



**SNS REAAL**

## **Financial Results 2012**

***SNS REAAL reports 2012 net loss of  
€ 972 million***

***Pro forma core Tier 1 ratio SNS Bank  
at 14.9% after nationalisation***

Gerard van Olphen (Chairman of the Board)  
Maurice Oostendorp (CFRO)

6 June 2013

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# Summary

- **2012 Net loss of €972m driven by loss at Property Finance and one-off items**
  - SNS Retail Bank posts net profit excluding one-off items of €124m (2011: €277m)
  - Insurance activities post net profit excluding one-off items of €402m (2011: €282m)
  - Substantial net loss of €813m at Property Finance due to sharply higher loan impairments
- **Strong improvement solvency SNS Bank and Double leverage SNS REAAL due to nationalisation measures**
  - Pro forma core Tier 1 ratio of SNS Bank 14.9%
  - Pro forma double leverage SNS REAAL 105%
- **Core activities profitable in first quarter of 2013:**
  - Net profit of €170m (€99m excluding one-off items);
  - Pro forma core Tier 1 ratio of SNS Bank up to 15.6%;
  - Regulatory solvency of the Insurance activities 181%;
  - Double leverage SNS REAAL 107%
- **SNS REAAL intends to provide more clarity on restructuring plan in the course of the year**

# 1. SNS REAAL Presents 2012 Results Following Nationalisation on 1 February 2013

## Nationalisation

- On 1 February 2013, SNS REAAL was nationalised by the Dutch State
- Shares of SNS REAAL and subordinated debt of SNS REAAL and SNS Bank were expropriated
- Executive Board members Ronald Latenstein, CEO, and Ference Lamp, CFRO, and Chairman of the Supervisory Board, Rob Zwartendijk, resigned from their respective positions
- Other members of the Executive and Supervisory Board remained in their current positions to ensure continuity of the company. The current Vice President of the Supervisory Board, Piero Overmars, will for the time being fulfill the role of Chairman of the Supervisory Board
- New Executive Board members Gerard van Olphen, Chairman of the Board, and Maurice Oostendorp, CFRO, appointed
- Publication 2012 results delayed due to integrity issues at Property Finance and in order to process the effects of the nationalisation

## 2. SNS REAAL Reports 2012 Net Loss of €972m

### Net profit excl. one-off items core activities

- Core activities (SNS Retail Bank and the Insurance activities) post a 2012 net profit excluding one-off items of €443m, a 9% decline compared to 2011

### Net loss SNS REAAL

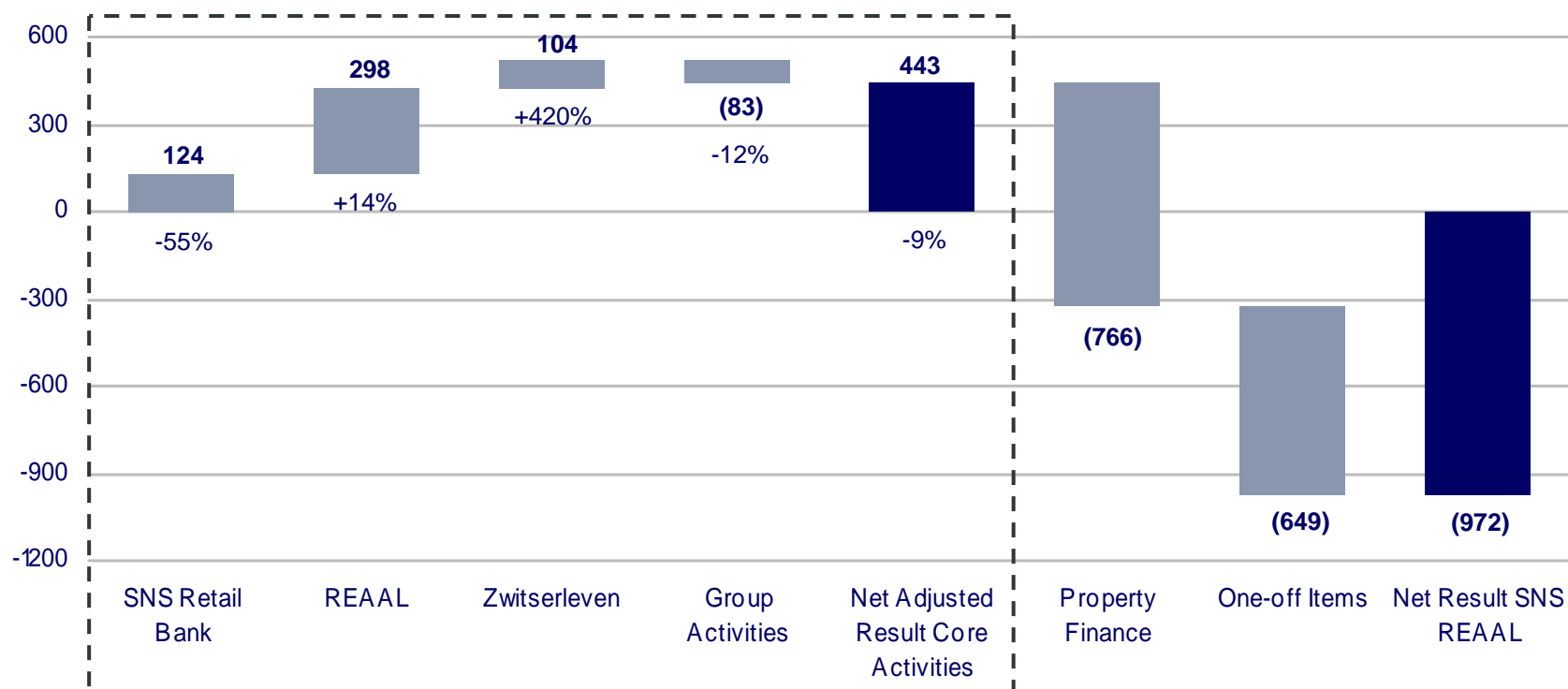
- 2012 Net loss of €972m mainly driven by:
  - sharply higher net loss of €813m at Property Finance and
  - high one-off items of -€602m at core activities, consisting mainly of impairments of goodwill and a partial impairment of VOBA at the Insurance activities

### Capital position

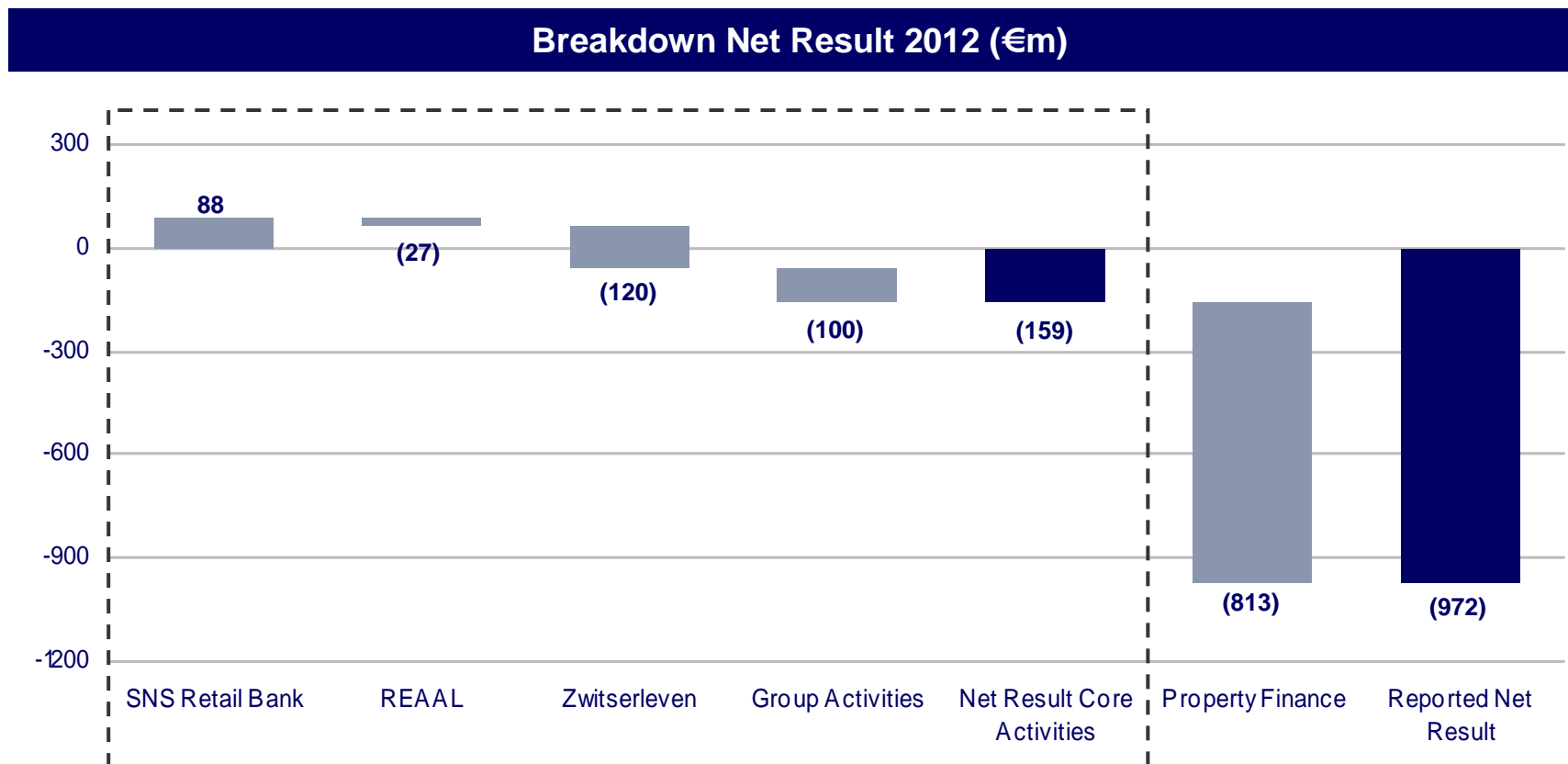
- Pressure on the capital base of SNS Bank:
  - Year-end 2012 core Tier 1 ratio SNS Bank declined to 6.1% (2011: 9.2%; pro forma: 14.9%)
  - Year-end 2012 regulatory solvency Insurance activities declined to 176% (2011: 203%)
  - Year-end 2012 double leverage SNS REAAL increased to 127% (2011: 115.1%; pro forma: 105%)

## 2. Net Profit Excluding One-Off Items at Core Activities of €443m in 2012 (-9%)

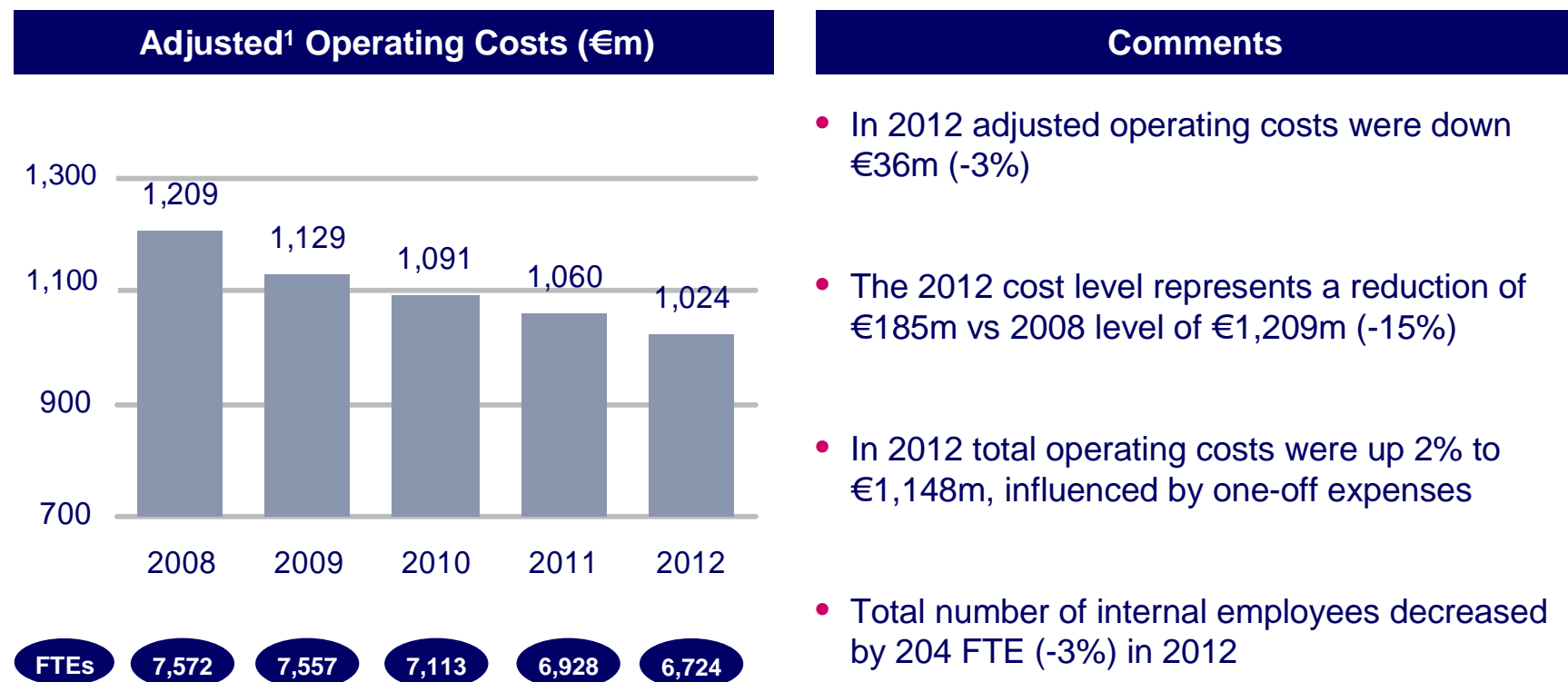
Breakdown Net Result Excluding One-Off Items 2012 (€m)



