



SNS REAAL

Holland Mortgage Backed Series (Hermes) XVIII

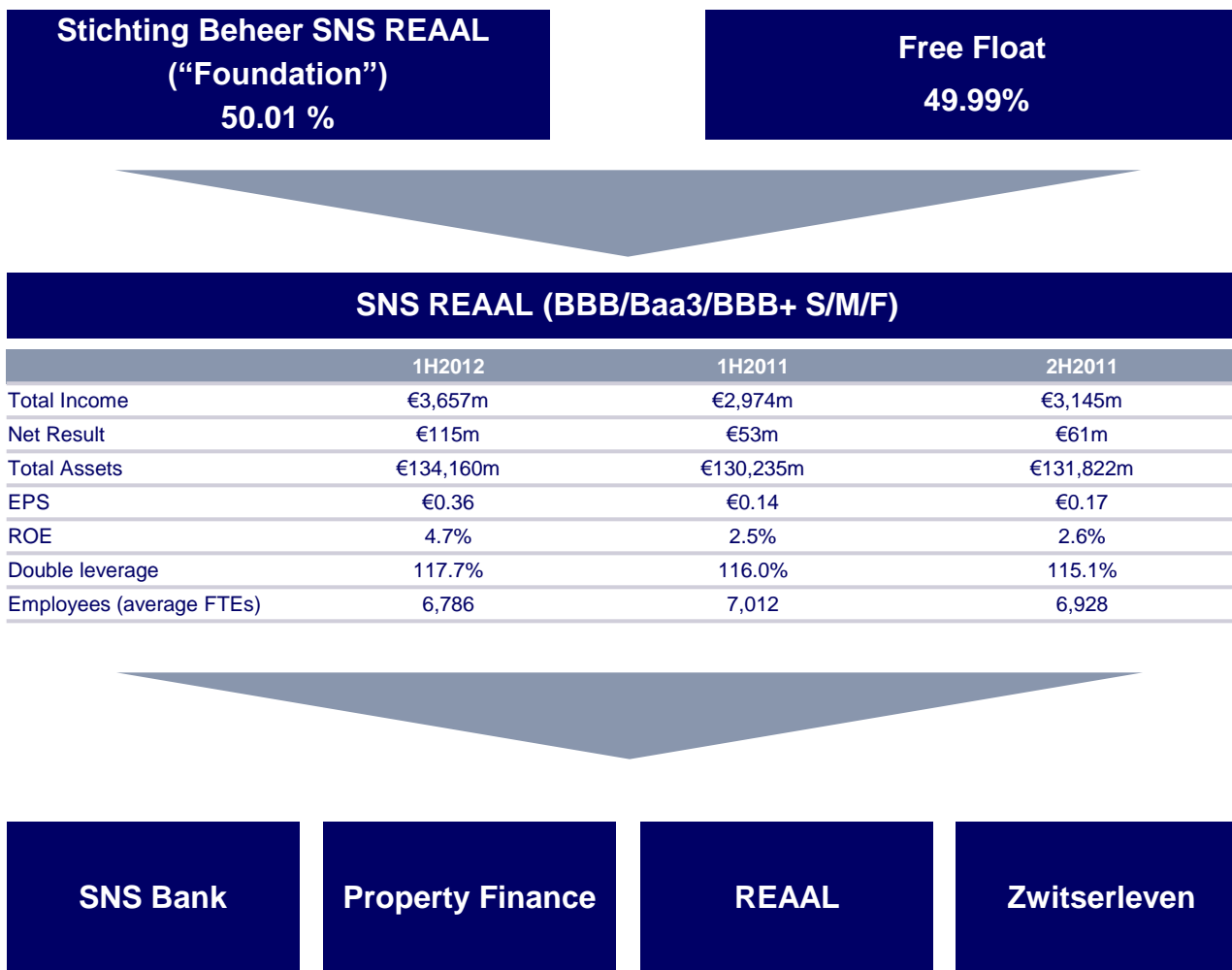
Investor Presentation - September 2012

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I. SNS REAAL / SNS Bank

Ownership Structure (Main Entities)



SNS REAAL Posts 1H12 Net Profit of €115m (1)

Net Profit Core
Activities of
€246m

- Net profit at SNS Retail Bank lower at €70m mainly impacted by higher loan impairments
- Net profit at SNS SME limited at €3m, comparable to 2H11
- Underlying profit Insurance activities slightly higher at €131m, supported by lower operating costs
- Sharp increase in net profit at REAAL to €164m, positively impacted by gains on derivatives
- Higher net profit at Zwitterleven of €52m driven by realised gains on bonds
- Overall improvement in customer satisfaction levels
- Growth in savings, bank savings and pensions
- On track with cost reduction programmes, operating expenses reduced by 6%

SNS REAAL Posts 1H12 Net Profit of €115m (2)

Ongoing Reduction of Exposure at Property Finance

- €131m loss driven by impairment charges of €140m (1H11: €138m)
- Total exposure Property Finance reduced by €549m to €4.7bn (-10%) compared to YE11
- International exposure reduced by €352m to €2.0bn (-15%)
- Total exposure Property Finance and SNS SME combined reduced by €1.1bn (-10%)

Solvency and Capital Management

- Core Tier 1 ratio Banking activities of 9.6% (YE11: 9.2%)
- EBA capital shortfall of SNS Bank fully addressed
- Regulatory solvency at the Insurance activities 199% (YE11: 203%)
- Double leverage increases to 117.7% (YE11: 115.1%)
- €700m capital release programme largely realised
- Capital released used to support solvency in challenging market environment
- Exploring strategic restructuring and solvency enhancement scenarios
- All scenarios still under review; no decisions made at this stage

SNS REAAL: Segment Results

Net Result ¹			
(€m)	1H11	2H11	1H12
SNS Bank (Core)	121	141	73
<i>of which SNS Retail Bank</i>	87	137	70
<i>of which SNS SME</i>	34	4	3
REAAL	66	214	164
<i>of which REAAL Life</i>	61	186	151
<i>of which REAAL Non-Life</i>	11	21	22
<i>of which REAAL Other</i>	(6)	7	(9)
Zwitserleven	18	(105)	52
Group Activities	(34)	(59)	(43)
NET RESULT SNS REAAL (CORE)	171	191	246
Property Finance	(118)	(130)	(131)
NET RESULT SNS REAAL	53	61	115
One-off items	(9)	(119)	(15)
ADJUSTED NET RESULT SNS REAAL	62	180	130

1. With effect from 1 January 2012, internal and external acquisition costs are no longer deferred, but charged directly to the results. Comparative figures have been adjusted accordingly

Fixing the Foundations and Building for the Future

'Fixing the foundations'

①

Repositioning of Property Finance

②

Strong Capital Management

'Building for the future'

③

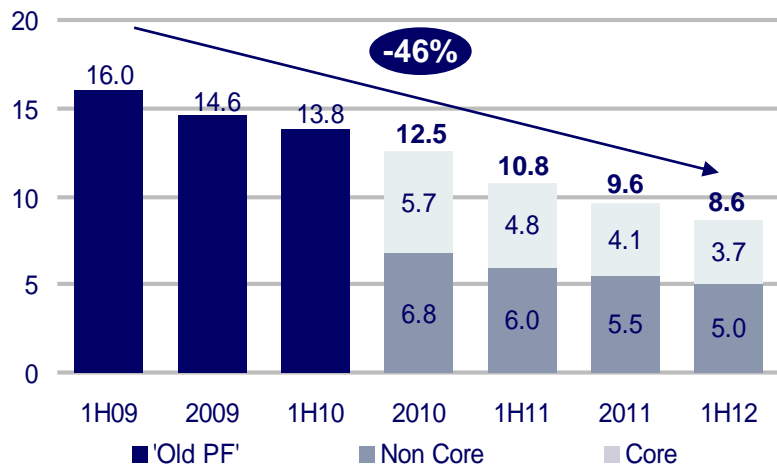
Winning, Helping and Retaining Clients

④

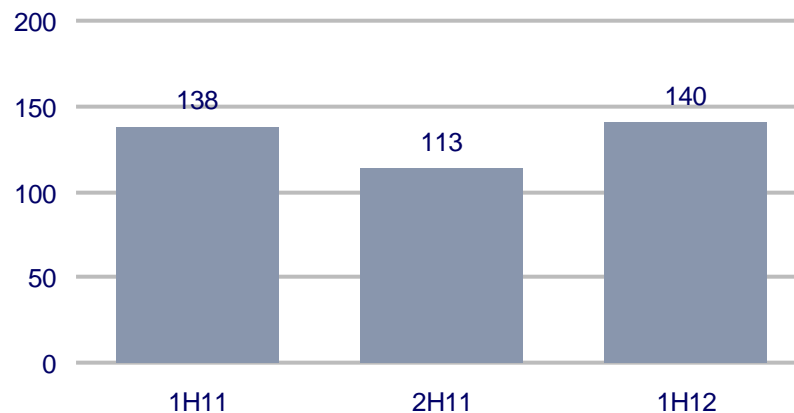
Reducing the Cost Base

① Further Reduction of Property Finance Loan Portfolio

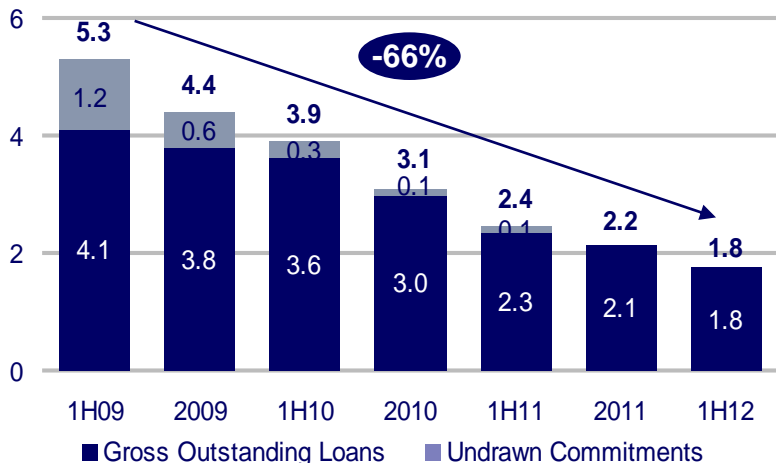
Total Commitments 'Old' Property Finance (€bn)



Loan Impairments Property Finance (€m)



International Commitments Property Finance (€bn)

