contracts on behalf of policyholders	168	-10	--	225	-25,3%
Results on derivatives and other financial instruments	-5	-3	-66,7%	-6	16,7%
Other income	39	29	34,5%	32	21,9%
<b>Total income insurance operations</b>	<b>1.535</b>	<b>1.365</b>	<b>12,5%</b>	<b>1.438</b>	<b>6,7%</b>
Other income and eliminations	36	6	500,0%	-2	--
<b>Total income</b>	<b>2.016</b>	<b>1.757</b>	<b>14,7%</b>	<b>1.818</b>	<b>10,9%</b>
Technical expenses on insurance contracts	1.145	987	16,0%	1.069	7,1%
Acquisition costs for insurance operations	120	112	7,1%	106	13,2%
Value adjustments to financial instruments and other assets	11	16	-31,3%	19	-42,1%
Staff costs	274	253	8,3%	254	7,9%
Other expenses	180	148	21,6%	152	18,4%
<b>Total expenses</b>	<b>1.730</b>	<b>1.516</b>	<b>14,1%</b>	<b>1.600</b>	<b>8,1%</b>
<b>Operating profit before taxation</b>	<b>286</b>	<b>241</b>	<b>18,7%</b>	<b>218</b>	<b>31,2%</b>
Taxation	50	55	-9,1%	33	51,5%
Third party interests	1	--	--	--	--
<b>Net profit for the period</b>	<b>235</b>	<b>186</b>	<b>26,3%</b>	<b>185</b>	<b>27,0%</b>
<b>Net profit banking operations</b>	<b>135</b>	<b>112</b>	<b>20,5%</b>	<b>102</b>	<b>32,4%</b>
<b>Net profit insurance operations</b>	<b>90</b>	<b>78</b>	<b>15,4%</b>	<b>92</b>	<b>-2,2%</b>
<b>Net profit group activities</b>	<b>10</b>	<b>-4</b>	<b>--</b>	<b>-9</b>	<b>--</b>
<b>Earnings per share (€)</b>	<b>1,00</b>	<b>0,87</b>	<b>14,9%</b>	<b>0,78</b>	<b>28,2%</b>
<b>Diluted earnings per share (€)</b>	<b>1,00</b>	<b>0,87</b>	<b>14,9%</b>	<b>0,78</b>	<b>28,2%</b>
<b>Total assets</b>	<b>83.393</b>	<b>69.996</b>	<b>19,1%</b>	<b>79.742</b>	<b>4,6%</b>
<b>Group equity</b>	<b>3.546</b>	<b>2.920</b>	<b>21,4%</b>	<b>3.200</b>	<b>10,8%</b>

# Ratios – SNS REAAL

In € millions	1st HY 2007	1st HY 2006	Change	2nd HY 2006	Change
<b>Ratios</b>					
Return on shareholders' equity	14,6%*	13,2%		12,1%*	
Double Leverage	94,7%	86,7%		107,8%	
Average number of employees (FTE)	5.690	5.473	4,0%	5.641	0,9%
<b>SNS Bank:</b>					
Efficiency ratio	60,0%	59,8%		65,4%	
BIS-ratio	11,4%	11,8%		11,2%	
Tier 1-ratio	8,3%	8,6%		8,2%	
<b>REAAL Verzekeringen:</b>					
New annual premium equivalent (in € millions)	84	103		93	
Operating cost/premium ratio	12,4%	13,1%		14,6%	
Solvency Life operations	241%	215%		236%	
Solvency Non-Life operations	286%	261%		279%	