## 2. Net Loss at Core Activities of €159m in 2012



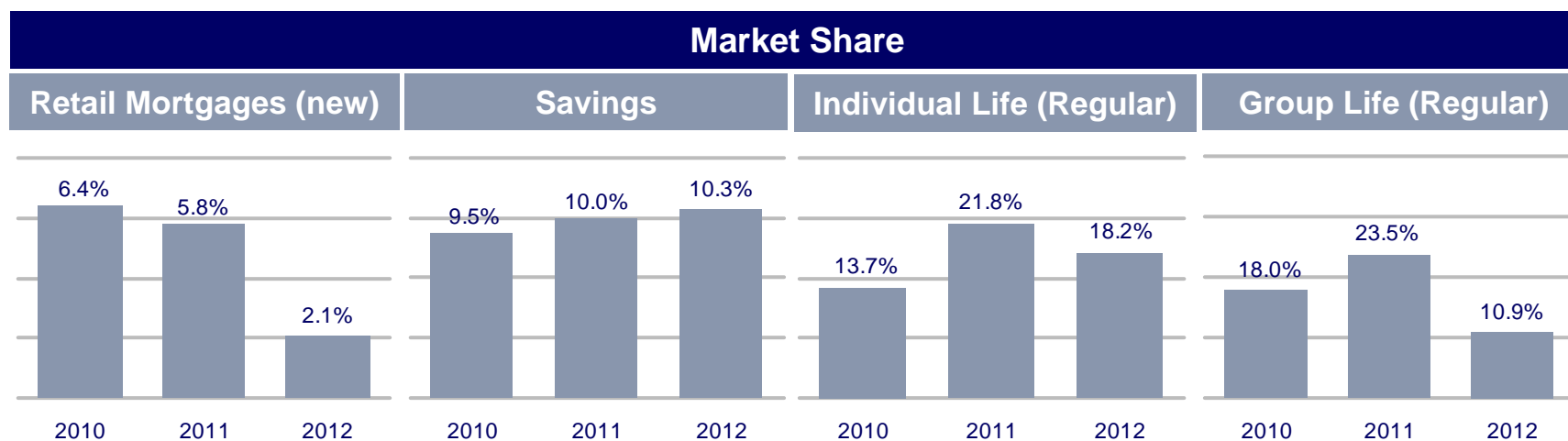
## 2. Adjusted Operating Costs Down 3% in 2012



1. Excluding restructuring charges, advisory costs for Property Finance run-off loan portfolio and share in savings guarantee scheme



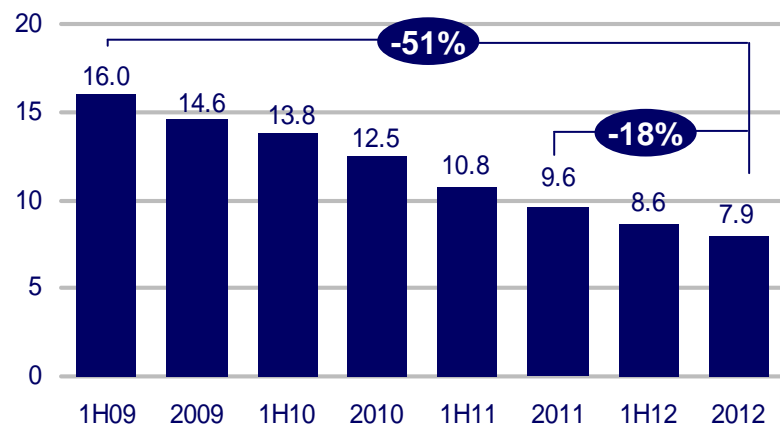
## 2. Core Activities: Focus on Winning, Helping and Retaining Clients



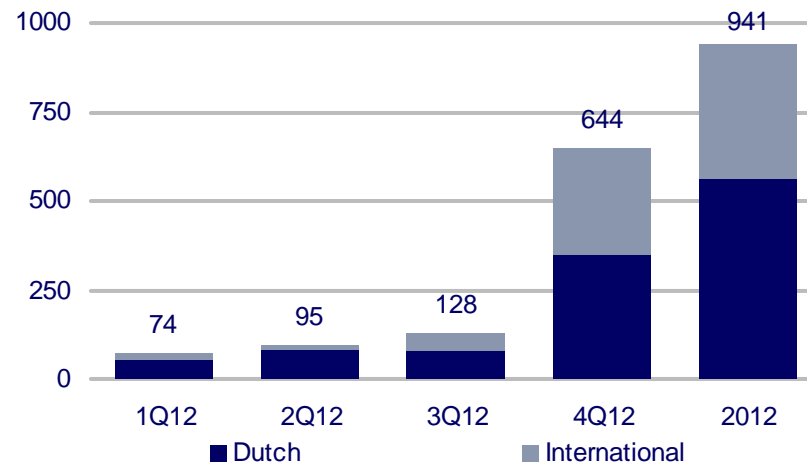
- Market share in new retail mortgages sharply lower due to focus on reduction of RWA
- Savings balances rose by €2.5bn to €32.8bn compared to year-end 2011
- SNS Bank's new savings account "Zilvervloot" launched in September 2012 had attracted 27,000 customers by the end of 2012
- ASN Bank continued to have one of the highest customer satisfaction levels in the industry and won an award for most client friendly bank in the Netherlands
- REAAL's market share of new individual regular premium remained high
- Market share Group Life decreased sharply in 4Q12 due to pricing discipline

## 2. Property Finance: Net Loss due to Sharp Rise of Impairments

Total Commitments Property Finance<sup>1</sup> (€bn)



Impairment charges Property Finance (€m)



### Comments

- Rise of impairment charges to loans and property projects to €941m (2011: €284m)
- Sharp increase of impairments in 4Q12 driven by:
  - lower valuation reports in 4Q12 reflecting weakening and illiquid real estate markets
  - reconsideration of the valuation of previous quarters given lower valuation reports in 4Q12
  - updated appraisals based on developments in 1Q13 due to the late closing of books
- **After €0.8bn impairment in 2H12, SNS Bank will take an additional provision of €2.0bn (€1.8bn net) in 1Q13 to value PF real estate finance portfolio at the transfer value as determined by the Dutch State**

1. Property Finance consists of all the CRE loans excluding the SNS Retail Bank SME portfolio

### 3. Nationalisation Measures

			1Q13
Capital strengthening	1	Expropriation of shares SNS REAAL and €1bn of subordinated debt	✓
	2	€2.2bn capital contribution to SNS REAAL from the Dutch State of which €1.9bn is downstreamed to SNS Bank and €0.3bn remains at holding level	✓
Funding	3	€1.1bn bridge loan to SNS REAAL from the Dutch State to redeem senior debt and internal loans	✓
Property Finance	4	€2.8bn write-down on Property Finance portfolio compared to valuation per 30 June 2012	✓
	5	Transfer of PF to a separate real estate management organisation, capitalised by the Dutch State	*
	6	Guarantee for funding by the Dutch State of approximately €5bn	*

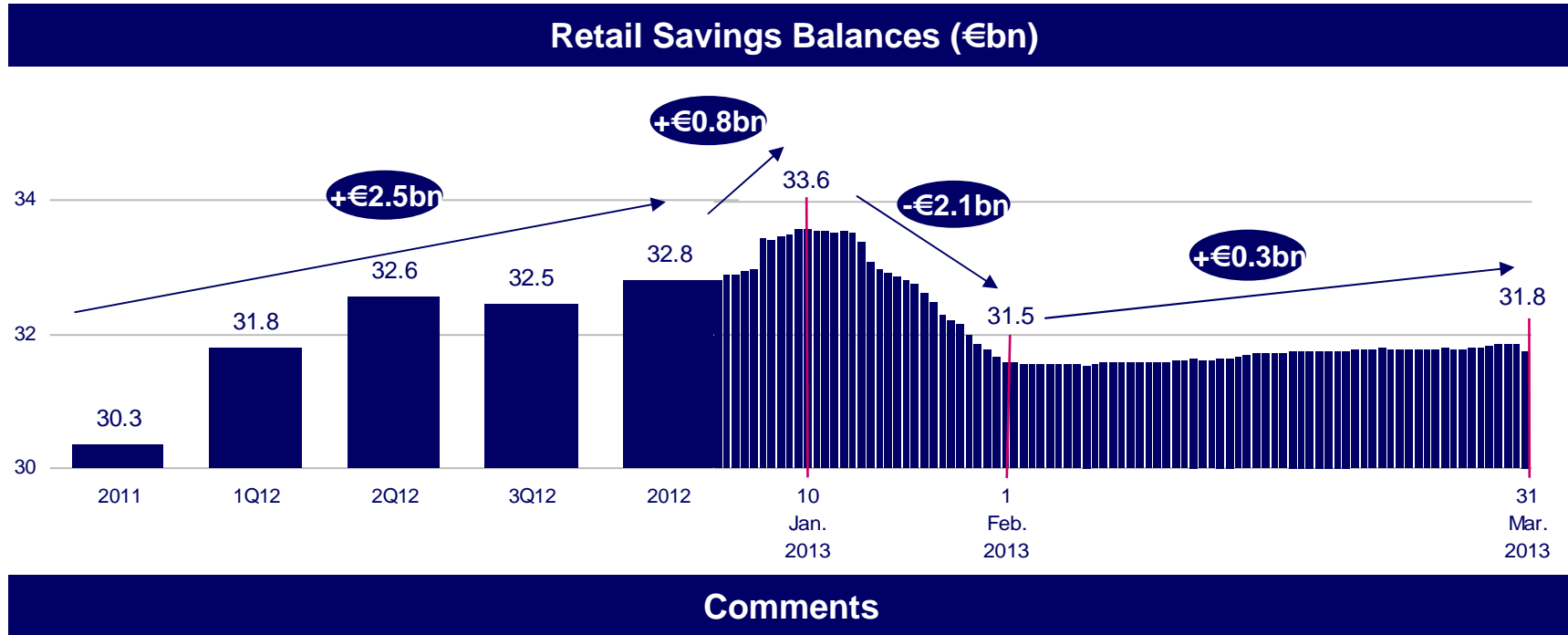
\* Items 5 and 6 in progress

### 3. Pro Forma Figures Based on Year-end 2012 Figures

Pro Forma Figures								
(€m)	2012	Write-off PF	Pro forma after write-off PF	Expropriation sub. debt	Capital contribution	Guarantee on funding PF	Resolution levy	Pro forma
<b>Shareholders' equity SNS REAAL</b>	<b>3,352</b>	<b>(1,791)</b>	<b>1,561</b>	<b>1,058</b>	<b>2,200</b>		<b>(70)</b>	<b>4,749</b>
of which SNS Bank	1,311	(1,791)	(480)	691	1,900		(70)	2,041
of which REAAL	2,961		2,961	(6)				2,955
of which Other <sup>1</sup>	(2)		(2)					(2)
of which Double leverage	(918)		(918)	373	300			(245)
Double leverage (%)	127%							105%
<b>SNS Bank N.V.</b>								
Core Tier 1 capital	1,253	(1,791)	(538)	660	1,900		(70)	1,952
RWA (Basel II)	20,592	(2,024)	18,568			(5,487)		13,081
CT1 ratio (%)	6.1%		(2.9%)					14.9%
<b>Regulatory Solvency Insurance activities</b>	<b>176%</b>		<b>176%</b>					<b>176%</b>

1. Including eliminations

### 3. Development Retail Savings Balances



- €2.5bn net increase of retail savings balances in 2012
- €1.3bn net outflow in January 2013
- Slight increase of retail savings balances since 1 February 2013 (~€300m)

## 4. Trading Update 1Q13

### Core activities

- Net profit excluding one-off items core activities of €99m
  - Net result excluding one-off items: SNS Retail Bank €87m; Insurance activities €31m; Group activities: -€19m
  - Net profit core activities of €170m including €71m impact of one-off items related to nationalisation (gains on expropriation of privately placed subordinated loans, gains on unwinding of related derivatives minus a provision)

### 1Q13 Net loss SNS REAAL

- Net loss of €1.6bn due to write-off PF real estate finance portfolio to HFS
  - Net loss PF of €1.8bn due to €2.0bn (pre-tax) write-off

### Capital position

- Sharp improvement in core Tier 1 ratio SNS Bank and double leverage SNS REAAL
  - Core Tier 1 ratio SNS Bank of 11.5% at end of 1Q13 (2012: 6.1%);
  - Pro forma Core Tier 1 ratio SNS Bank of 15.6%;
  - Regulatory solvency Insurance activities 181% (2012: 176%);
  - Double leverage SNS REAAL 107% (2012: 127%)

## 5. Restructuring Plan; Short-term Priorities

- On 22 February 2013, the EC granted temporary approval for the rescue aid by the Dutch State to SNS REAAL. The temporary approval is conditional on the presentation by the Dutch Ministry of Finance of a restructuring plan within six months from that date
  - The plan will be drawn up in close consultation between the Ministry of Finance and SNS REAAL
  - The EC will take a final decision on the basis of this plan
  - We intend to provide more clarity on this plan in the course of the year
- Short term priorities SNS REAAL:
  - Deal with the legal and financial implementation of the (consequences of the) nationalisation
  - Prepare for the isolation of the Property Finance real estate finance portfolio
  - Work on the financial disentanglement of the holding company, bank and insurer