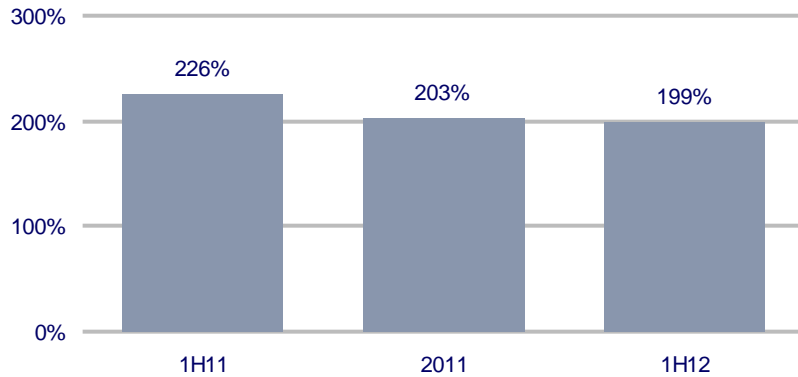


Comments

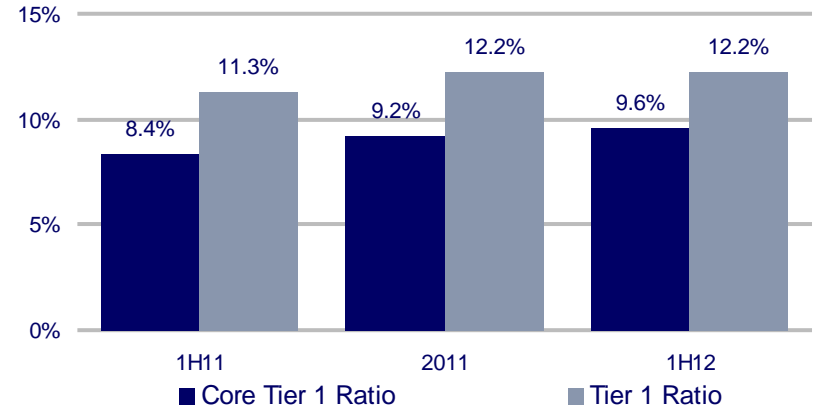
- Total commitments 'old' Property Finance reduced by €1bn in 1H12
- Total commitments 'old' PF lowered by 46% since announcement of run-off in 2009
- International commitments lowered by 66% since announcement of run-off in 2009
- Marginally higher loan impairments vs 1H11

② Solvency Ratios of Banking and Insurance Activities Remain Solid

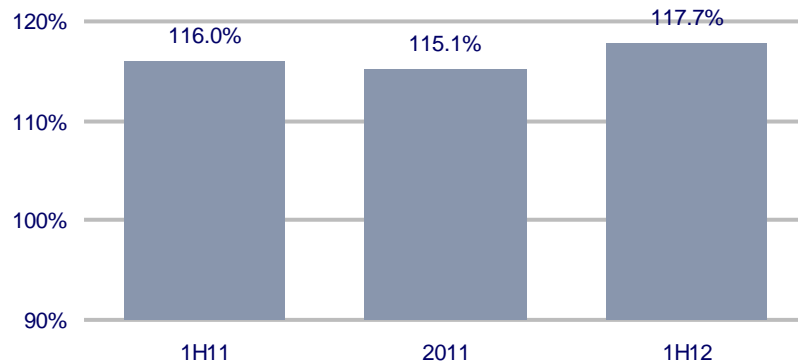
Regulatory Solvency Insurance Activities



Banking Capital Ratios¹



Double Leverage²



Comments

- Insurance solvency ratio slightly lower at 199%
- CT1 ratio up to 9.6%; EBA capital shortfall fully addressed
- Double Leverage increased mainly as a result of a lower shareholders' equity

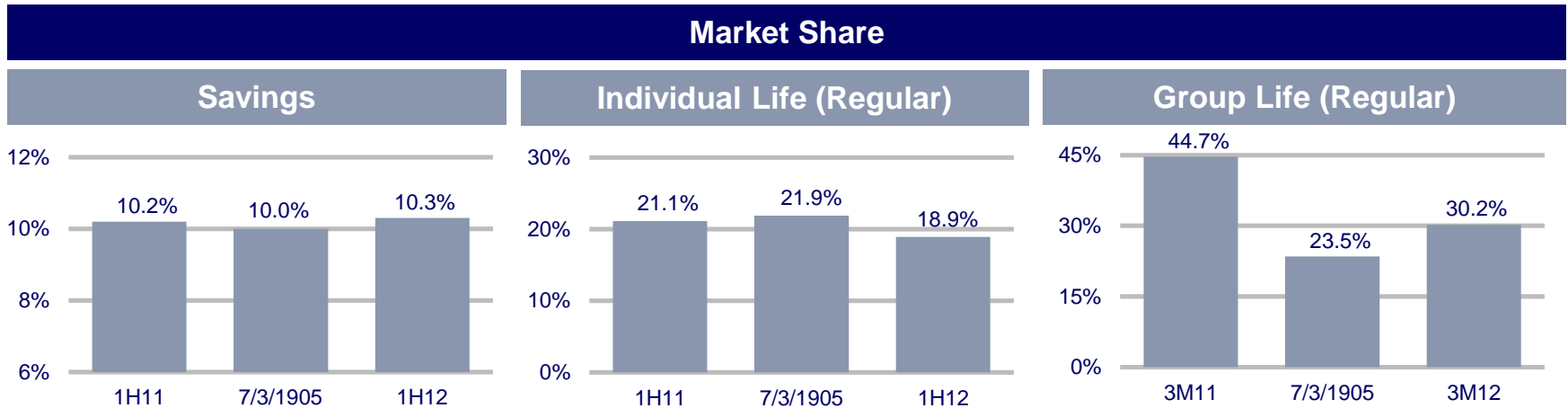
1. Including 80% floor from Basel I 2. Including DAC adjustment

② Capital Release Programme Largely Realised

Capital Release Action	Envisaged Release	Progress up to 1H12
Sale of first loss pieces / purchase of mortgages by Insurance activities / buy-backs	€120m - €150m	• €257 capital release
Traditional reinsurance transaction	€150m - €200m	• €225m capital release
Reduction of retail and SME mortgages	€150m - €220m	• €128m capital release through reduction of SME mortgages
Sale of selected portfolios / activities	€125m - €175m	• €18m capital release through sale of small reinsurance subsidiary

90% of the €700m capital release programme has been realised

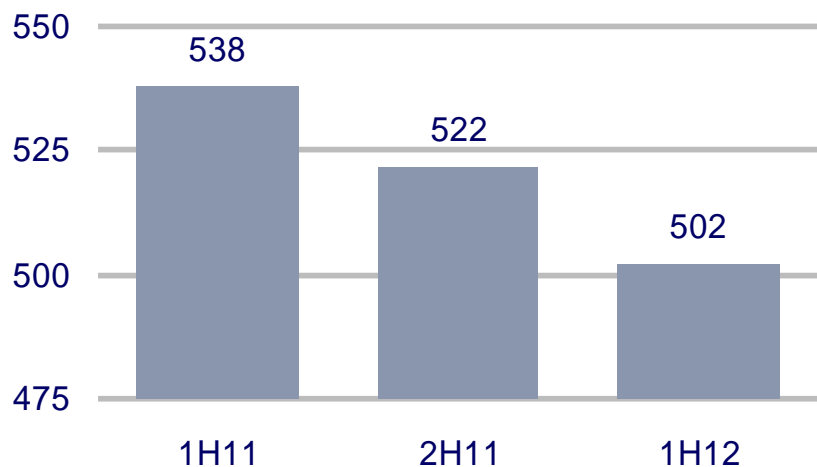
3 Progress in Winning, Helping and Retaining Clients



- Overall improvement in most of our customer satisfaction levels and in the positioning of our seven market brands
- New current account which pays interest on positive balances, launched in 2011, has now attracted over 100,000 customers
- Savings balances rose by €2.2bn (+7%) compared to YE11, supported by growth in bank savings
- REAAL retained its leading position in the term life market; satisfaction levels of distribution partners remained high
- Zwitserleven successfully attracted new clients in particular in the SME segment in 1H12

4 Reducing Our Cost Base

Adjusted¹ Operating Costs (€m)



FTEs

7,012

6,928

6,786

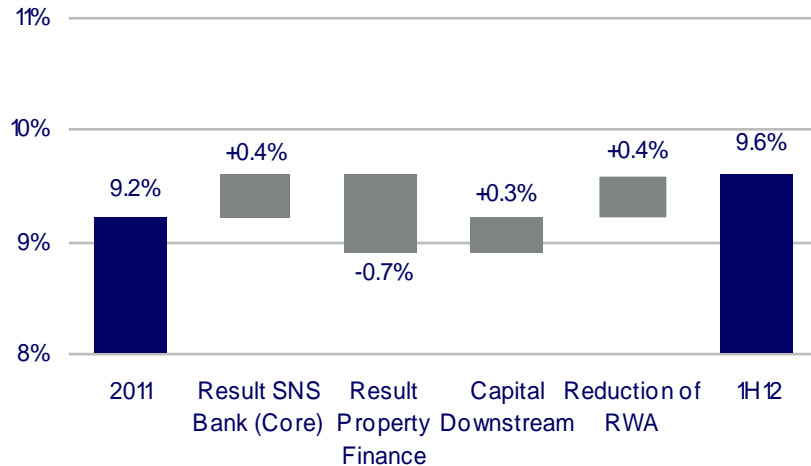
Comments

- In 1H12 adjusted operating costs were 7% lower compared to 1H11 and 4% vs 2H11
- By the end of June 2012, compared to the 2008 level, adjusted operating expenses have been reduced by €205m on an annualised basis (-17%)
- Total number of internal employees decreased by 142 FTE (-2%) in 1H12
- We will strive for a further reduction of costs, partially driven by ongoing efficiency programmes and our intended structural moderation of collective labour agreements

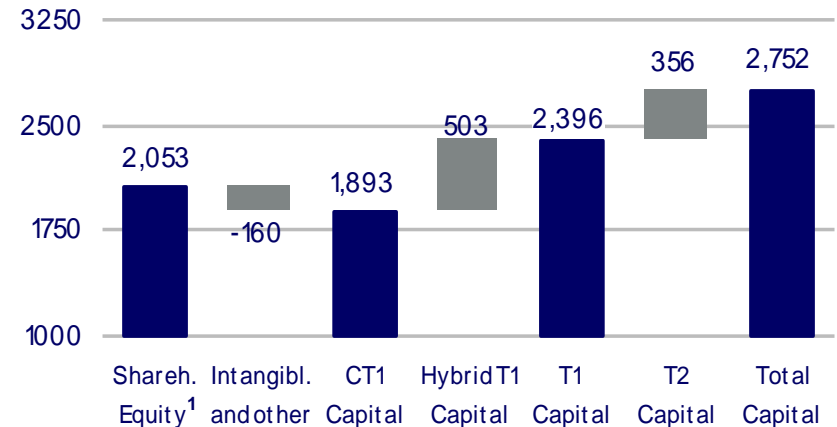
1. Excluding restructuring charges, advisory costs for Property Finance run-off loan portfolio and share in savings guarantee scheme