\* ROE has been calculated weighting the share issues

# Income Statement – SNS Bank

In € millions	1st HY 2007	1st HY 2006	Change	2nd HY 2006	Change
<b>Result</b>					
Net interest income banking operations	377	272	38,6%	295	27,8%
Net commission and management fees	65	63	3,2%	57	14,0%
Result on investments	4	34	-88,2%	33	-87,9%
Result on derivatives and other financial instruments	-4	17	--	-2	-100,0%
Other operating income	3	--	--	-1	--
<b>Total income</b>	<b>445</b>	<b>386</b>	<b>15,3%</b>	<b>382</b>	<b>16,5%</b>
Value adjustments to financial instruments and other assets	9	15	-40,0%	21	-57,1%
Staff costs	154	137	12,4%	146	5,5%
Depreciation and amortisation of tangible and intangible fixed assets	17	13	30,8%	12	41,7%
Other operating expenses	96	81	18,5%	92	4,3%
<b>Total expenses</b>	<b>276</b>	<b>246</b>	<b>12,2%</b>	<b>271</b>	<b>1,8%</b>
<b>Operating profit before taxation</b>	<b>169</b>	<b>140</b>	<b>20,7%</b>	<b>111</b>	<b>52,3%</b>
Taxation	34	28	21,4%	9	277,8%
<b>Net profit for the period</b>	<b>135</b>	<b>112</b>	<b>20,5%</b>	<b>102</b>	<b>32,4%</b>
<b>Net profit for the period Retail Banking</b>	<b>91</b>	<b>112</b>	<b>-18,8%</b>	<b>96</b>	<b>-5,2%</b>
<b>Net profit for the period Property Finance</b>	<b>44</b>	<b>--</b>	<b>--</b>	<b>6</b>	<b>633,3%</b>
Risk weighted assets	28.663	20.075	42,8%	28.454	0,7%
<b>Ratios</b>					
Return on shareholders' equity	13,0%	15,1%		13,1%	
Efficiency ratio	60,0%	59,8%		65,4%	
BIS-ratio	11,4%	11,8%		11,2%	
Tier 1-ratio	8,3%	8,6%		8,2%	
Core Capital ratio	6,6%	6,5%		6,5%	

# Income Statement – SNS Bank by Segment

In € millions	Retail Banking		Property Finance		Elimination		Total	
	1st HY 2007	1st HY 2006	1st HY 2007	1st HY 2006	1st HY 2007	1st HY 2006	1st HY 2007	1st HY 2006
<b>Income</b>								
Interest income, banking operations	1.474	1.063	262	-	174-	-	1.562	1.063
Interest expense, banking operations	1.185	791	174	-	174-	-	1.185	791
Net interest income, banking operations	289	272	88	-	-	-	377	272
Commission and management fees receivable	80	79	1	-	-	-	81	79
Commission and management fees due	16	16	-	-	-	-	16	16
Net commission and management fees	64	63	1	-	-	-	65	63
Result on investments	4	34	-	-	-	-	4	34
Results on derivatives and other financial instruments	4-	17	-	-	-	-	4-	17
Other operating income	3	-	-	-	-	-	3	-
<b>Total income</b>	<b>356</b>	<b>386</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>445</b>	<b>386</b>
<b>Expenses</b>								
Value adjustments to financial instruments and other assets	10	15	1-	-	-	-	9	15
Staff costs	137	137	17	-	-	-	154	137
Depreciation and amortisation of tangible and intangible fixed assets	16	13	1	-	-	-	17	13
Other operating expenses	84	81	12	-	-	-	96	81
Other interest expenses	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>247</b>	<b>246</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276</b>	<b>246</b>
<b>Operating profit before taxation</b>	<b>109</b>	<b>140</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>140</b>
Taxation	18	28	16	-	-	-	34	28
Third party interests	-	-	-	-	-	-	-	-
<b>Net profit attributable to shareholders</b>	<b>91</b>	<b>112</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>112</b>