## 5. Recent Topics

### Integrity issues PF

- SNS REAAL filed a complaint against a former board member of Property Finance following the preliminary result of an internal investigation into possible conflicts of interests that was launched in 2012
- As part of the investigation, a number of external employees has been suspended. The investigation is ongoing

### Participation certificates

- The expropriated subordinated liabilities of SNS Bank include the third series of participation certificates, with a total outstanding nominal value of €57m
- These participation certificates are held primarily by retail clients of SNS Bank
- SNS Bank will come up with a proposal for compensation

### Coupon deferral on SRLEV hybrid debt

- SRLEV has 2 subordinated loans outstanding: €400m 9% SRLEV and CHF105m 7.01% SRLEV (coupons on both loans are cumulative)
- The preliminary approval by the EC for the State aid is a.o. conditional on a coupon ban for hybrid debt
- As a consequence SRLEV has deferred the coupon on the 9% SRLEV loan due 15 April 2013



## 5. Outlook 2013

### Core activities

- SNS Retail Bank:
  - In spite of a further weakening of the Dutch housing market, SNS Retail Bank is expected to continue to report satisfactory results in the coming quarters
- Insurance activities:
  - The market environment at the Insurance activities is expected to remain difficult. As a result, earnings and solvency at the Insurance activities will likely remain under pressure in the quarters ahead

### SNS REAAL

- Due to the considerable first quarter loss at Property Finance, SNS REAAL will also report a loss for the year 2013 as a whole

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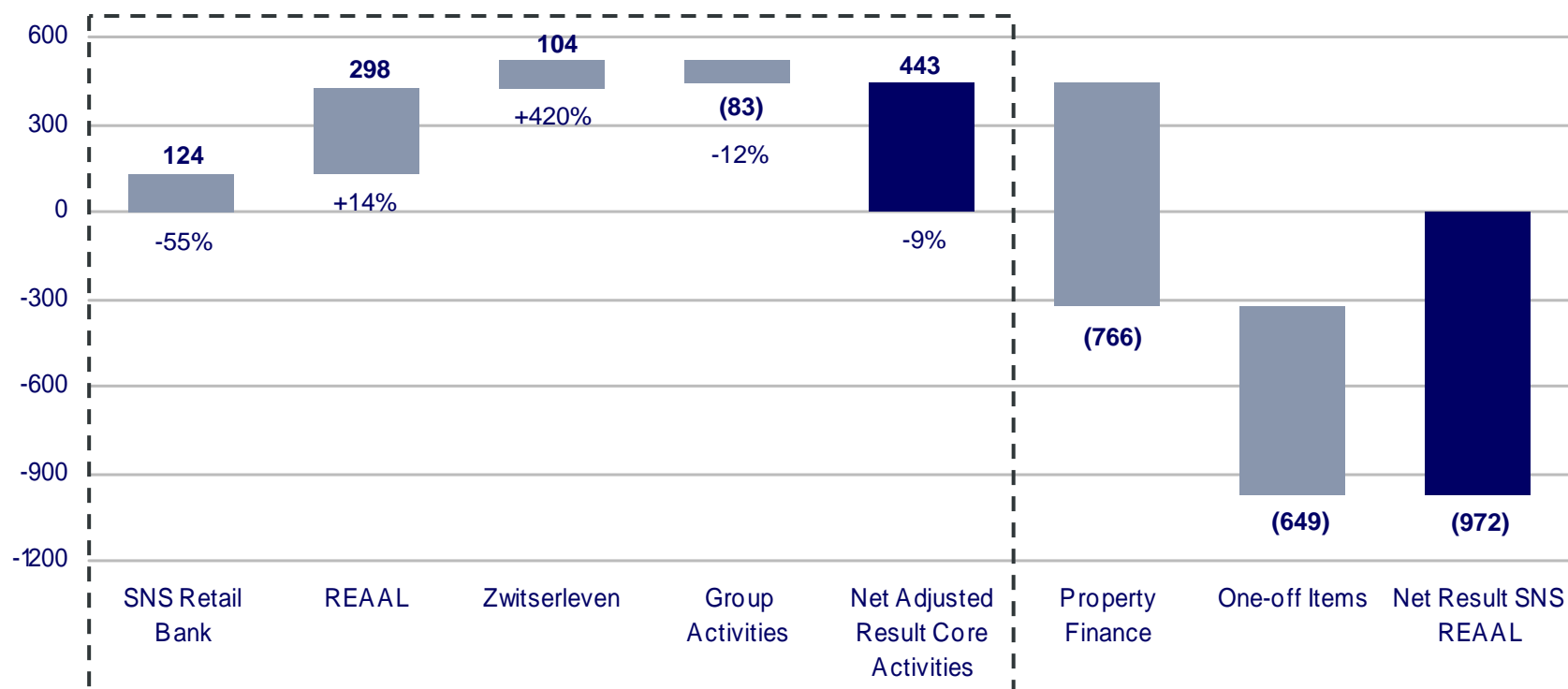
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# 1. Net Profit Excluding One-Off Items at Core Activities of €443m in 2012 (-9%)

**Breakdown Net Result Excluding One-Off Items 2012 (€m)**



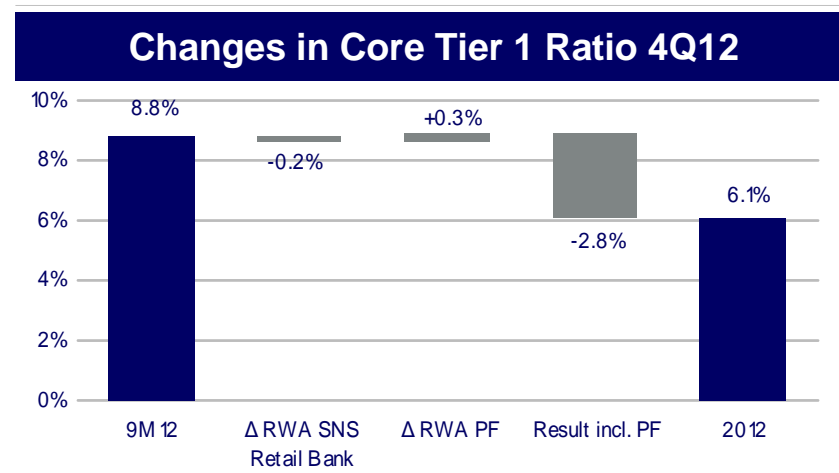
# 1. 2012 One-off Items of €649m

Breakdown of Net impact of One-off Items		
(€m)	2011	2012
<b>SNS Retail Bank</b>	<b>(20)</b>	<b>(36)</b>
Impairment Greek bonds	(20)	(9)
Reorganisation charge	-	(27)
<b>REAAL</b>	<b>18</b>	<b>(325)</b>
Gain from disposal REAAL Reass S.A.	18	-
Impairment goodwill REAAL Life	-	(141)
Impairment goodwill REAAL Non-Life	-	(110)
Impairment distribution channel REAAL Life	-	(18)
Additional provision unit-linked policies REAAL Life	-	(56)
<b>Zwitserleven</b>	<b>(107)</b>	<b>(224)</b>
Impairment goodwill	(107)	-
Impairment brand name	-	(95)
Partial impairment VOBA	-	(129)
<b>Group Activities</b>	<b>(19)</b>	<b>(17)</b>
Impairment Van Lanschot	(19)	(17)
<b>One-off items core activities</b>	<b>(128)</b>	<b>(602)</b>
Impairment goodwill Property Finance	-	(47)
<b>Total one-off items</b>	<b>(128)</b>	<b>(649)</b>

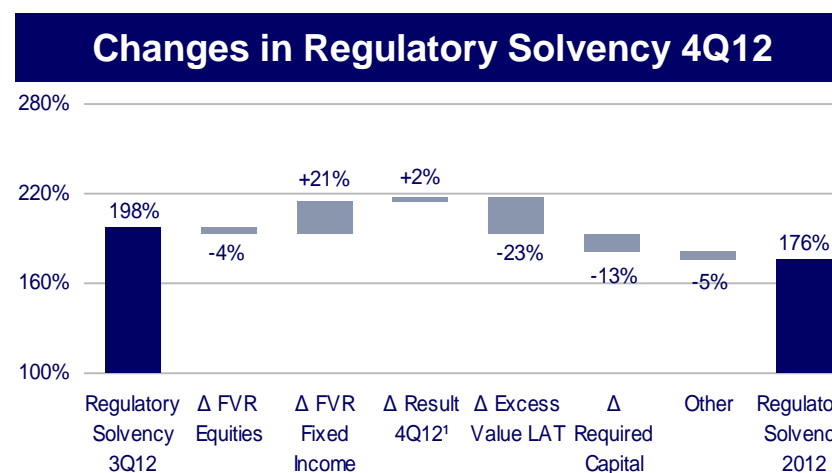
# 1. 4Q12 Impacted by One-off Items and High Impairments at PF

Quarterly Net Results 2012					
(€m)	1Q12	2Q12	3Q12	4Q12	2012
<b>SNS Retail Bank</b>	<b>31</b>	<b>54</b>	<b>47</b>	<b>(44)</b>	<b>88</b>
REAAAL	62	102	74	(265)	(27)
Zwitserleven	15	37	34	(206)	(120)
<b>Insurance Activities</b>	<b>77</b>	<b>139</b>	<b>108</b>	<b>(471)</b>	<b>(147)</b>
Group Activities	(21)	(22)	(20)	(37)	(100)
<b>SNS REAAL (Core)</b>	<b>87</b>	<b>171</b>	<b>135</b>	<b>(552)</b>	<b>(159)</b>
Property Finance	(64)	(79)	(101)	(569)	(813)
<b>SNS REAAL</b>	<b>23</b>	<b>92</b>	<b>34</b>	<b>(1,121)</b>	<b>(972)</b>

- ### Comments
- 4Q12 impacted by high impairments at PF and goodwill and VOBA impairments at the Insurance activities
  - 4Q12 net loss at SRB due to restructuring charge and higher loan impairments due mainly to more stringent risk assessment models for retail mortgages
  - Regulatory solvency of the Insurance activities lower due mainly to higher capital requirements related to separate accounts at Zwitserleven.



1. Excluding impairments on intangible assets



## 2. Adjusted Operating Expenses 3% Lower

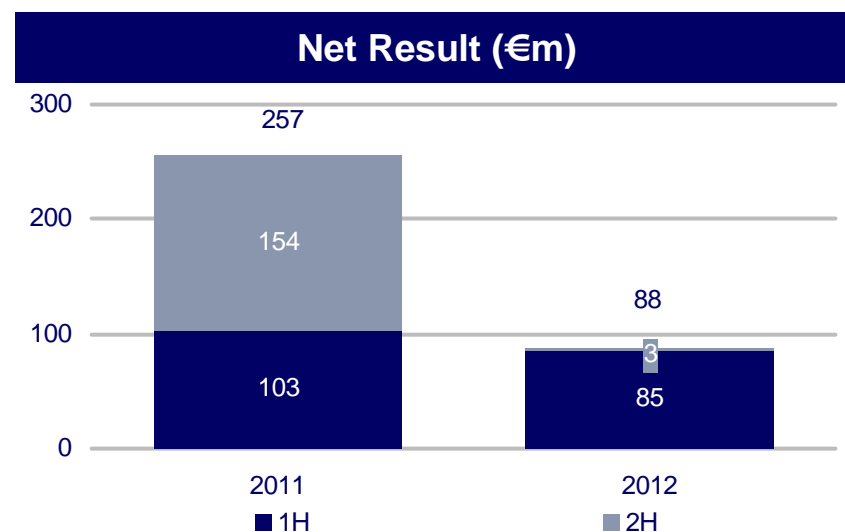
Operating Expenses (€m)				Comments
<b>Adjusted Operating Expenses (€m)</b>	<b>2011</b>	<b>2012</b>	<b>Δ</b>	
SNS Bank (Core)	468	457	-2%	<b>SNS Bank (Core)</b> <ul style="list-style-type: none"> <li>Adjusted expenses decrease €11m (-2%) to €457m. Adjustments exclude a €37m restructuring charge and €15m release of savings guarantee scheme</li> </ul>
REAAL	317	305	-4%	<b>REAAL</b> <ul style="list-style-type: none"> <li>Adjusted expenses exclude €4m costs related to efficiency plans</li> </ul>
Zwitserleven	139	133	-4%	<b>Zwitserleven</b> <ul style="list-style-type: none"> <li>Adjusted expenses exclude €4m costs related to efficiency plans</li> </ul>
Group Activities	90	86	-4%	<b>Group Activities</b> <ul style="list-style-type: none"> <li>Adjusted expenses exclude €16m expenses related to the strategic restructuring plans and €5m expenses related to lean and efficiency initiatives</li> </ul>
<b>Adjusted operating expenses core activities</b>	<b>1,014</b>	<b>981</b>	<b>-3%</b>	
Property Finance	46	43	-7%	<b>Property Finance</b> <ul style="list-style-type: none"> <li>Adjusted expenses exclude €67m advisory costs for the run-off of the loan portfolio in 2012 (2011: €57m) and €6m costs related to efficiency plans</li> </ul>
<b>Total adjusted operating expenses</b>	<b>1,060</b>	<b>1,024</b>	<b>-3%</b>	
Adjustments	64	124		
<b>Total operating expenses</b>	<b>1,124</b>	<b>1,148</b>	<b>+2%</b>	

YE 2012, compared to 2008 cost level, adjusted operating expenses have been reduced by €185m (-15%)