Banking Activities: Core Tier 1 Ratio at 9.6%

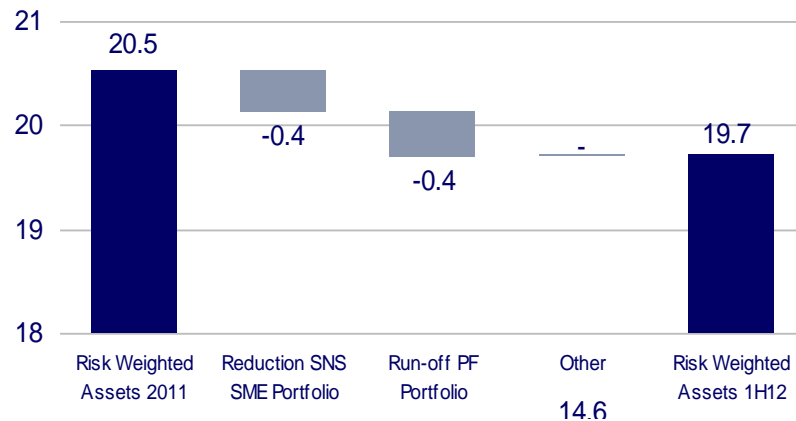
Changes in Core Tier 1 Ratio 1H12



Capital Base Banking Activities 1H12 (€m)



Development of RWAs² in 1H12 (€bn)



Comments

- Core Tier 1 ratio up as a result of lower RWAs (-4%) and a capital downstream of €63m
- EBA capital shortfall fully addressed in 1H12

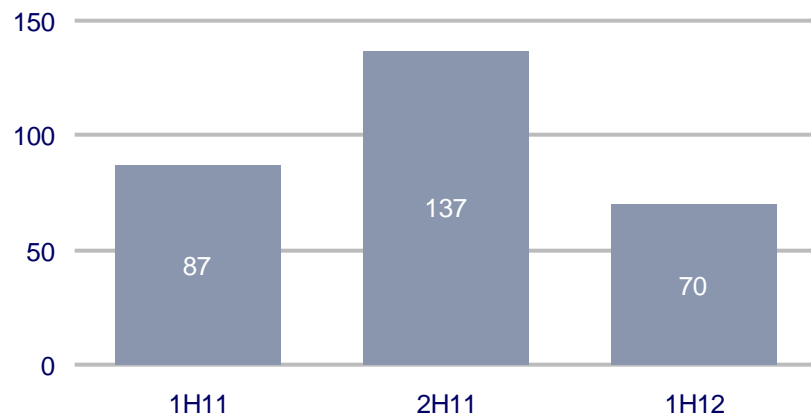
1. Excludes revaluation and fair value reserves 2. With 80% floor of Basel I

SNS Retail Bank: Net Interest Income up Slightly; Higher Loan Impairments

Total Income

(€m)	1H11	2H11	1H12
Net interest income	294	307	306
Net fee and commission income	42	37	24
Investment income	13	32	28
Financial instruments / other income	31	99	17
Total income	380	475	375
Net interest Margin as % of loans	109bps	113bps	114bps

Net Result (€m)



Impairment Charges

(€m)	1H11	2H11	1H12
Mortgages	26	45	61
Other Loans	1	10	14
Total loan impairments	27	55	75
Other	8	23	-
Total impairment charges	35	78	75
Loan impairments as % of gross loans	10bps	20bps	28bps

Comments

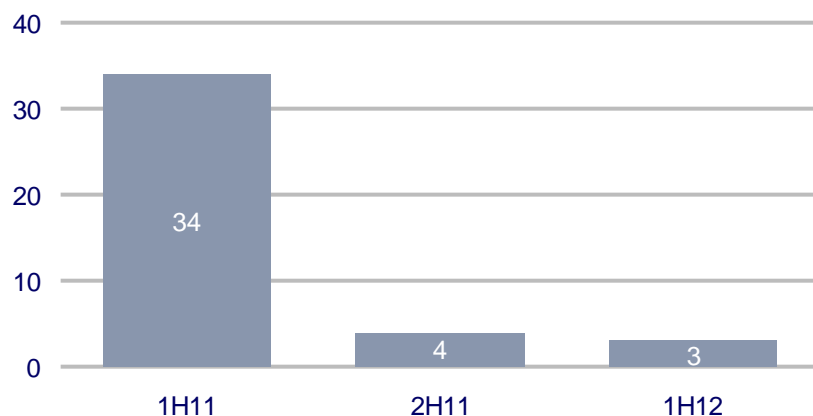
- Higher net interest income at mortgages; net fee and commission income lower
- €12m (gross) loss on the exchange of Greek government bonds included in investment income
- 1H12 other loan impairments includes a €11m charge due to default of a major debtor
- Actual credit losses of €40m (1H11: €20m)
- LtV retail mortgages of 83% (YE11: 81%)

SNS SME: Net Result Impacted by Higher Impairment Charges and Shrinking Portfolio

Total Income

(€m)	1H11	2H11	1H12
Net interest income	78	66	63
Net fee and commission income	4	3	4
Financial instruments / other income	(2)	(4)	(5)
Total income	80	65	62
Net interest Margin as % of avg. loans	228bps	216bps	229bps

Net Result (€m)



Impairment Charges / Gross Loans

(€m)	1H11	2H11	1H12
Total impairment charges	11	35	37
Gross loans	6,435	5,771	5,218
Loan impairments as % of avg. loans	32bps	115bps	135bps

Comments

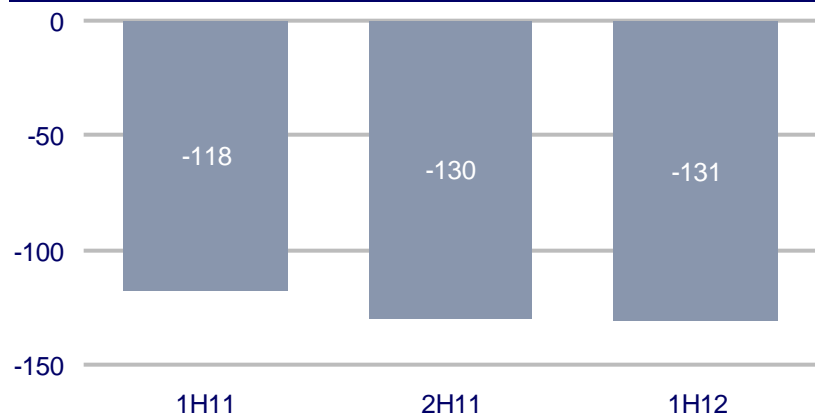
- Shrinking loan portfolio reflected in lower net interest income
- Gross loan portfolio reduced by €0.5bn (-10%) in 1H12 as part of SNS REAAL's capital release plan
- Lower operating expenses due to reduction in the number of staff
- Increase in impairments in order to strengthen provisioning levels in the former PF portfolio
- Actual credit losses of €8m (1H11: €5m)

Property Finance: Continued Loss due to High Impairments

Total Income

(€m)	1H11	2H11	1H12
Net interest income	30	23	24
Investment income	1	(1)	-
Result on financial instruments	(5)	(25)	(3)
Other operating income	(7)	(6)	(1)
Total income	19	(9)	20
Net interest Margin as % of avg loans	98bps	83bps	93bps

Net Result (€m)



Impairment Charges

(€m)	1H11	2H11	1H12
Impairment charges	138	113	140
- of which international	90	38	30
- of which Dutch	48	75	110
Impairment charges goodwill	-	-	-
Total impairments charges	138	113	140
Loan impairments as % of avg loans	411bps	369bps	494bps

Comments

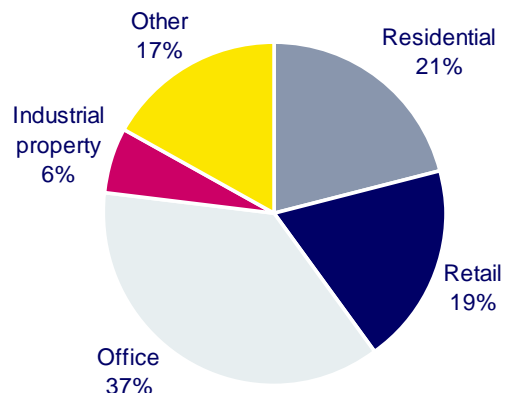
- Lower net interest income due to winding down of portfolio
- Result on financial instruments consists of sales of non-provisioned loans at a discount
- Combined level of impairments and discounts has been stable in recent half year-periods
- ~80% of impairments in 1H12 relate to Dutch portfolio
- Impairments expected to remain at high levels in 2H

Property Finance: Outstanding Loans Down by €556m (-12%)

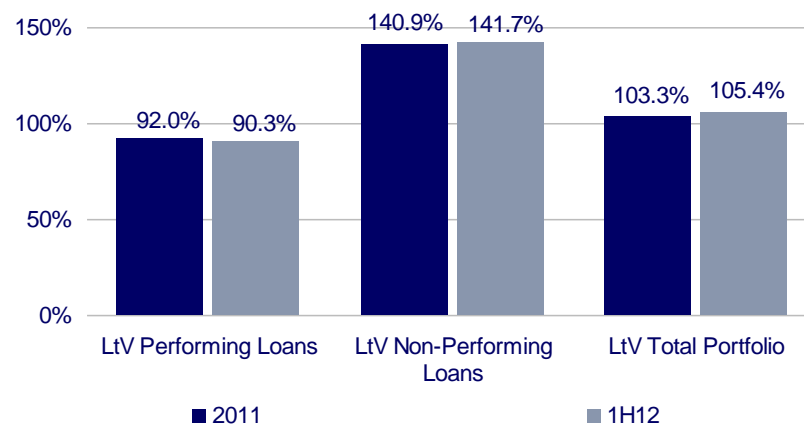
Outstanding Loans Property Finance by Geography 1H12

(€m)	2011	%	1H12	%	Decline in 1H12
Netherlands	2,925	61%	2,723	64%	-7%
Germany	593	12%	457	11%	-23%
North America	406	8%	228	5%	-44%
France	184	4%	158	4%	-14%
Spain	167	4%	157	4%	-6%
Other Europe	506	11%	506	11%	0%
Total	4,784	100%	4,228	100%	-12%

Outstanding Loans PF by Sector 1H12



Loan-to-Value Property Finance



Key Take-Aways

SNS REAAL posts first half 2012 net profit of €115m

- **Net profit core activities of €246m**
 - Overall improvement in customer satisfaction levels, growth in savings and pensions
 - Lower net profit at SNS Bank, impacted by higher loan impairments
 - Sharp increase net profit at REAAL and Zwitserleven; underlying profit slightly up
- **Virtually stable net loss Property Finance of €131m**
 - Good progress with phasing out loan portfolio
 - Total exposure PF and SNS SME reduced by €1.1bn (-10% compared to YE11)
 - Impairments remain high due to weakening Dutch commercial real estate market
- **Solvency and capital management**
 - Core Tier 1 ratio Banking activities 9.6%; Insurance solvency 199% (YE11: 203%)
 - EBA capital shortfall fully addressed
 - Capital release programme largely realised; capital released used to support solvency
 - Exploring strategic restructuring and solvency enhancement scenarios
 - All scenarios still under review; no decisions made at this stage