# Income Statement – REAAL Verzekeringen

In € millions	1st HY 2007	1st HY 2006	Change	2nd HY 2006	Change
<b>Result</b>					
Premium income	1.046	1.074	-2,6%	934	12,0%
Reinsurance premium	29	27	7,4%	21	38,1%
<b>Net premium income</b>	<b>1.017</b>	<b>1.047</b>	<b>-2,9%</b>	<b>913</b>	<b>11,4%</b>
Share in the result of associates	2	1	100,0%	--	--
Net commission and management fees	29	27	7,4%	29	0,0%
Result on investments	316	302	4,6%	274	15,3%
Result on investments for insurance contracts on behalf of policyholders	168	-10	--	225	-25,3%
Results on derivatives and other financial instruments	-5	-3	-66,7%	-6	16,7%
Other operating income	8	1	700,0%	3	166,7%
<b>Total income</b>	<b>1.535</b>	<b>1.365</b>	<b>12,5%</b>	<b>1.438</b>	<b>6,7%</b>
Technical expenses on insurance contracts	759	751	1,1%	642	18,2%
Technical expenses on insurance contracts on behalf of policyholders	386	236	63,6%	427	-9,6%
<b>Technical expenses on insurance contracts</b>	<b>1.145</b>	<b>987</b>	<b>16,0%</b>	<b>1.069</b>	<b>7,1%</b>
Acquisition costs for insurance operations	132	122	8,2%	118	11,9%
Value adjustments to financial instruments and other assets	2	--	--	-2	--
Staff costs	73	77	-5,2%	73	0,0%
Depreciation and amortisation of tangible and intangible fixed assets	8	7	14,3%	9	-11,1%
Other operating expenses	36	37	-2,7%	39	-7,7%
Other interest expenses	27	22	22,7%	12	125,0%
<b>Total expenses</b>	<b>1.423</b>	<b>1.252</b>	<b>13,7%</b>	<b>1.318</b>	<b>8,0%</b>
<b>Operating profit before taxation</b>	<b>112</b>	<b>113</b>	<b>-0,9%</b>	<b>120</b>	<b>-6,7%</b>
Taxations	21	35	-40,0%	28	-25,0%
Third party interests	1	--	--	--	--
<b>Net profit for the period</b>	<b>90</b>	<b>78</b>	<b>15,4%</b>	<b>92</b>	<b>-2,2%</b>
<b>Ratios</b>					
Return on shareholders' equity	14,2%	13,3%		15,4%	
Operating cost/premium ratio	12,4%	13,1%		14,6%	
Solvency Life operations	241%	215%		236%	
Solvency Non-Life operations	286%	261%		279%	
New annual premium equivalent Life (in € millions)	84	103		93	
Value New Business (in € millions)					
Combined ratio Non-Life operations	109,0%	99,7%		98,1%	
Claims ratio	66,4%	57,0%		56,9%	

# Income Statement – REAAL Verzekeringen by Segment

In € millions	Life		Non-Life		Total	
	1st HY 2007	1st HY 2006	1st HY 2007	1st HY 2006	1st HY 2007	1st HY 2006
<b>Income</b>						
Premium income	814	848	232	226	1.046	1.074
Reinsurance premium	6	8	23	19	29	27
Net premium income	808	840	209	207	1.017	1.047
Commission and management fees receivable	19	21	10	6	29	27
Commission and management fees due	-	-	-	-	-	-
Net commission and management fees	19	21	10	6	29	27
Share in the result of associates	2	1	-	-	2	1
Result on investments	303	289	13	13	316	302
Result on investments for insurance contract on behalf of policyholders	168	10-	-	-	168	10-
Results on derivatives and other financial instruments	5-	3-	-	-	5-	3-
Other operating income	8	-	-	1	8	1
<b>Total income</b>	<b>1.303</b>	<b>1.138</b>	<b>232</b>	<b>227</b>	<b>1.535</b>	<b>1.365</b>
<b>Expenses</b>						
Technical expenses on insurance contracts	620	633	139	118	759	751
Technical expenses on insurance contracts on behalf of policyholders	386	236	-	-	386	236
Acquisition costs for insurance operations	78	69	54	53	132	122
Value adjustments to financial instruments and other assets	2	-	-	-	2	-
Staff costs	48	56	25	21	73	77
Depreciation and amortisation of tangible and intangible fixed assets	8	7	-	-	8	7
Other operating expenses	17	16	19	21	36	37
Other interest expenses	27	21	-	1	27	22
<b>Total expenses</b>	<b>1.186</b>	<b>1.038</b>	<b>237</b>	<b>214</b>	<b>1.423</b>	<b>1.252</b>
<b>Operating profit before taxation</b>	<b>117</b>	<b>100</b>	<b>5-</b>	<b>13</b>	<b>112</b>	<b>113</b>
Taxation	22	31	1-	4	21	35
Third party interests	1	-	-	-	1	-
<b>Net profit attributable to shareholders</b>	<b>94</b>	<b>69</b>	<b>4-</b>	<b>9</b>	<b>90</b>	<b>78</b>