## 2. SNS Retail Bank: Higher Loan Impairments Put Pressure on Earnings

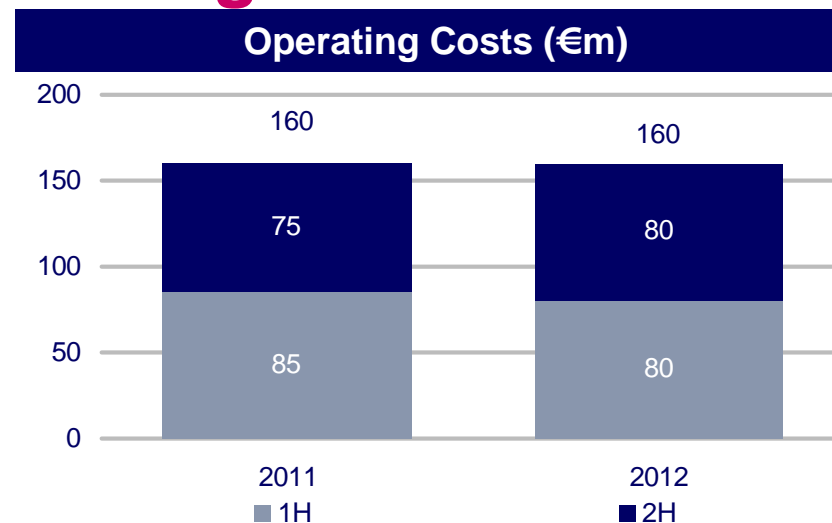
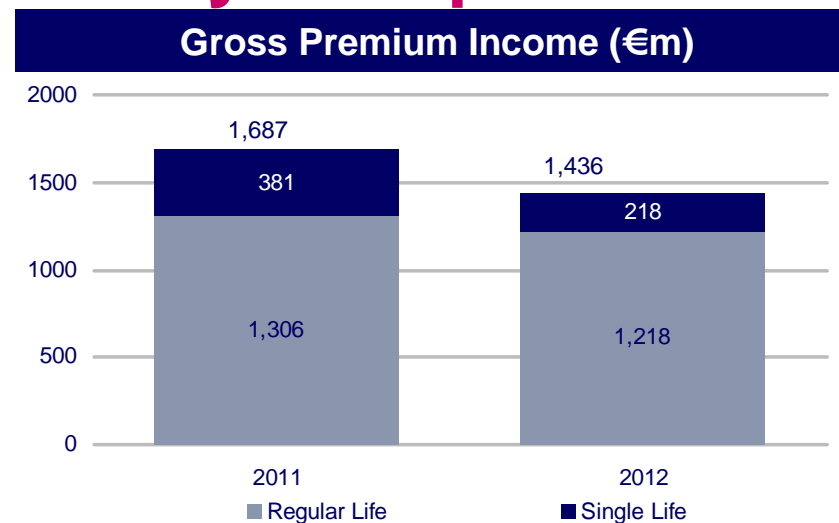
Total Income				
(€m)	2011	2012	1H12	2H12
Net interest income	675	702	341	361
Net fee and commission income	86	54	28	26
Investment income	45	23	28	(5)
Financial instruments / other income	130	56	17	39
<b>Total income</b>	<b>936</b>	<b>835</b>	<b>413</b>	<b>421</b>
<b>Net interest Margin as % of loans</b>	<b>120bps</b>	<b>126bps</b>	<b>123bps</b>	<b>130bps</b>

Impairment Charges				
(€m)	2011	2012	1H12	2H12
Mortgages	71	156	61	95
Other loans	11	25	14	11
SME loans	13	43	8	35
Other	31	4	-	4
<b>Total impairment charges</b>	<b>126</b>	<b>228</b>	<b>83</b>	<b>145</b>
<b>Loan impairments as % avg gross loans</b>	<b>17bps</b>	<b>40bps</b>	<b>30bps</b>	<b>51bps</b>



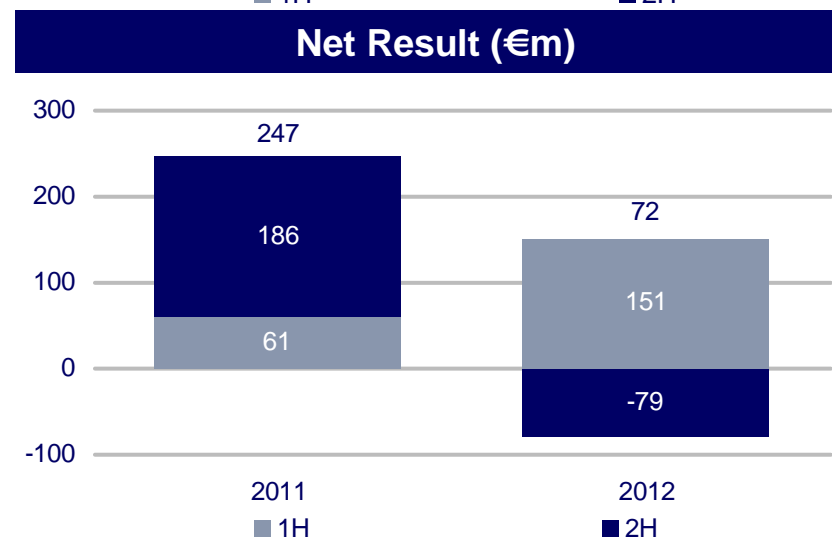
- | Comments  |
|---|
| • Net interest income holding up well   |
| • Lower total income in absence of substantial gain from LT2 exchange in 4Q11   |
| • Loan impairments impacted by application more prudent risk assessment models (€40m) combined with a deteriorating credit risk environment |
| • Actual credit losses:<br>- SNS Bank €128m (2011: €100m)<br>- Retail mortgages €98m (2011: €40m)   |
| • LtV retail mortgages of 87% (YE11: 82%)   |

## 2. REAAL Life: Sharply Lower Net Profit Due Mainly to Impairments of Intangible Assets



**Investment Income for Own Account**

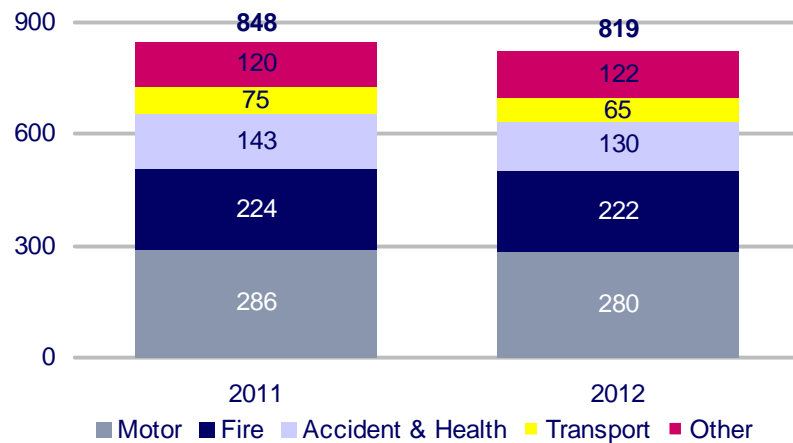
(€m)	2011	2012
<b>Total investment income</b>	<b>1,011</b>	<b>1,047</b>
Realised gains/losses equities	11	41
Realised gains/losses fixed income	59	107
Realised gains/losses other	1	5
Unrealised gains/losses	(16)	(15)
<b>Direct investment income</b>	<b>956</b>	<b>909</b>



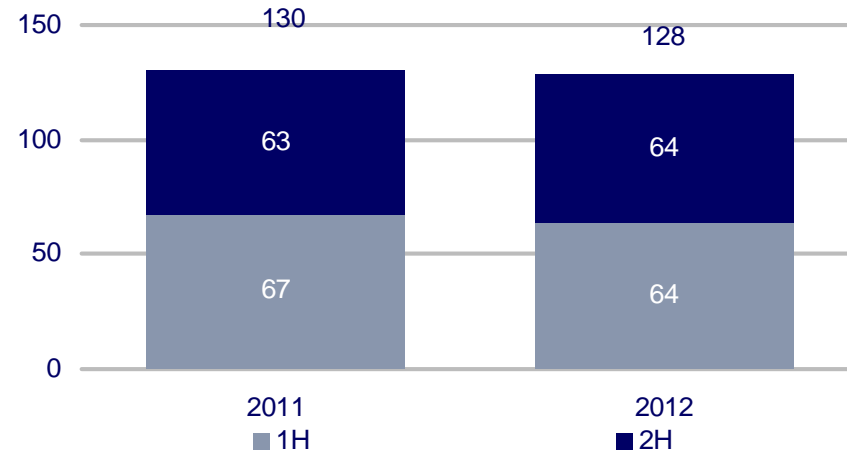


## 2. REAAL Non-Life: Net Loss Due to Goodwill Impairment

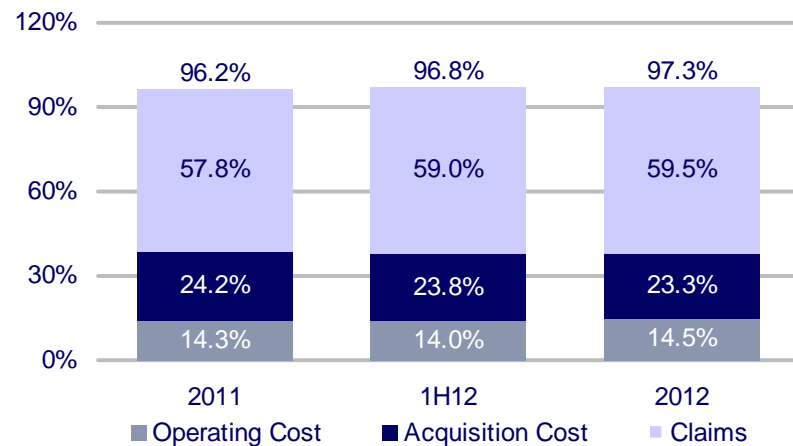
### Gross Premium Income (€m)



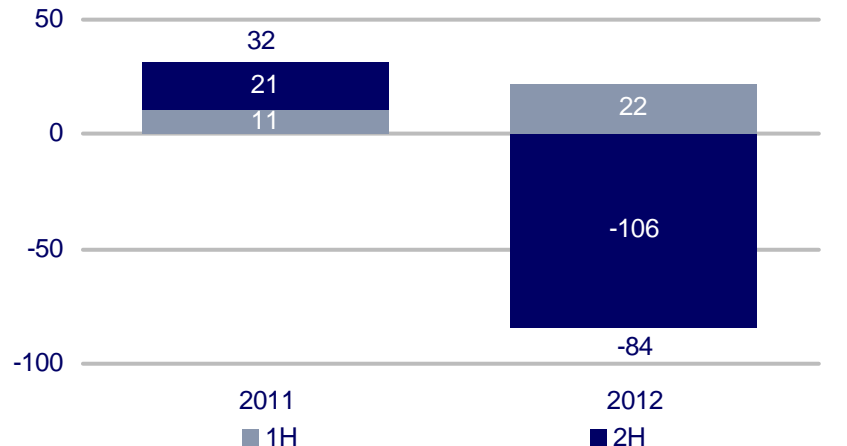
### Operating Costs (€m)



### Combined Ratio



### Net Result (€m)

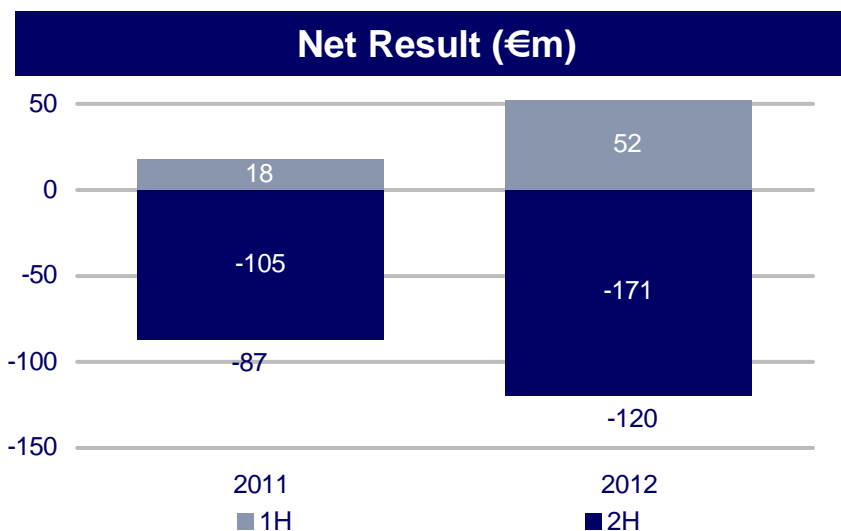
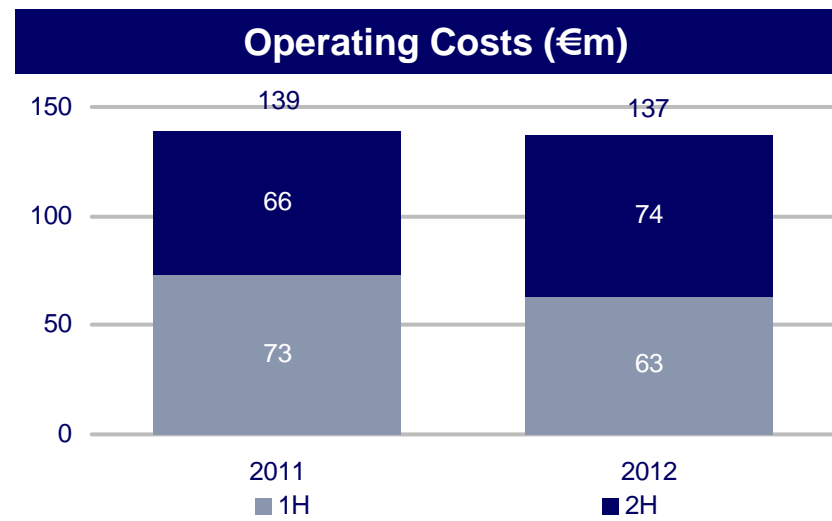
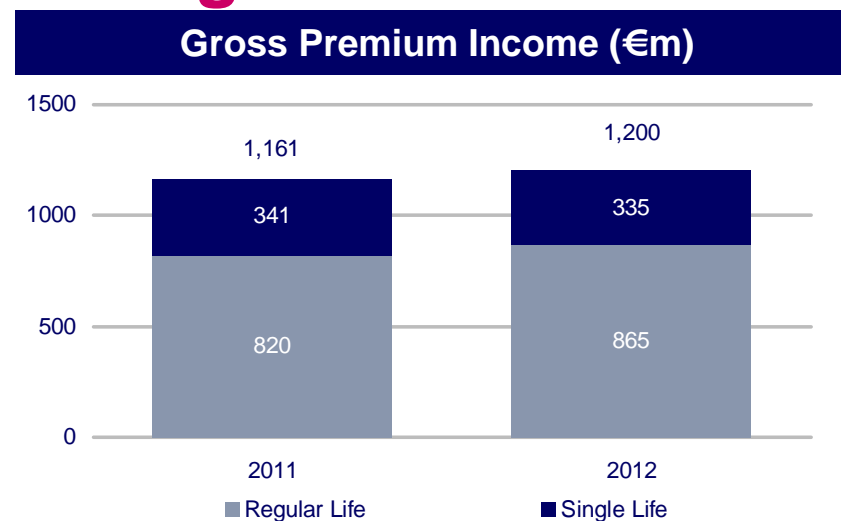