II. SNS Bank Funding Strategy

Broad Range of Funding Instruments

SNS Bank Funding Instruments										
Retail	Wholesale									
Unsecured / Deposit Guarantee	Unsecured						Secured			
Savings	Money Markets		Capital Markets				Covered Bonds	Securitisation		
Savings & deposits	€4bn unsecured ECP programme	€4bn French Commercial Paper	€10bn State Guaranteed Programme and Private Placements ¹	€25bn MTN Programme Public and Private Placements	SSD / NSV ²	AUD 3bn STN/MTN Programme	€15bn Registered Covered Bond Programme	Hermes RMBS	PEARL NHG RMBS	OBS ³

Bank ratings	Long term	Outlook	Short term
S&P	BBB+	Negative	A-2
Moody's	Baa2	Stable	P-2
Fitch	BBB+	Stable	F2

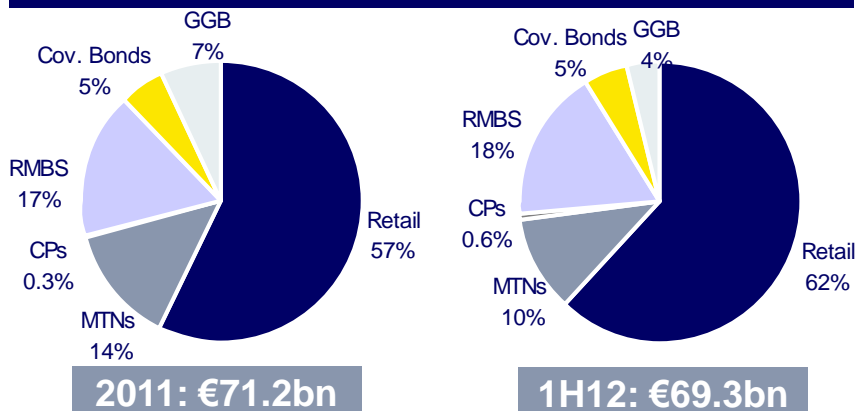
1. Issuance under state-guarantee ended on December 31st, 2010

2. *Schuldschein / Namensschuldverschreibung*

3. *On Balance sheet securitisation*

Banking Activities: High Liquidity Position; Improving Loan-to-Deposit Ratio

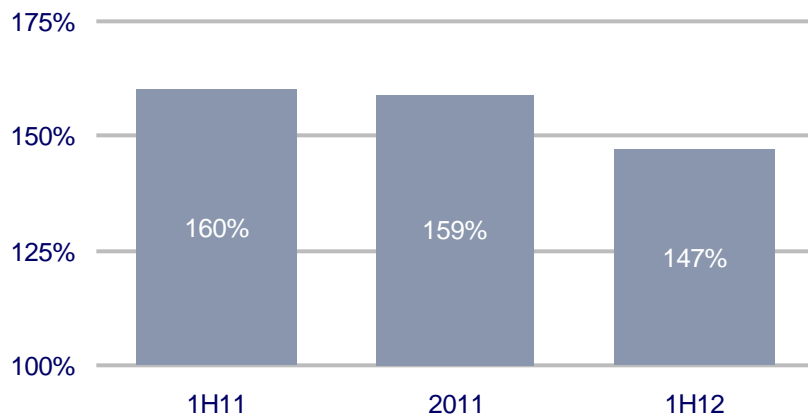
Funding Mix Banking Activities



Liquidity Position (€m)

	1H11	2011	1H12
Cash	4,078	4,217	7,651
Liquid Assets	8,626	6,861	3,797
Total Liquidity Position	12,704	11,078	11,448

Loan to Deposit Ratio Banking Activities



Comments

- The increase in savings combined with the decrease in loans meant the loan-to-deposit ratio improved from 159% at YE11 to 147%
- €2.6bn of government guaranteed bonds issued in 2009 were redeemed
- Main sources of funding were increase of retail savings (+€2.2bn), LTRO and Covered Bond

III. Transaction Structure and Credit

Transaction Overview

Class	Expected Rating (M/F)	CCY	Notional	Est. WAL (yrs) ¹	Payment Window ¹	Step Up and Call Date ²	Initial Spread	Interest Basis
A1	[Aaa/AAA]	EUR	[192,000,000]	[1.9]	[09/12]-[06-16]	[Sep-17]	[TBD]	3 Month EURIBOR
A2	[Aaa/AAA]	EUR	[384,000,000]	[4.9]	[06/16]-[09-17]	[Sep-17]	[TBD]	3 Month EURIBOR
A3	[Aaa/AAA]	EUR	[307,200,000]	[5.0]	[09/17]-[09-17]	[Sep-17]	[TBD]	Fixed
B	[Aa2/AA]	EUR	[28,800,000]	[5.0]	[09/17]-[09-17]	[Sep-17]	[0%]	
C	[A2/BBB+]	EUR	[19,200,000]	[5.0]	[09/17]-[09-17]	[Sep-17]	[0%]	
D	[Baa2/BBB]	EUR	[14,400,000]	[5.0]	[09/17]-[09-17]	[Sep-17]	[0%]	
E	[NR/NR]	EUR	[14,400,000]	[5.0]	[09/17]-[09-17]	[Sep-17]	[0%]	

¹ Note: Assumes 5% CPR, no defaults, no delinquencies and that the Notes are redeemed at the First Optional Redemption Date , September 2017

² Class A1 and A2 notes spreads double at the step up and call date, Notes are subject to a 10% clean up call

Substitution	No Substitution
Interest Rate Hedging	Interest rate exposure on A1 and A2 notes will be hedged via Swap Agreement
Payment Dates	Quarterly
Call / Step-up Date	5 years after closing
Step-up class A1 & A2	2 times initial margin
Clean-up call	Yes (10%)

Hermes XVIII – Principal Parties

Issuer	<ul style="list-style-type: none">• Holland Mortgage Backed Series (Hermes) XVIII B.V.
Sellers	<ul style="list-style-type: none">• SNS Bank N.V. and RegioBank N.V.
Administrator	<ul style="list-style-type: none">• ATC Financial Services B.V.
Security Trustee	<ul style="list-style-type: none">• Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XVIII
Cash Advance Facility Provider	<ul style="list-style-type: none">• SNS Bank
Issuer Account Bank	<ul style="list-style-type: none">• Rabobank
Collection Foundation	<ul style="list-style-type: none">• Stichting Hypotheken Incasso
Swap Counterparty	<ul style="list-style-type: none">• Credit Suisse International
Class A1 & A2 Lead Managers	<ul style="list-style-type: none">• BNP PARIBAS, Credit Suisse, Jefferies
Class A3 Lead Managers	<ul style="list-style-type: none">• Jefferies, RBS

Summary Capital Structure

- Principal applied to effect sequential redemption of Classes A, B, C, D & E
- Provision of credit enhancement through subordination and excess spread
- The size of the Cash Advance Facility will be [1.7%] of the outstanding balance of the class A notes, and may amortize from closing to a floor of [0.65%]. The full amount will be posted on the Issuer Collection Account.
- Swap excess spread is 45 bps per annum

Credit structure summary	Rating (M/F) CE
• Class A1 notes, [20]%, €[192]m	
• Class A2 notes, [40]%, €[384]m	[Aaa/AAA] [8%]
• Class A3 notes, [32]%, €[307.2]m	
• B notes, [3]%, € [28.8]m	[Aa2/AA] [5%]
• C notes, [2]%, € [19.2]m	[A2/BBB+] [3%]
• D notes, [1.5]%, € [14.4]m	[Baa2/BBB] [1.5%]
• E notes, [1.5]%, € [14.4]m	[NR/NR]

WAL Scenarios

Scenario Assumptions

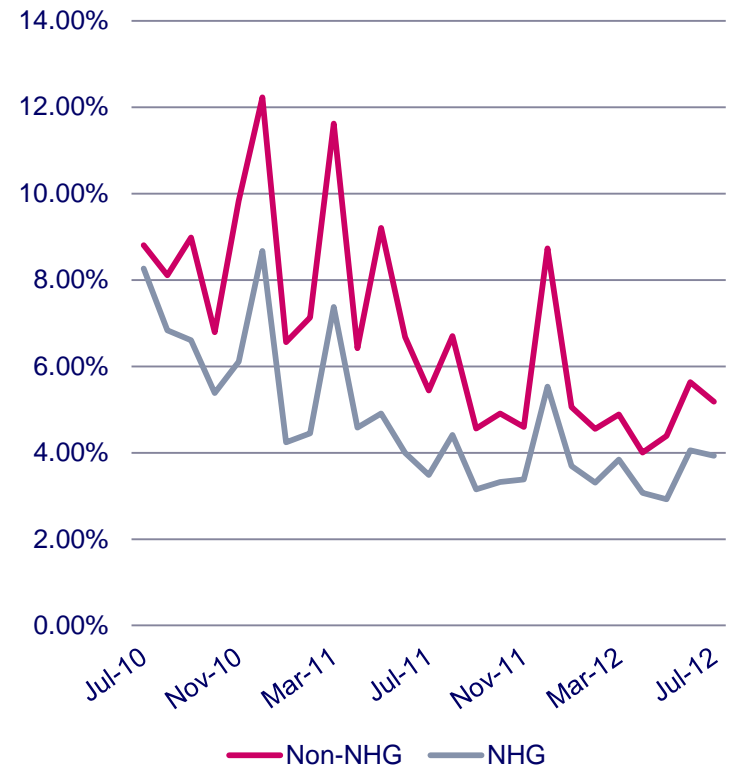
Call date not taken into account

No delinquencies / No defaults

CPR ranges from 0% to 10%

CPR	0%	2%	4%	5%	6%	8%	10%
Class A1 WAL	9.85	3.81	2.30	1.93	1.66	1.30	1.07
Class A2 WAL	23.58	15.59	10.39	8.74	7.52	5.84	4.76
Class A3 WAL	28.79	27.15	23.41	21.20	19.22	15.69	13.02