# Consolidated Balance Sheet

In € millions	SNS Bank		REAAAL Verzekeringen		Group activities		Elimination		Total	
	June 2007	Dec 2006	June 2007	Dec 2006	June 2007	Dec 2006	June 2007	Dec 2006	June 2007	Dec 2006
<b>Assets</b>										
Goodwill and other intangible fixed assets	186	214	696	669	-	-	-	-	882	883
Tangible fixed assets	155	163	75	81	-	-	79	76	309	320
Investment in associates	79	34	69	69	11	39	2-	3-	157	139
Subsidiaries	-	-	-	-	3.303	3.401	3.303-	3.401-	-	-
Investment property	5	6	221	205	-	-	79-	76-	147	135
Investments	3.491	2.038	9.741	9.064	140	198	694-	674-	12.678	10.626
Investments for insurance contracts on behalf of policyholders	-	-	4.079	3.955	-	-	-	-	4.079	3.955
Derivatives	1.191	804	35	137	2	2	-	-	1.228	943
Deferred tax assets	47	39	41	20	8	7	-	-	96	66
Reinsurance contracts	-	-	341	338	-	-	-	-	341	338
Loans and advances to customers	56.964	56.248	678	757	94	561	922-	866-	56.814	56.700
Loans and advances to credit institutions	4.499	3.607	210	162	100	100	100-	100-	4.709	3.769
Corporate tax	107	106	46	36	103	108	-	-	256	250
Other assets	438	436	168	400	92	39	35-	217-	663	658
Cash and cash equivalents	701	687	988	698	1.314	415	1.969-	840-	1.034	960
<b>Total assets</b>	<b>67.863</b>	<b>64.382</b>	<b>17.388</b>	<b>16.591</b>	<b>5.167</b>	<b>4.870</b>	<b>7.025-</b>	<b>6.101-</b>	<b>83.393</b>	<b>79.742</b>
<b>Equity and liability</b>										
Equity attributable to shareholders	2.053	2.097	1.250	1.304	3.545	3.200	3.303-	3.401-	3.545	3.200
Third-party interests	-	-	4	3	-	-	3-	3-	1	-
Group equity	2.053	2.097	1.254	1.307	3.545	3.200	3.306-	3.404-	3.546	3.200
Participation certificates and subordinated debts	1.495	1.448	117	120	292	299	182-	203-	1.722	1.664
Debt certificates	34.792	30.841	-	-	417	418	-	-	35.209	31.259
Technical provision, insurance operations	-	-	13.666	13.313	-	-	30-	30-	13.636	13.283
Provision for employee benefits	-	-	17	18	20	20	30	30	67	68
Other provisions	22	24	4	4	1	1	-	-	27	29
Derivatives	845	682	27	4	6	6	-	-	878	692
Deferred tax liabilities	103	97	125	146	-	-	-	-	228	243
Savings	14.955	13.678	-	-	-	-	-	-	14.955	13.678
Other amount due to customers	8.458	7.019	454	402	380	611	2.376-	1.553-	6.916	6.479
Amounts due to credit institutions	3.862	7.299	1.369	663	468	246	1.075-	674-	4.624	7.534
Corporate tax	11	7	12	6	-	-	-	-	23	13
Other liabilities	1.267	1.190	343	608	38	69	86-	267-	1.562	1.600
<b>Total equity and liabilities</b>	<b>67.863</b>	<b>64.382</b>	<b>17.388</b>	<b>16.591</b>	<b>5.167</b>	<b>4.870</b>	<b>7.025-</b>	<b>6.101-</b>	<b>83.393</b>	<b>79.742</b>

# 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.