## 2. Marked Decline in Underlying Profit at REAAL

Underlying Result REAAL				
(€m)	2011	2012	1H12	2H12
<b>Total net result REAAL</b>	<b>280</b>	<b>(27)</b>	<b>164</b>	<b>(191)</b>
<b>Impact investment portfolio and hedges</b>	<b>97</b>	<b>150</b>	<b>74</b>	<b>76</b>
Impairments and realised gains/losses on investments	16	91	12	79
Result on financial instruments	114	79	93	(14)
Changes in insurance contracts due to movements of fair value items	(33)	(20)	(31)	11
<b>One-off items</b>	<b>18</b>	<b>(325)</b>	<b>-</b>	<b>(325)</b>
<b>Net result REAAL excl. impact of one-off items and impact of investment portfolio and hedges</b>	<b>165</b>	<b>148</b>	<b>90</b>	<b>58</b>
Amortisation VOBA and other intangible assets	(53)	(48)	(24)	(24)
<b>Underlying result REAAL</b>	<b>218</b>	<b>196</b>	<b>114</b>	<b>82</b>
of which Reaal Life	197	183	101	82
of which Reaal Non-Life	35	22	18	4
of which Other	(14)	(9)	(5)	(4)

Lower underlying net profit mainly driven by lower direct investment income and a higher claims ratio at Non-Life

## 2. Zwitserleven: Net Loss due to Impairment Intangibles



- Comments**
- Net loss of €120m due to the impairment of brand name and partial impairment of VOBA
  - Marginal increase in premium income due mainly to pricing discipline
  - Operating expenses marginally lower despite restructuring charges

## 2. Strong Decline Underlying Profit at Zwitterleven

<b>Underlying Result Zwitterleven</b>				
<i>(€m)</i>	2011	2012	1H12	2H12
<b>Total net result Zwitterleven</b>	<b>(87)</b>	<b>(120)</b>	<b>52</b>	<b>(172)</b>
<b>Impact investment portfolio and hedges</b>	<b>(26)</b>	<b>74</b>	<b>40</b>	<b>34</b>
Impairments and realised gains/losses on investments	12	120	82	38
Result on financial instruments	21	(60)	(33)	(27)
Changes in insurance contracts due to movements of fair value items	(59)	14	(9)	23
<b>One-off items</b>	<b>(107)</b>	<b>(224)</b>	<b>-</b>	<b>(224)</b>
<b>Net result Zwitterleven excl. impact of one-off items and impact of investment portfolio and hedges</b>	<b>46</b>	<b>30</b>	<b>12</b>	<b>18</b>
Amortisation VOBA and other intangible assets	(18)	(16)	(8)	(8)
<b>Underlying result Zwitterleven</b>	<b>64</b>	<b>46</b>	<b>20</b>	<b>26</b>

Lower underlying net profit driven mainly by lower direct investment income and lower technical results

### 3. 1Q13 Net Profit Core Activities of €170m

Net Result					
(€m)	1Q12	2Q12	3Q12	4Q12	1Q13
<b>SNS Retail Bank</b>	<b>32</b>	<b>53</b>	<b>47</b>	<b>(44)</b>	<b>107</b>
<i>REAAL Life</i>	67	84	77	(156)	34
<i>REAAL Non-Life</i>	2	20	1	(107)	(3)
<i>REAAL Other</i>	(7)	(2)	(4)	(2)	(4)
REAAL	62	102	74	(265)	27
Zwitserleven	15	37	34	(206)	(2)
<b>Insurance activities</b>	<b>77</b>	<b>139</b>	<b>108</b>	<b>(471)</b>	<b>25</b>
Group Activities	(21)	(22)	(20)	(37)	38
<b>NET RESULT SNS REAAL (CORE)</b>	<b>88</b>	<b>171</b>	<b>135</b>	<b>(552)</b>	<b>170</b>
Property Finance	(65)	(78)	(101)	(569)	(1,792)
<b>NET RESULT SNS REAAL</b>	<b>23</b>	<b>92</b>	<b>34</b>	<b>(1,121)</b>	<b>(1,622)</b>

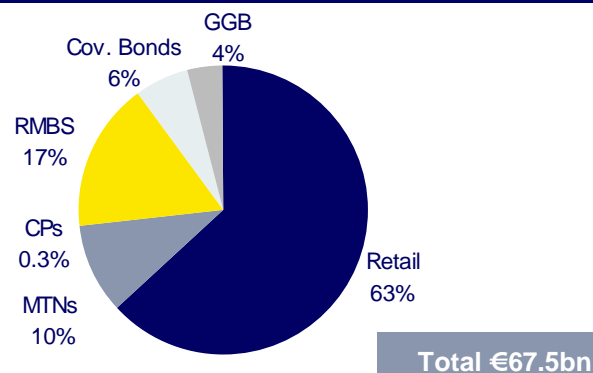
## 4. Pro Forma Figures Based on 1Q13 Figures

Pro Forma Figures						
(€m)	2012	1Q13	Resolution levy	Deduction Tier 1 (shortfall)	RWA release PF	Pro forma
<b>Shareholders' equity SNS REAAL</b>	<b>3,352</b>	<b>4,874</b>	<b>(70)</b>			<b>4,804</b>
of which SNS Bank	1,311	2,201	(70)			2,131
of which REAAL	2,961	3,009				3,009
of which Other <sup>1</sup>	(2)	(2)				(2)
of which Double leverage	(918)	(338)				(338)
Double leverage (%)	127%	107%				107%
<b>SNS Bank N.V.</b>						
Core Tier 1 capital	1,253	2,140	(70)	(31)		2,039
RWA (Basel II)	20,592	18,594			(5,501)	13,093
CT1 ratio (%)	6.1%	11.5%				15.6%
<b>Regulatory Solvency Insurance activities</b>	<b>176%</b>	<b>181%</b>				<b>181%</b>

1. Including eliminations

## 5. Banking Activities: High Liquidity Position Maintained; Loan to Deposit Ratio Trending Down

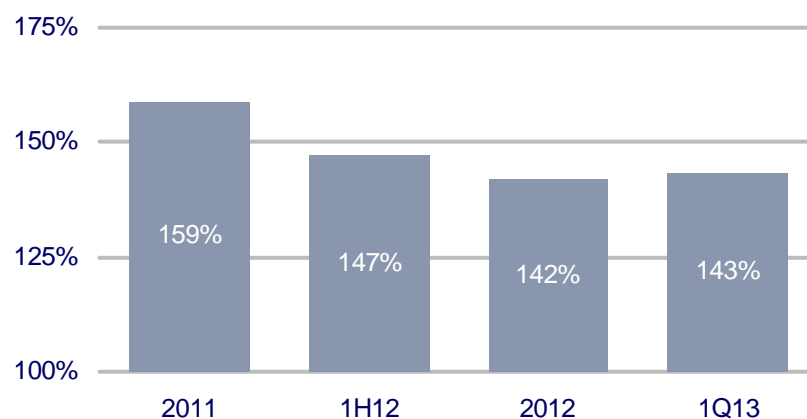
### Funding Mix Banking Activities 2012



### Liquidity Position

(€m)	2011	2012	1Q13
Cash	4,217	6,691	6,529
Liquid Assets	6,861	4,818	2,932
<b>Total Liquidity Position</b>	<b>11,078</b>	<b>11,509</b>	<b>9,461</b>

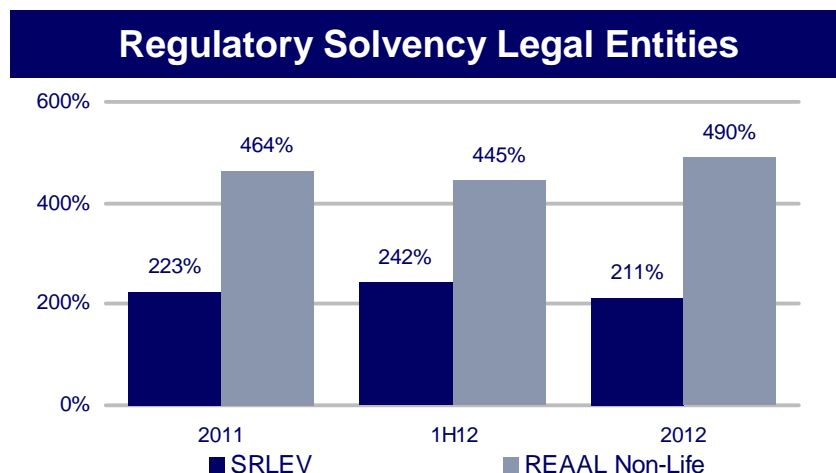
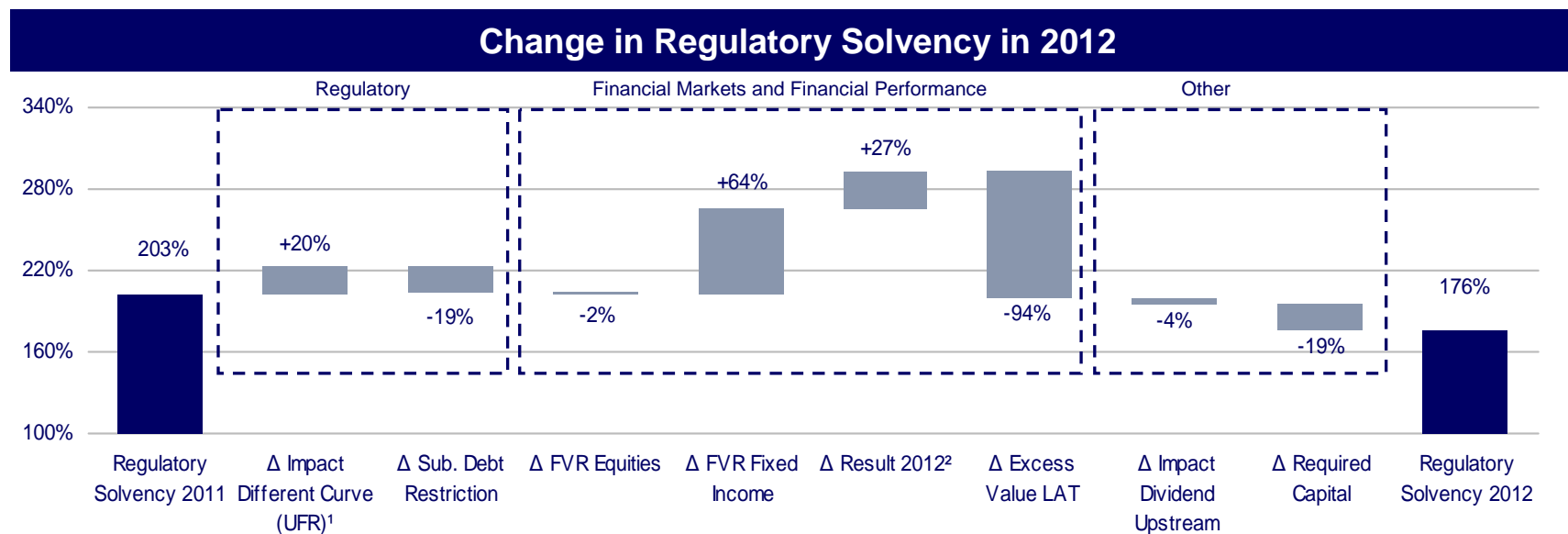
### Loan to Deposit Ratio Banking Activities



### Comments

- Loan-to-deposit ratio improved from 159% at year-end 2011 to 142% at year-end 2012 including PF due to increase in savings and a decrease in loans
- Loan-to-deposit ratio increased marginally to 143% in 1Q13 due to a decrease in savings. Excluding PF, the LTD ratio at the end of 1Q13 is 128%
- Liquidity position maintained at high level throughout 2012; lower in 1Q13 due to redemptions of securitisations