Recent Prepayment Experience



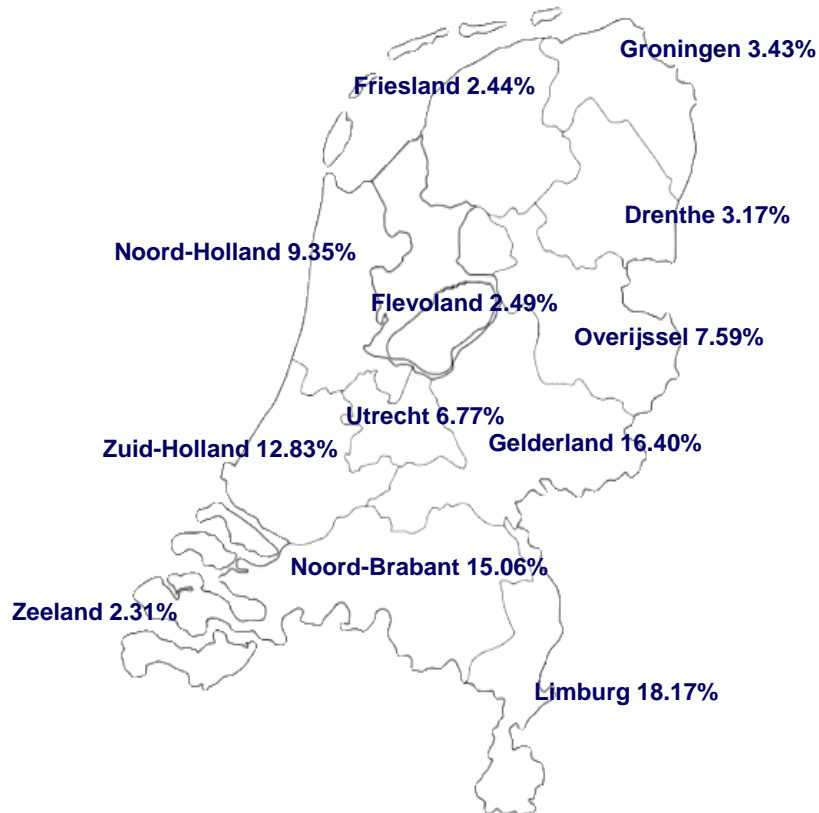
Hermes XVIII – Portfolio Characteristics

Assets	<ul style="list-style-type: none">• Mortgage loans originated in the Netherlands• First ranking residential mortgages located in the Netherlands• All payment are collected by direct debit• Loans can be prepaid at any time subject to payment of a CPR penalty, except in defined circumstances.
Total loan balance	<ul style="list-style-type: none">• € 960,000,000
Number of mortgages	<ul style="list-style-type: none">• 5,768
Average balance	<ul style="list-style-type: none">• € 166,436
WA interest rate	<ul style="list-style-type: none">• 4.2%
WA LTFV	<ul style="list-style-type: none">• 88.6%
WA LTV	<ul style="list-style-type: none">• 77.5%
Main eligibility criteria	<ul style="list-style-type: none">• Original principal balance \leq 500,000• Original Loan to Foreclosure Value \leq 125%• Borrower over 18 and not a SNS or RegioBank employee• The property is owner occupied• The interest payments are monthly

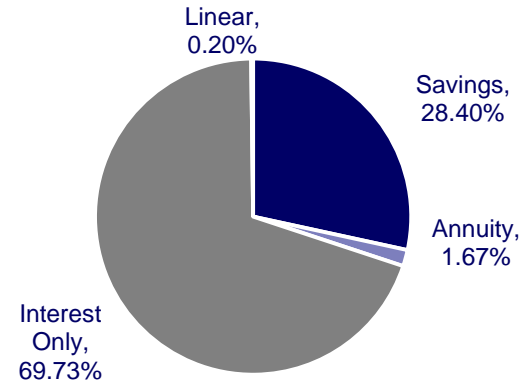
Cut-off date: 31 August 2012

Hermes XVIII – Portfolio Summary (1)

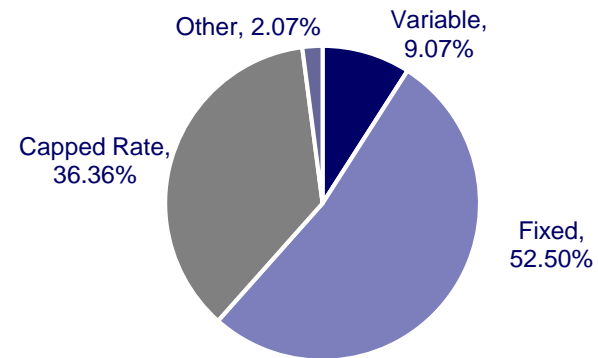
Geographical Distribution



Mortgage Type



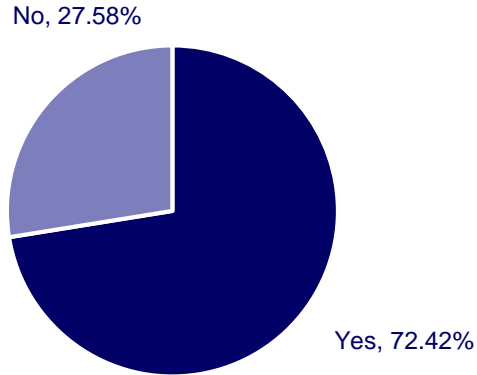
Interest Type



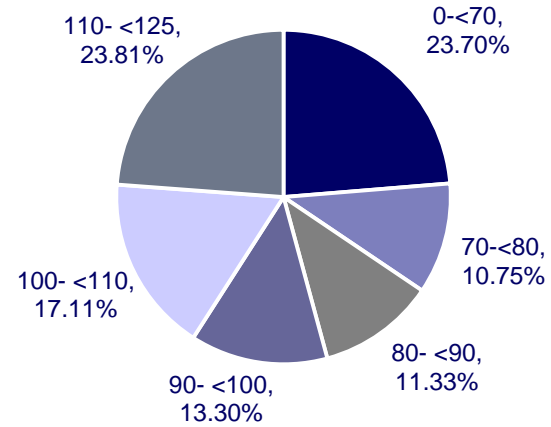
Cut-off date: 31 August 2012

Hermes XVIII – Portfolio Summary (2)