# 5. Solvency Insurance Activities 2012



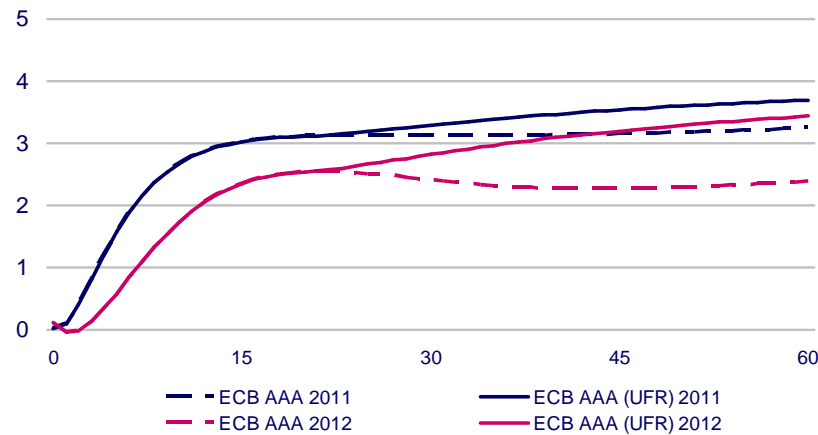
- ### Comments
- Regulatory solvency down markedly to 176%
  - Decline due mainly to the impact of longevity, increase in required capital for separate accounts, downward shift of the yield curve and dividend upstream by REAAL Non-Life to SNS REAAL in 1H12

1. Initial impact of different curve (UFR) at the time of introduction in June 2012    2. Excluding impairments on intangible assets



# 5. Difficult Market Circumstances due to Continuing Low Interest Rate Environment

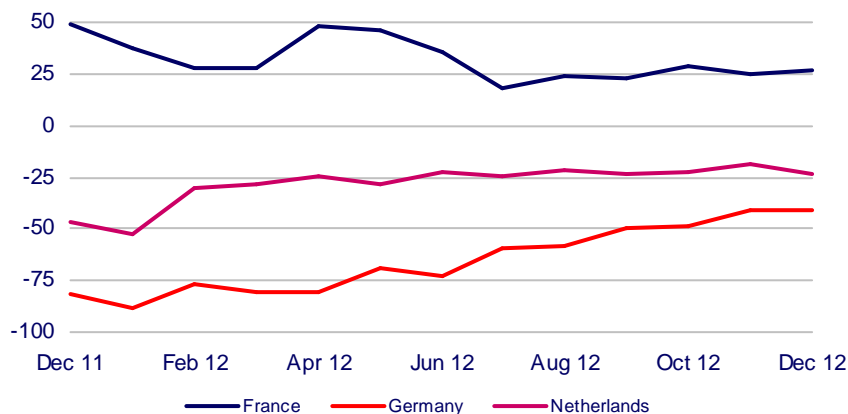
Regulatory yield curve vs IFRS yield curve



Comments

- Lower yield curves in 2012
- Using the ECB AAA curve instead of the ECB AAA (UFR) curve would at year-end 2012 result in a impact:
  - on the LAT of approx. - €600m
  - on solvency of approx. - 54%-points

Yields on 10y sovereigns vs ECB AAA



Comments

- Solvency negatively impacted by development of credit spreads due mainly to de-risking of the investment portfolio

## **III. Key Take-Aways**

# Key Take-Aways

- **2012 Net loss of €972m driven by loss at Property Finance and one-off items**
  - SNS Retail Bank posts net profit excluding one-off items of €124m (2011: €277m)
  - Insurance activities post net profit excluding one-off items of €402m (2011: €282m)
  - Substantial net loss of €813m at Property Finance due to sharply higher loan impairments
- **Strong improvement solvency SNS Bank and Double leverage SNS REAAL due to nationalisation measures**
  - Pro forma core Tier 1 ratio of SNS Bank 14.9%
  - Pro forma double leverage SNS REAAL 105%
- **Core activities profitable in first quarter of 2013:**
  - Net profit of €170m (€99m excluding one-off items);
  - Pro forma core Tier 1 ratio of SNS Bank up to 15.6%;
  - Regulatory solvency of the Insurance activities 181%;
  - Double leverage SNS REAAL 107%
- **SNS REAAL intends to provide more clarity on restructuring plan in the course of the year**

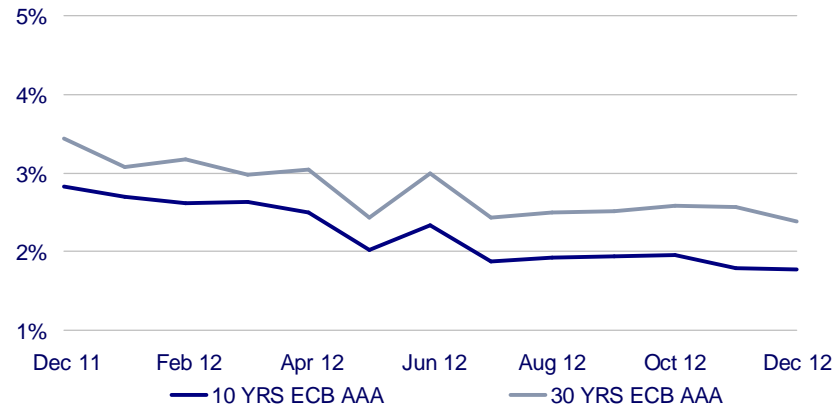
## **IV. Questions & Answers**

# V. Appendices

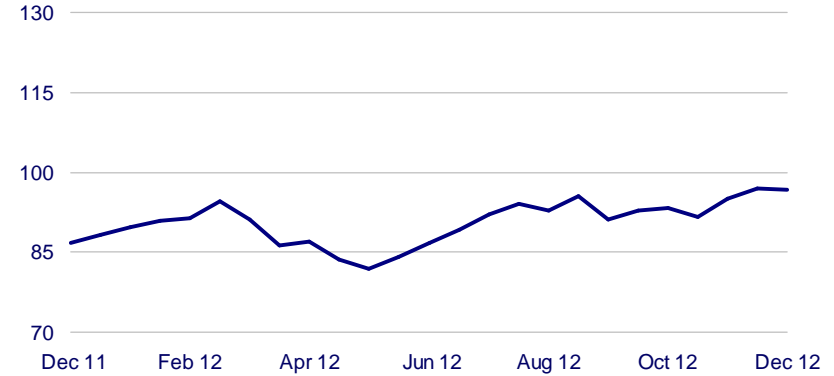
## **A. 2012 Additional Slides**

# Developments Financial Markets in 2012

**10yr and 30yr ECB-AAA Interest Rates**



**AEX Index**



**Credit Spread IBoxx Corporate A (bps)**



**Credit Spread IBoxx All Government Eurozone (bps)**



# SNS REAAL: Segment Results

Net Result				
(€m)	2011	2012	1H12	2H12
SNS Retail Bank	257	88	85	3
REAAL	280	(27)	164	(191)
<i>of which REAAL Life</i>	<i>247</i>	<i>72</i>	<i>151</i>	<i>(79)</i>
<i>of which REAAL Non-Life</i>	<i>32</i>	<i>(84)</i>	<i>22</i>	<i>(106)</i>
<i>of which REAAL Other</i>	<i>1</i>	<i>(15)</i>	<i>(9)</i>	<i>(6)</i>
Zwitserleven	(87)	(120)	52	(172)
Group Activities	(93)	(100)	(43)	(57)
<b>NET RESULT SNS REAAL (CORE)</b>	<b>357</b>	<b>(159)</b>	<b>258</b>	<b>(417)</b>
Property Finance	(243)	(813)	(143)	(670)
<b>NET RESULT SNS REAAL</b>	<b>114</b>	<b>(972)</b>	<b>115</b>	<b>(1,087)</b>
One-off items	(128)	(649)	(15)	(634)
<b>ADJUSTED NET RESULT</b>	<b>242</b>	<b>(323)</b>	<b>130</b>	<b>(453)</b>



# 1Q13 Net Profit of €170m Positively Impacted by Nationalisation

Net Result							
(€m)	1Q12	2Q12	3Q12	4Q12	4Q12 Adj.	1Q13	1Q13 Adj.
<b>SNS Retail Bank</b>	<b>32</b>	<b>53</b>	<b>47</b>	<b>(44)</b>	<b>(17)</b>	<b>107</b>	<b>87</b>
<i>REAAL Life</i>	67	84	77	(156)	59	34	40
<i>REAAL Non-Life</i>	2	20	1	(107)	3	(3)	(3)
<i>REAAL Other</i>	(7)	(2)	(4)	(2)	(2)	(4)	(4)
REAAL	62	102	74	(265)	60	27	33
Zwitserleven	15	37	34	(206)	18	(2)	(2)
<b>Insurance activities</b>	<b>77</b>	<b>139</b>	<b>108</b>	<b>(471)</b>	<b>78</b>	<b>25</b>	<b>31</b>
Group Activities	(21)	(22)	(20)	(37)	(33)	38	(19)
<b>NET RESULT SNS REAAL (CORE)</b>	<b>88</b>	<b>171</b>	<b>135</b>	<b>(552)</b>	<b>28</b>	<b>170</b>	<b>99</b>
Property Finance	(65)	(78)	(101)	(569)	(522)	(1,792)	(33)
<b>NET RESULT SNS REAAL</b>	<b>23</b>	<b>92</b>	<b>34</b>	<b>(1,121)</b>	<b>(494)</b>	<b>(1,622)</b>	<b>66</b>

# 2012 One-off Items Core Activities

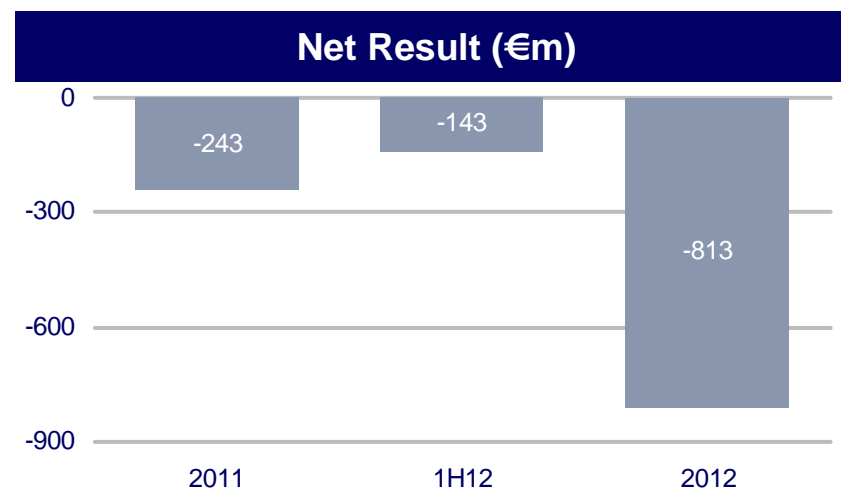
Breakdown One-off Items		
(€m)	2011	2012
<b>SNS Retail Bank</b>	<b>(20)</b>	<b>(36)</b>
Impairment Greek bonds	(20)	(9)
Reorganisation charge	-	(27)
<b>REAAL</b>	<b>18</b>	<b>(325)</b>
Gain from disposal REAAL Reass S.A.	18	-
Impairment goodwill REAAL Life		(141)
Impairment goodwill REAAL Non-Life		(110)
Impairment distribution channel REAAL Life		(18)
Additional provision unit-linked policies REAAL Life		(56)
<b>Zwitserleven</b>	<b>(107)</b>	<b>(224)</b>
Impairment goodwill	(107)	-
Impairment brand name	-	(95)
Partial impairment VOBA	-	(129)
<b>Group Activities</b>	<b>(19)</b>	<b>(17)</b>
Impairment Van Lanschot	(19)	(17)
<b>One-off items Core Activities</b>	<b>(128)</b>	<b>(602)</b>

Adjustment Net Result for One-off Items		
(€m)	2011	2012
SNS Retail Bank	258	88
REAAL	280	(27)
of which REAAL Life	247	72
of which REAAL Non-Life	32	(84)
of which REAAL Other	1	(15)
Zwitserleven	(87)	(120)
Group Activities	(94)	(100)
<b>Net Result Core Activities</b>	<b>357</b>	<b>(159)</b>
<b>One-off items Core Activities</b>	<b>(128)</b>	<b>(602)</b>
SNS Retail Bank	277	124
REAAL	262	298
of which REAAL Life	247	287
of which REAAL Non-Life	32	26
of which Other	(17)	(15)
Zwitserleven	20	104
Group Activities	(74)	(83)
<b>Net Result Core Activities excl. one-off items</b>	<b>485</b>	<b>443</b>

# Property Finance: Sharply Higher Net Loss Reflecting Further Weakening RE Markets

Total Income			
(€m)	2011	1H12	2012
Net interest income	123	52	98
Investment income	-	-	-
Result on financial instruments	(36)	(8)	(12)
Other operating income	(9)	(1)	(2)
<b>Total income</b>	<b>78</b>	<b>43</b>	<b>84</b>
<b>Net interest Margin as % of avg loans</b>	<b>108bps</b>	<b>109bps</b>	<b>107bps</b>

Impairment Charges			
(€m)	2011	1H12	2012
Impairment charges	284	169	941
- of which international	125	30	378
- of which Dutch	159	139	563
Impairment charges goodwill	-	-	47
<b>Total impairments charges</b>	<b>284</b>	<b>169</b>	<b>988</b>
<b>Loan impairments as % of avg loans</b>	<b>2.50%</b>	<b>2.39%</b>	<b>10.27%</b>