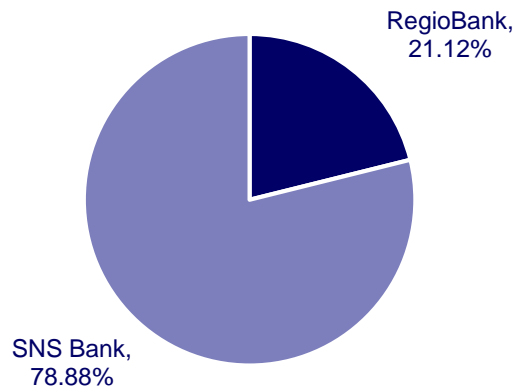
NHG Guarantee



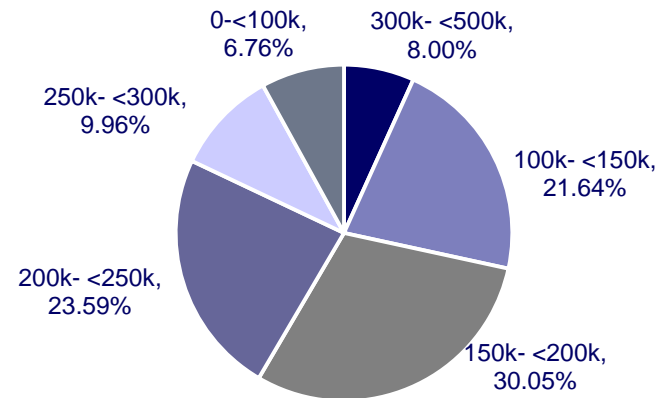
LtFV



Label

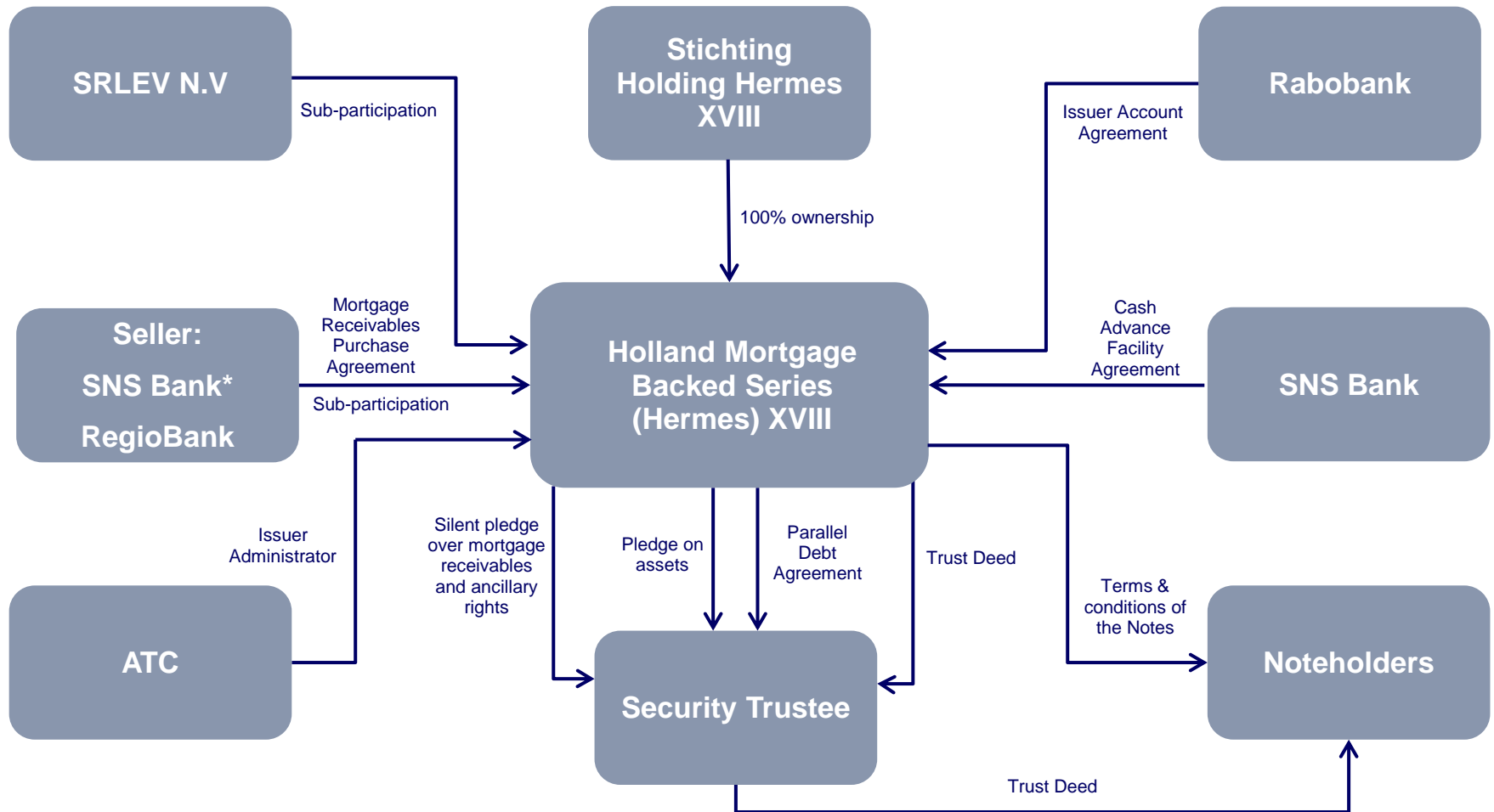


Size



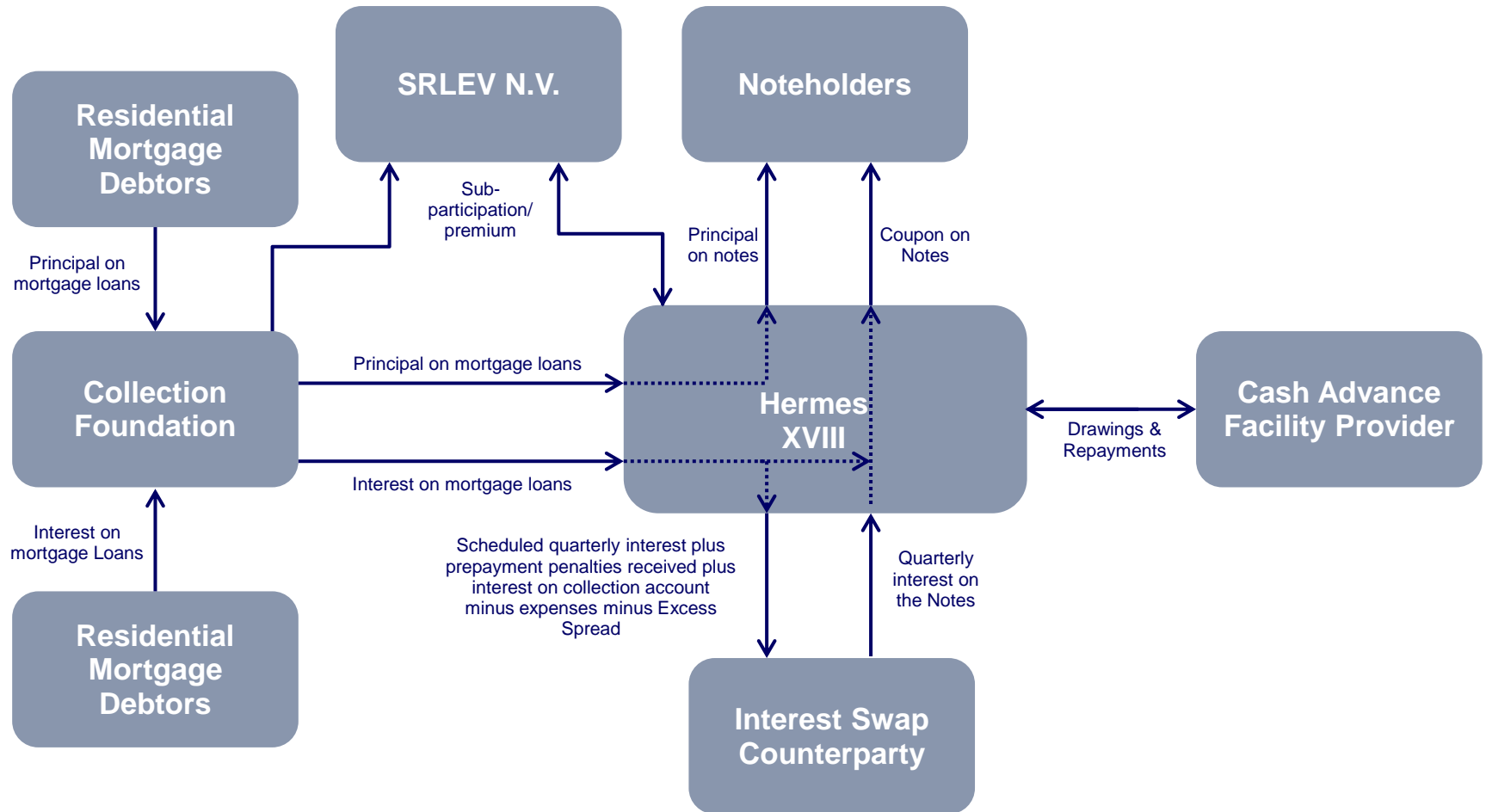
Cut-off date: 31 August 2012

Hermes XVIII - Structure



* In its capacity as Seller, Pool Servicer and Manager

Hermes XVIII – Cash Flows



Collection Foundation

Collection Foundation

- In order to mitigate commingling risk, SNS has implemented a Collection Foundation structure
- The borrowers pay directly to the Collection Foundation
- The Collection Foundation transfers the money to the SPV on the same day

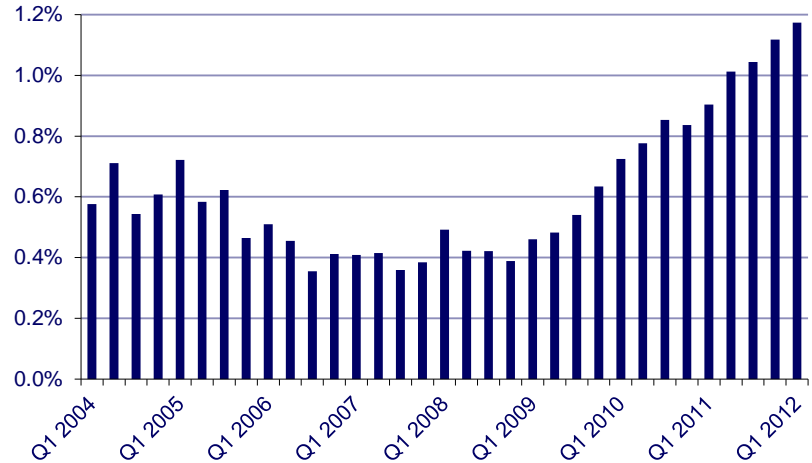


Delinquencies & Losses in RMBS transactions

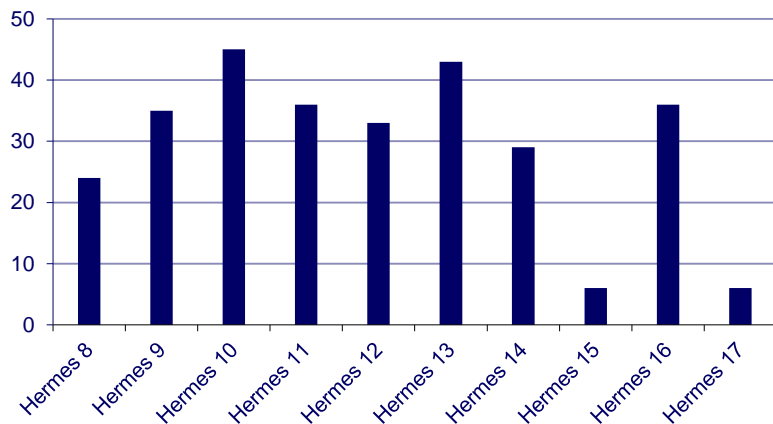
Current Statistics

- Highest delinquencies observed in Hermes 8
- Average (weighted) delinquencies greater than 90 days is 0.68%
- SNS Bank's annual realized losses are 12 basis points in 2011

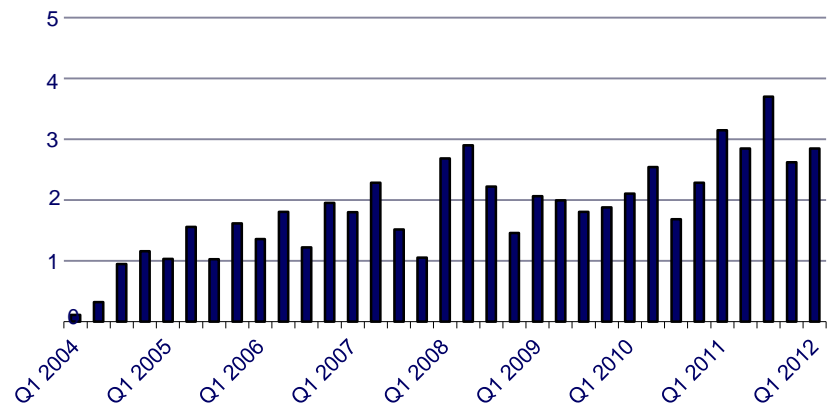
Arrears: 90 days +



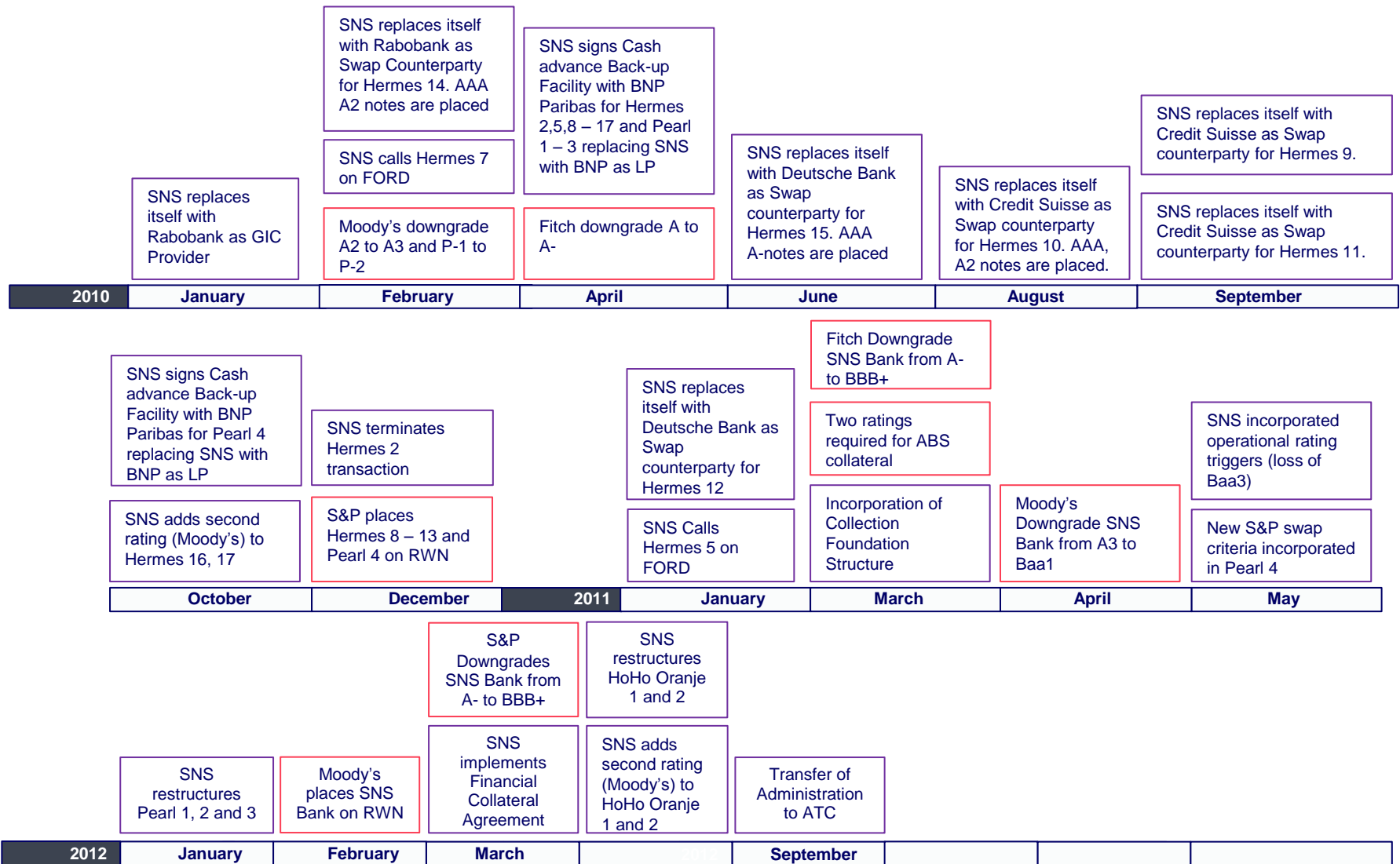
Number of Foreclosures/Private Sales in 2011