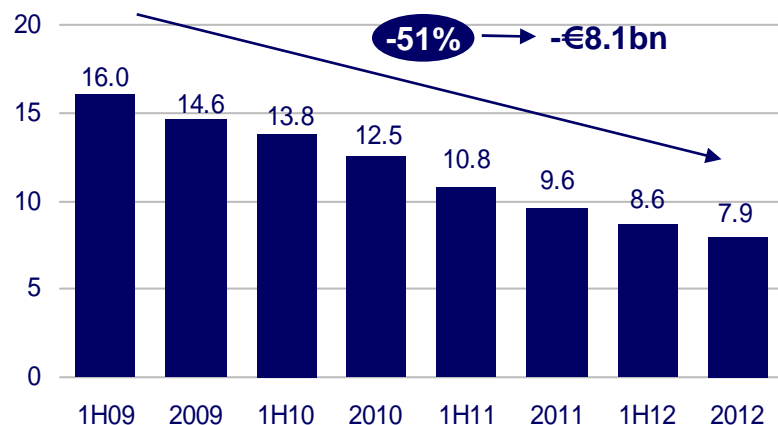


## Comments

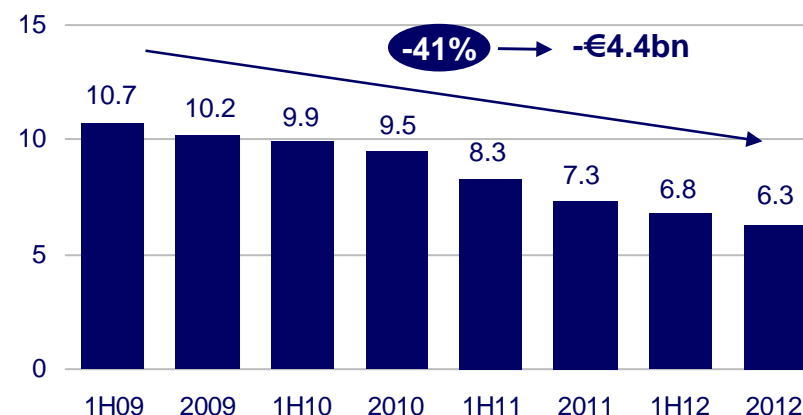
- Sharply higher net loss of €813m reflecting further weakening of real estate markets
- Impairment charges of €941m of which €772m in 2H12
- Total commitments reduced by €1.7bn to €7.9bn (-18%)

# Further Reduction of Property Finance Loan Portfolio in 2012

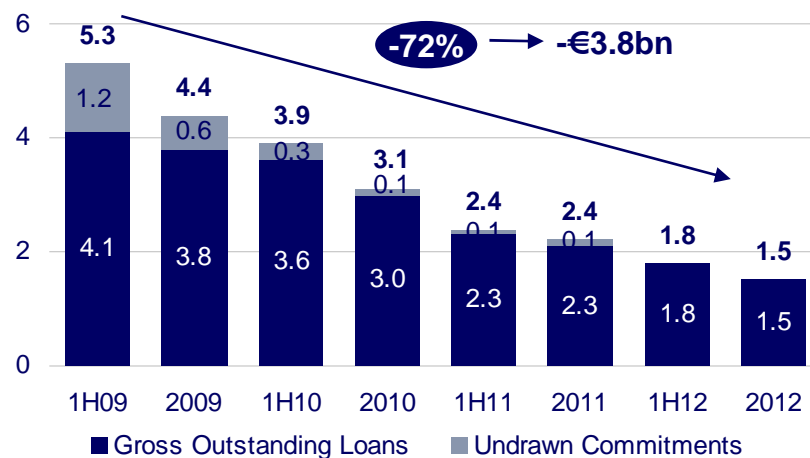
**Total Commitments Property Finance (€bn)**



**Dutch Commitments Property Finance (€bn)**



**International Commitments Property Finance (€bn)**



**Comments**

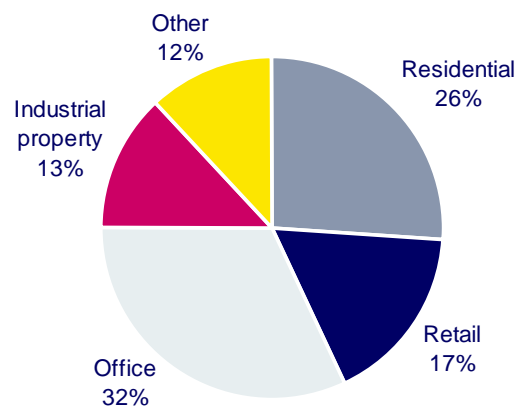
- Total commitments CRE loan portfolio lowered by ~€8.1bn (-51%) since announcement of run-off in August of 2009
- International commitments lowered by 72% since announcement in August 2009
- Dutch commitments lowered by 41% since August 2009

# Property Finance: Outstanding Loans Down by €2,285m (-26%)

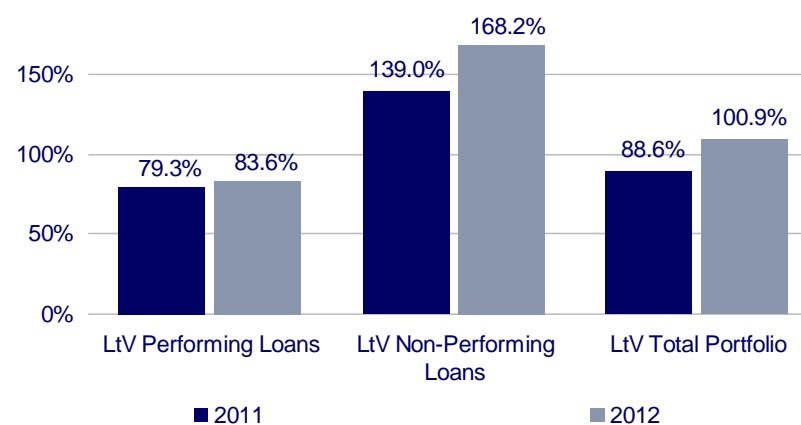
## Outstanding Loans Property Finance by Geography 2012

(€m)	2011	%	2012	%	Decline in 2012
Netherlands	7,041	61%	5,415	82%	-23%
Germany	593	12%	333	5%	-44%
North America	406	8%	174	3%	-57%
France	184	4%	125	2%	-32%
Spain	167	4%	83	1%	-50%
Other Europe	506	11%	485	7%	-6%
<b>Total</b>	<b>8,900</b>	<b>100%</b>	<b>6,615</b>	<b>100%</b>	<b>-26%</b>

## Outstanding Loans PF by Sector 2012



## Loan-to-Value Property Finance



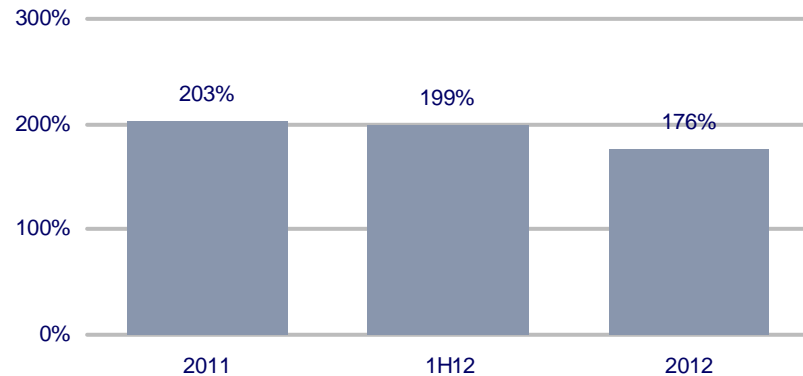
# Property Finance: Dutch vs. International Activities

Dutch Portfolio (€m)		
(€bn)	2011	2012
Commitments	7,469	6,348
Undrawn Commitments	61	66
Outstanding Loans (Gross)	7,408	6,282
Loan Provision	366	867
Outstanding Loans	7,042	5,415
Property Projects	36	106
Held for Sale		
<b>Total Net Exposure</b>	<b>7,078</b>	<b>5,521</b>
Non-Performing Loans	1,171	1,899
NPLs as a % of outstanding loans	15.8%	30.2%
Coverage Ratio	31.3%	45.7%
Average Loan-to-Value	87.0%	101.3%

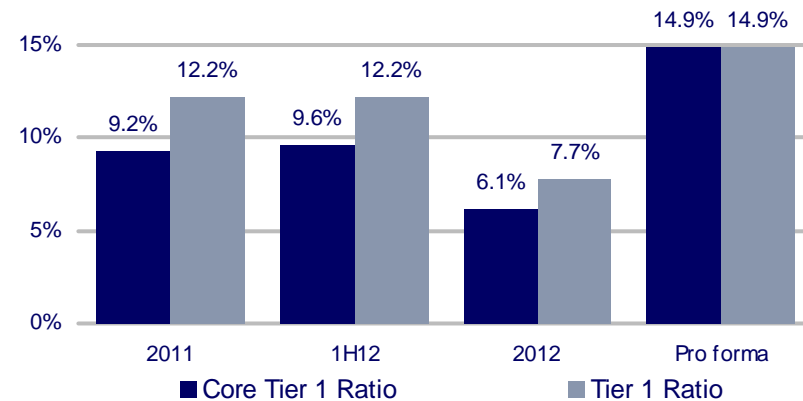
International Portfolio (€m)		
(€bn)	2011	2012
Commitments	2,157	1,532
Undrawn Commitments	27	(18)
Outstanding Loans (Gross)	2,130	1,550
Loan Provision	271	350
Outstanding Loans	1,859	1,200
Property Projects	476	310
Held for Sale		
<b>Total Net Exposure</b>	<b>2,335</b>	<b>1,510</b>
Non-Performing Loans	598	750
NPLs as a % of outstanding loans	28.1%	48.4%
Coverage Ratio	45.3%	46.7%
Average Loan-to-Value	94.4%	99.4%

# Solvency Ratios of Banking and Insurance Activities

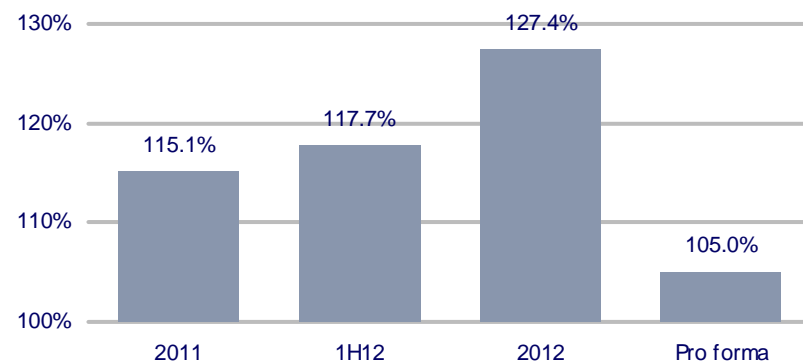
## Regulatory Solvency Insurance Activities



## Banking Capital Ratios



## Double Leverage

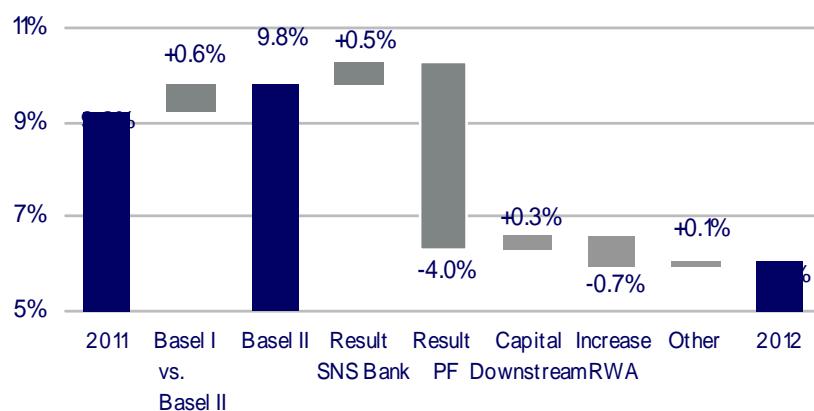


## Comments

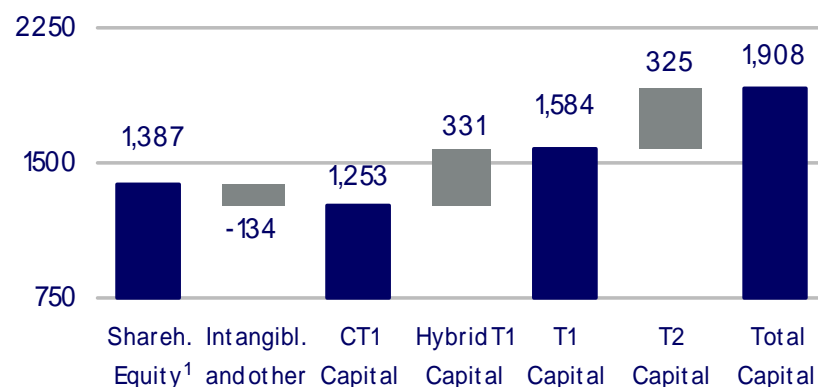
- Insurance solvency ratio markedly lower at 176% in 2012
- CT1 ratio down to 6.1% due to loss at Property Finance in 2012
- Double leverage increased to 127.4% in 2012

# Banking Activities: Core Tier 1 Ratio at 6.1%

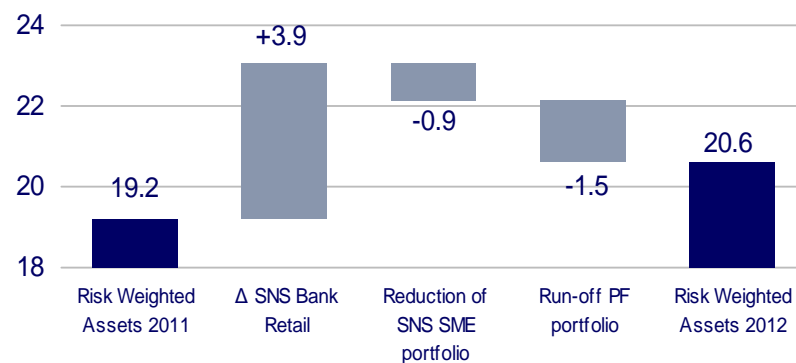
## Changes in Core Tier 1 Ratio 2012



## Capital Base Banking Activities 2012 (€m)



## Development of RWAs<sup>2</sup> in 2012 (€bn)



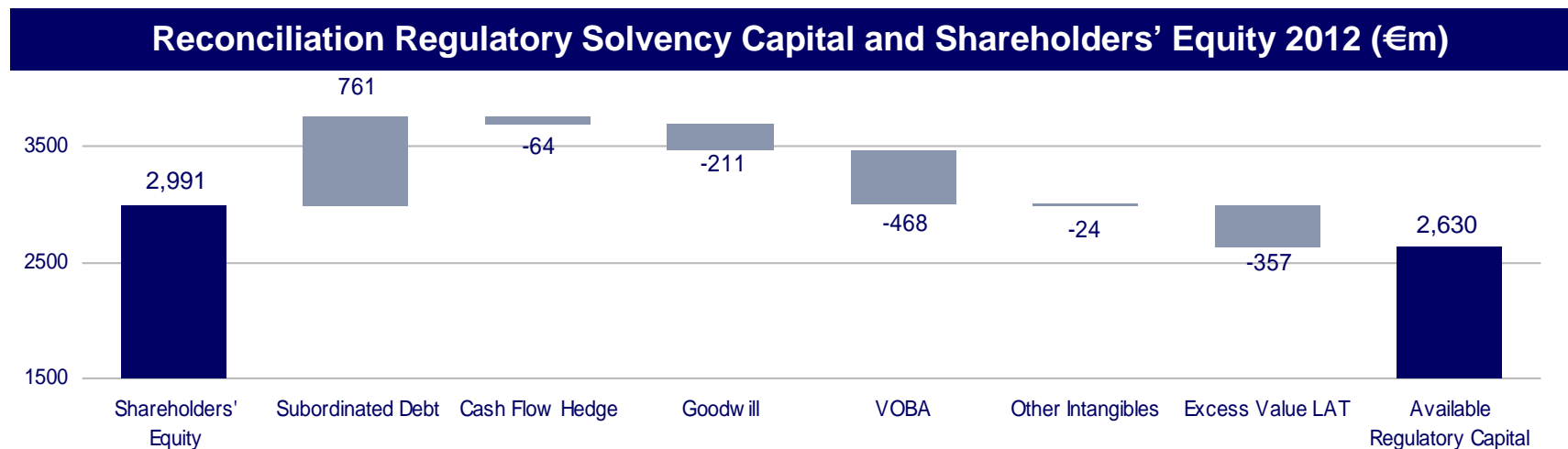
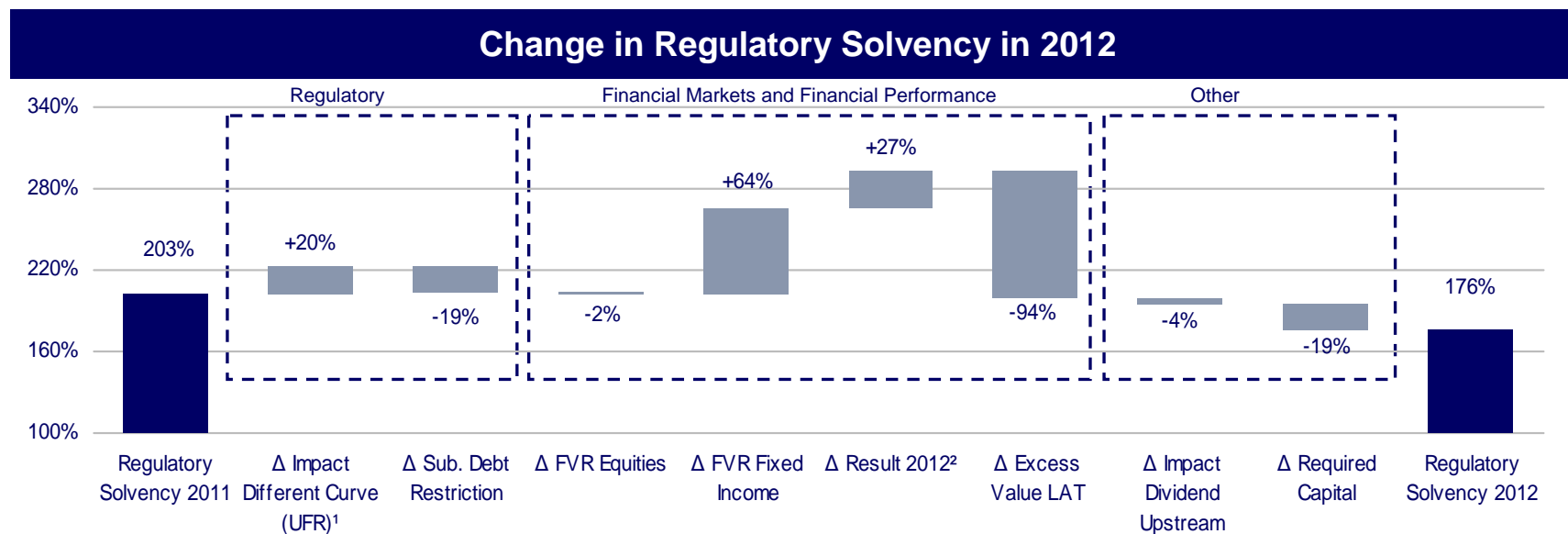
1. Excludes revaluation and fair value reserves 2. Basel II

## Comments

- Core Tier 1 ratio considerably lower at 6.1% due mainly to loss at PF
- RWA up markedly to €20.6bn due mainly to more prudent risk assessment models at SNS Retail Bank



# Solvency Insurance Activities 2012



1. Initial impact of different curve (UFR) after introduction June 2012 2. Excluding impairments on intangible assets

# Sovereign Exposure Concentrated in Germany and the Netherlands

Sovereign Exposure 2011				Sovereign Exposure 2012			
(€m)	Insurance	Banking	Total	(€m)	Insurance	Banking	Total
Ireland	47	165	212	Ireland	-	121	121
Greece	-	26	26	Greece	-	-	-
Portugal	-	-	-	Portugal	-	-	-
Italy	232	270	502	Italy	338	320	658
Spain	50	29	79	Spain	54	-	54
<b>Subtotal</b>	<b>329</b>	<b>490</b>	<b>819</b>	<b>Subtotal</b>	<b>392</b>	<b>441</b>	<b>833</b>
Germany	6,470	1,551	8,021	Germany	9,603	1,437	11,040
France	804	195	999	France	1,095	402	1,497
Netherlands	6,515	733	7,248	Netherlands	4,922	1,053	5,975
Austria	1,684	310	1,994	Austria	986	302	1,288
Belgium	226	164	390	Belgium	287	236	523
Other	323	49	372	Other	439	573	1,012
<b>Total</b>	<b>16,351</b>	<b>3,492</b>	<b>19,843</b>	<b>Total</b>	<b>17,724</b>	<b>4,444</b>	<b>22,168</b>

*Note: Sovereign exposure also includes sub-sovereigns*

# Insurance Activities: Fixed-Income Portfolio

## Fixed-Income Portfolio (Sector)

(€bn)	2011	%	2012	%
Sovereign	16.4	57%	17.7	58%
Financials	4.7	17%	5.1	17%
Mortgages	4.9	18%	5.1	17%
Corporates	1.2	4%	1.5	5%
MBS	1.2	4%	0.9	3%
Other	0.1	0%	0.1	0%
<b>Total</b>	<b>28.5</b>	<b>100%</b>	<b>30.4</b>	<b>100%</b>

## Fixed-Income Portfolio (Rating)

(€bn)	2011	%	2012	%
AAA	18.0	63%	17.5	58%
AA	1.3	5%	3.2	10%
A	2.5	8%	2.2	7%
BBB	0.9	3%	1.5	5%
< BBB	0.2	1%	0.2	1%
No Rating	5.6	20%	5.9	19%
<b>Total</b>	<b>28.5</b>	<b>100%</b>	<b>30.4</b>	<b>100%</b>

## Fixed-Income Portfolio (Maturity)

(€bn)	2011	%	2012	%
< 3 Months	0.5	2%	0.7	2%
< 1 Year	1.1	4%	0.9	3%
< 3 Years	2.2	8%	2.3	8%
< 5 Years	2.4	8%	2.2	7%
< 10 Years	6.2	22%	4.9	16%
< 15 Years	3.0	10%	3.9	13%
> 15 Years	13.1	46%	15.4	51%
<b>Total</b>	<b>28.5</b>	<b>100%</b>	<b>30.4</b>	<b>100%</b>

## Fixed-Income Portfolio (Geography)

(€m)	2011	%	2012	%
Ireland	317	1%	234	1%
Portugal	26	0%	6	0%
Italy	369	1%	456	1%
Spain	403	1%	398	1%
Germany	7,000	25%	10,238	34%
France	1,342	5%	1,640	5%
Netherlands	14,264	50%	13,254	44%
Other	4,821	17%	4,232	14%
<b>Total</b>	<b>28,542</b>	<b>100%</b>	<b>30,458</b>	<b>100%</b>

# Banking Activities: Investment Portfolio

Breakdown Portfolio (Sector)				
(€bn)	2011	%	2012	%
Sovereign	3.5	87%	4.4	88%
Financials	0.2	4%	0.4	4%
Mortgages	0.0	0%	-	0%
Corporates	0.1	1%	0.1	2%
MBS	0.3	7%	0.2	4%
Other	0.1	2%	0.2	3%
<b>Total</b>	<b>4.1</b>	<b>100%</b>	<b>5.3</b>	<b>100%</b>

Breakdown Portfolio (Maturity)				
(€bn)	2011	%	2012	%
< 3 Months	0.1	2%	0.8	16%
< 1 Year	0.0	1%	0.7	13%
< 3 Years	1.2	30%	0.7	12%
< 5 Years	0.3	7%	0.5	9%
< 10 Years	1.5	37%	1.7	33%
< 15 Years	0.2	6%	0.1	2%
> 15 Years	0.7	17%	0.8	16%
<b>Total</b>	<b>4.1</b>	<b>100%</b>	<b>5.3</b>	<b>100%</b>

Breakdown Portfolio (Rating)				
(€bn)	2011	%	2012	%
AAA	3.2	79%	2.5	48%
AA	0.2	5%	1.3	24%
A	0.4	9%	0.8	15%
BBB	0.2	6%	0.7	13%
< BBB	0.1	1%	-	0%
No Rating	0.0	0%	0.0	0%
<b>Total</b>	<b>4.1</b>	<b>100%</b>	<b>5.3</b>	<b>100%</b>

Breakdown Portfolio (Geography)				
(€m)	2011	%	2012	%
Ireland	165	4%	121	2%
Greece	26	1%	-	0%
Italy	284	7%	326	6%
Spain	30	1%	-	0%
Germany	1,561	38%	1,468	28%
France	220	5%	456	9%
Netherlands	1,179	29%	1,690	32%
Other	623	15%	1,229	23%
<b>Total</b>	<b>4,088</b>	<b>100%</b>	<b>5,290</b>	<b>100%</b>

# Group Capital Position 2012

Group Capital (€m)	
<b>Shareholders' Equity (excl. Double Leverage)</b>	<b>3,352</b>
Minority Interests	-2
Hybrid Tier 1	331
Insurance Hybrid / Subordinated Capital	761
Banking Intangibles	-134
Insurance Intangibles / Other	-766
Excess LAT	-357
<b>Total Available Capital (a)</b>	<b>3,185</b>
Minimum Required Bank Capital	824
Minimum Required Insurance Capital	1,491
<b>Total Minimum Required Capital (b)</b>	<b>2,315</b>
<b>Solvency Ratio (excl. Double Leverage) (a/b)</b>	<b>138%</b>

Changes in Shareholders' Equity (€m)	
<b>Shareholders' Equity 2011<sup>(1)</sup></b>	<b>5,089</b>
Fair Value Reserve Equities	-20
Fair Value Reserve Fixed Income	+938
Net Result 2012	-972
Shadow Accounting	-199
IFRS LAT deficit	-1,490
Cash Flow Hedge Reserve / Other	+6
<b>Shareholders' Equity 2012</b>	<b>3,352</b>
Calculation Double Leverage 2012 (€m)	
<b>Shareholders' Equity Subsidiaries (a)</b>	<b>4,268</b>
of which Banking Activities	1,338
of which Insurance Activities	2,929
of which Other	1 <sup>(2)</sup>
<b>Shareholders' Equity SNS REAAL (b)</b>	<b>3,350</b>
<b>Double Leverage (a/b)</b>	<b>127.4%</b>

1. Figure is restated to reflect an accounting change (shadow accounting) 2. Excludes €2m of minorities

# Forward-looking Statements

## Reservation concerning forward-looking statements

This presentation contains forward-looking statements concerning future events. Those forward-looking statements are based on the current information and assumptions of the SNS REAAL management concerning known and unknown risks and uncertainties.

Forward-looking statements do not relate to definite facts and are subject to risk and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to SNS REAAL's expectations regarding such matters as the assessment of market risk, premium growth and investment income, cash flow predictions and other developments within SNS REAAL or, more generally, the economic climate and changes in the law and taxation.

SNS REAAL cautions that expectations are only valid on specific dates, and accepts no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like.