Loss percentage in Hermes (in Bps)



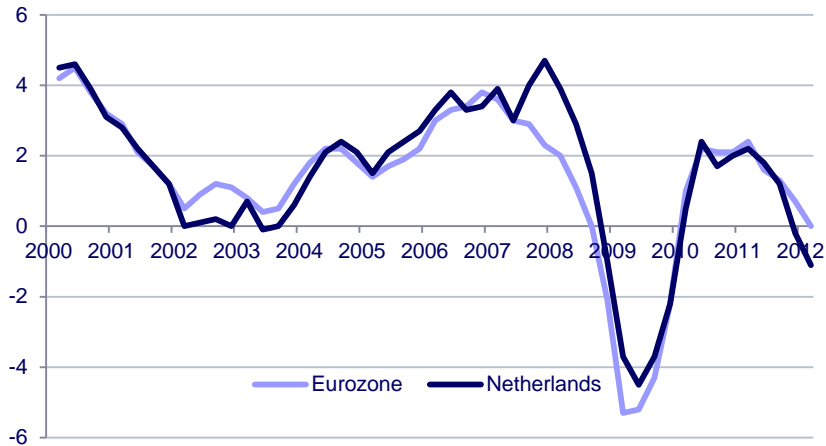
Downgrades & Rating Triggers



IV. Dutch Economy & Mortgage Market

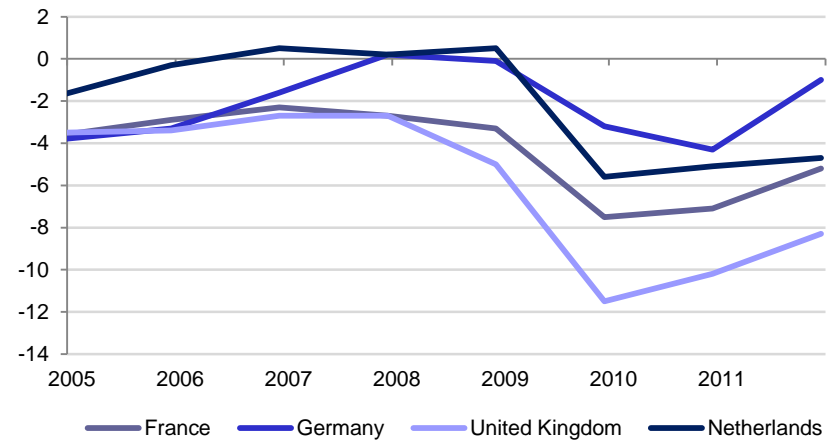
Dutch Economy

GDP Growth Change (in %)



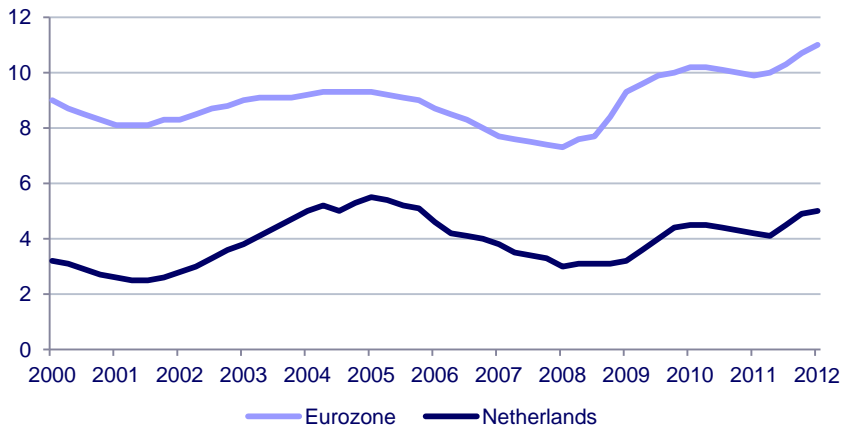
Source: Eurostat

Budget Deficit or Surplus as a % of GDP



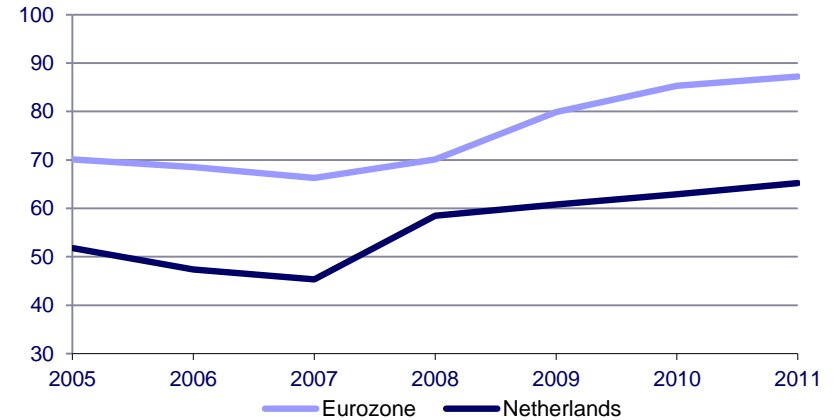
Source: Eurostat

Unemployment (in %)



Source: Eurostat

Gov. debt/GDP (%)



Source: Eurostat

Dutch Mortgage Market Characteristics

Fiscal Treatment

- The key driver in the Dutch mortgage market is the tax deductibility of mortgage interest
 - The maximum period for tax deduction is 30 years
 - It is only applicable on the primary residential property

Residential Market

- Total outstanding retail mortgage debt in Q1 2012 was €636.8 bn (source: DNB)
- Low level owner-occupation in the Netherlands (57%) compared to the EU average (70%)
- National mortgage guarantee (NHG mortgages) supports house ownership

Mortgage Products

- Due to fiscal treatment of interest, mortgage loans with no redemption on the principal, has been very popular in the past, resulting in a high LTV market
- Life insurance / interest only mortgages, Savings mortgages and Investment-based mortgages are the most popular products

Regulatory Developments

- The maximum loan to value (LTV) of new mortgages is set at 104% plus transfer tax¹
- The transfer tax has been left at the reduced level of 2%
- Any new mortgage will have to include a repayment of at least 50% of the market value of the collateral over a 30-year period
- Very recently, a five-party coalition in the Dutch parliament proposed to:
 - limit the tax deductibility to repayment mortgages only
 - decrease the maximum LTV allowance to 100%
 - keep the transfer tax at the reduced level of 2%
- These measures are part of a bigger austerity plan and are expected to be implemented as of January 2013. Election in September could change this.

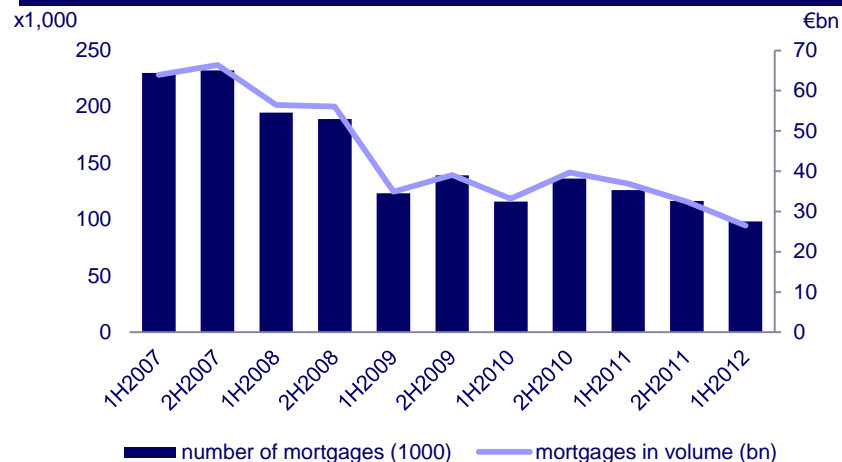
¹ Since August 2011

Dutch Residential Mortgage Market

Market Overview

- Approximately €637bn of mortgage debt outstanding (Source: DNB)
- In 2011 around 250,000 new mortgages were issued, compared to 500,000 before the crisis (Source: Kadaster)
- Goal of government is to increase owner occupation to EU average

Decline Mortgage Origination



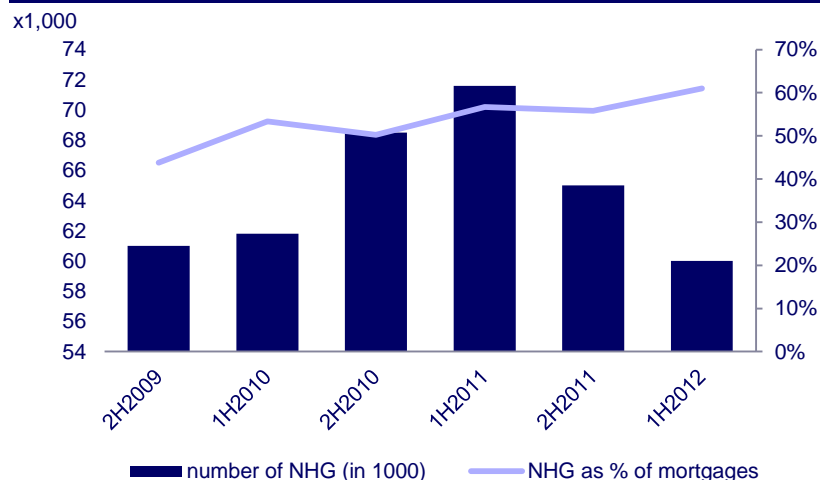
Source: Kadaster

Net Financial Assets NL-Households Q1 2012

Assets		Liabilities	
Bank balance	51.2	Consumer credit	26.9
Saving	315.5	Mortgages	636.8
Stocks	30.3		
Funds	42.4		
Bonds	17.6		
Pension Assets	1,007.8		
Life insurance	155.6		
Total	1,620.4	Total	663.7
		Net Assets	956.7

Source: DNB

Proportion NHG of new Mortgages



Source: NHG, Kadaster

House Price Developments

Market Conditions

- On-going pressure on the Dutch housing market
- The number of transactions is still on a low level and the transaction prices continued to decline during the first half of the year (Source: Rabobank)
- At the end of June 2012 housing prices had declined by 4.4% year-on-year (Source: SNS Bank)
- Average transaction price Q2 2012: €215,000 (Source: NVM)

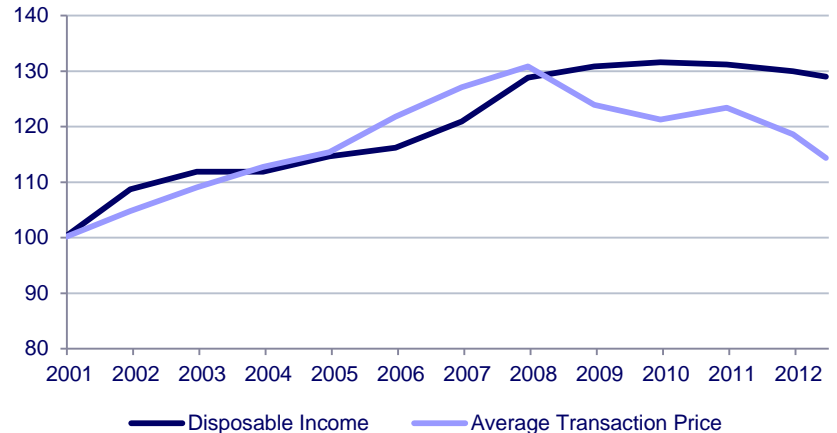
Supply Drivers

- Shortage of housing stock
- Limited availability of land for new houses
- Newly build houses are behind schedule of 80,000 per year

Demand Drivers

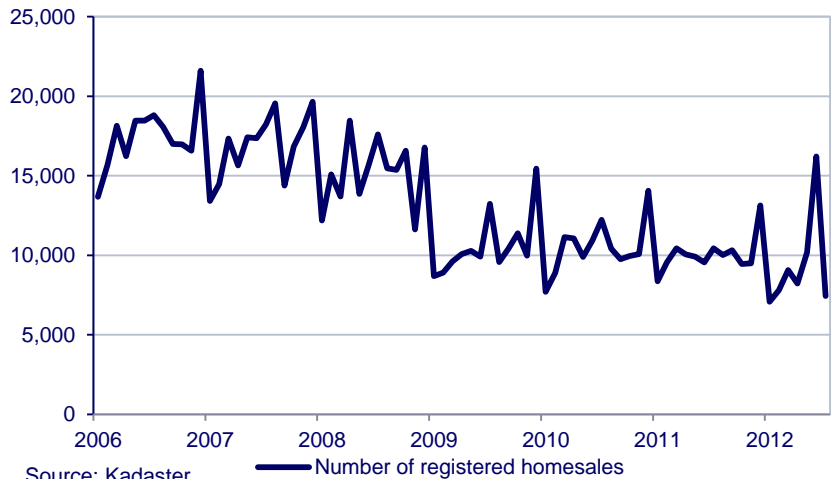
- Tax deductibility of mortgage interest
- Increasing number of households as a result of demographic development
- Borrowing cost for private renting much higher compared to servicing mortgage debt

House Price Developments



Source: NVM, CBS (2011 and H1 2012 data on the disposable income SNS estimate)

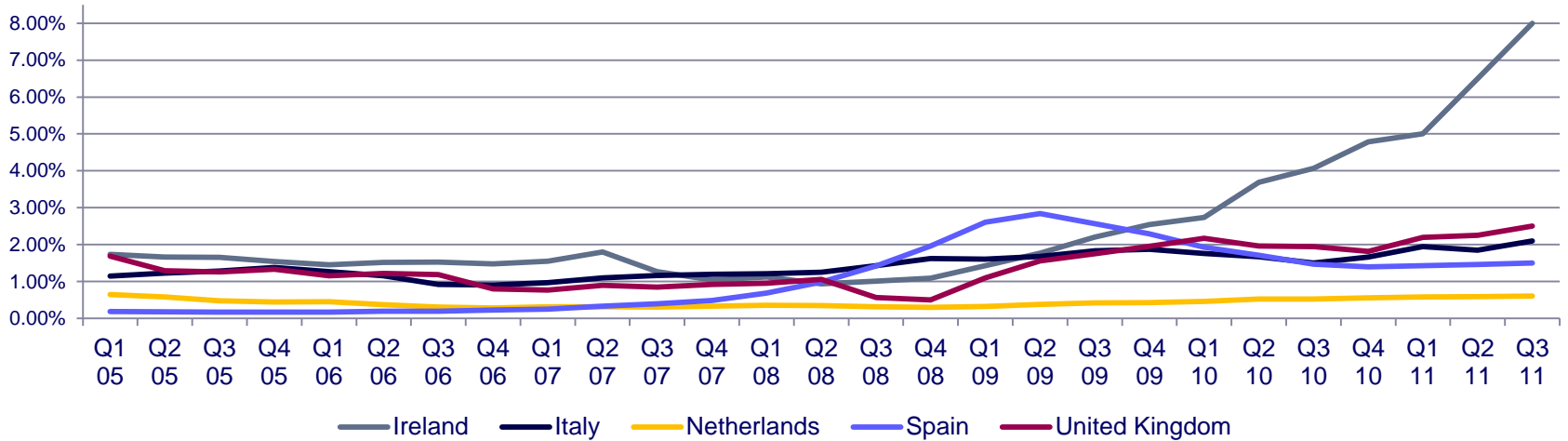
Home sales in the Netherlands



Source: Kadaster

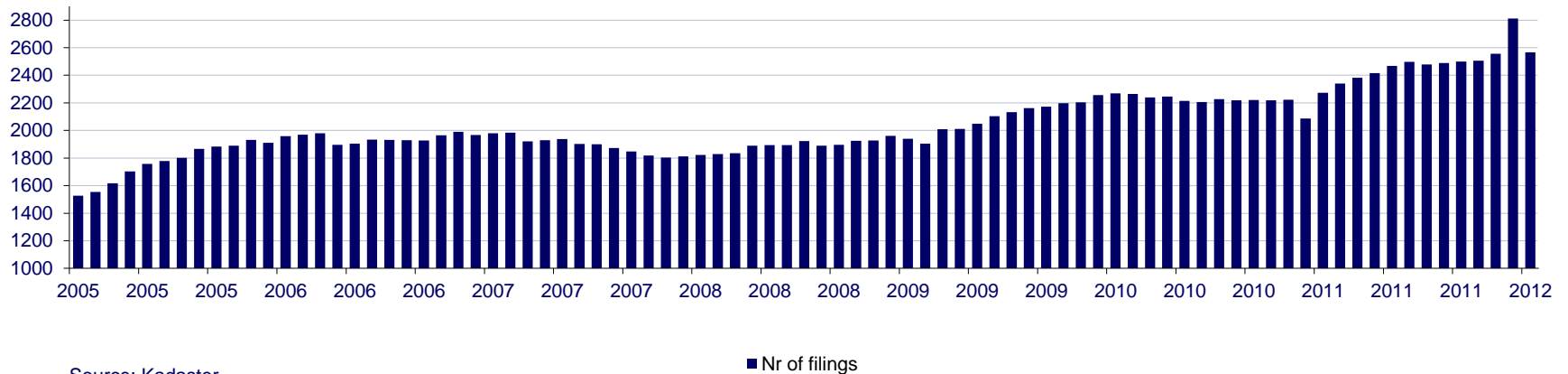
Arrears & Foreclosures

> 3 Months Arrears – (European Comparison)



Source: Fitch

Forced Foreclosures (Netherlands), 12 month total



Source: Kadaster

■ Nr of filings

V. Appendix

Sovereign Exposure: Further De-Risking Focused on Spain & Ireland in 1H12

Sovereign Exposure ¹ (€m)						
	1H11	2011	1H12		% of Total 1H12	Δ 1H12 vs 1H11
Ireland	206	212	107		1%	-48%
Greece	43	26	2		0%	-95%
Portugal	-	-	-		-	-
Italy	1,115	498	565		3%	-49%
Spain	316	79	48		0%	-85%
Subtotal	1,680	815	722		4%	-58%
Germany	6,742	8,018	9,735		48%	+44%
France	2,337	999	1,486		7%	-36%
Netherlands	4,211	7,248	6,110		30%	+45%
Austria	1,944	1,993	1,270		6%	-35%
Belgium	871	390	426		2%	-51%
Other	305	371	464		2%	+152%
Total	18,091	19,834	20,213		100%	+12%

1. Sovereign exposure also includes sub-sovereigns

SNS Residential Mortgage Business

Position and Market Share

- SNS Retail Bank's market share in new residential mortgages of 2.9% in H1 2012 was down compared to full year 2011 (5.8%)
- 65.9% of new mortgages production was covered by NHG
- The Bank originates mortgages via four different labels:
 - SNS Bank
 - BLG Wonen
 - ASN Bank
 - Regio Bank
- Mortgages are distributed through Branches and Intermediaries
- All intermediaries have to comply with SNS' strict underwriting criteria
- Centralised origination department and uniform credit process

Labels and Channels

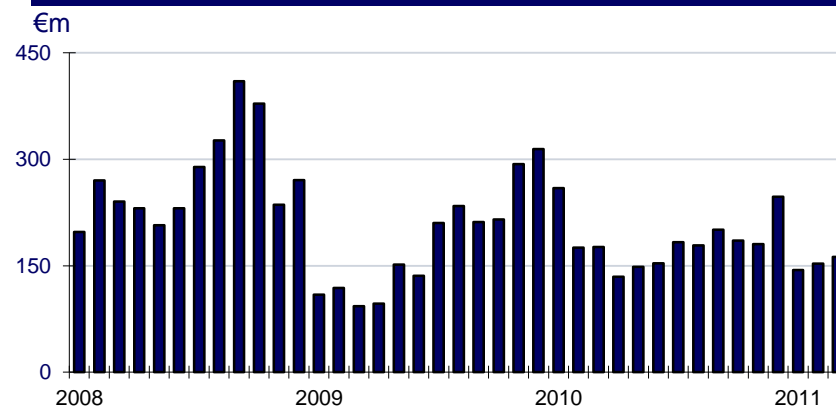


Multi channel distribution:

- Branches
- Intermediaries

Source: SNS Bank

SNS Mortgage Origination (Monthly Volume)



Source: SNS Bank

Origination Overview

BKR Test

- For every client a BKR (“Bureau Krediet Registratie”) will be performed. This system shows online information on outstanding loans of the client with financial institutions in the Netherlands and all the historical arrears

Fraud Test

- The client will always be checked with the SFH (external fraud register) and internal fraud registers
- Specialized desk in case of probability of income-, ID- or valuation fraud

Debt to Income Test

- Income verification is always required
- Debt to income ratios are compliant with the “Code of Conduct” for Dutch banks
- The income test looks at the client’s mortgage expenses using the applicable mortgage rate and an annuity redemption for a maximum period of 30 years
- Income verification “entrepreneur” via specialised desk at the Mid-Office

Appraisal

- Assessors have to be a member of NVM, LMV or VBO
- External assessment is always required, except in the case of:
 - Newly built houses
 - Most recent assessment is no older than 6 months
 - Mortgage loan <75% of the most recent WOZ-value

Affordability calculation according to Nibud

- Nibud (National Institute for Family Finance Information) is an independent foundation
- It's goal is "to promote a rational planning of family finances" ¹
- The foundation publishes affordability tables for mortgage loans
- The table to the right shows the maximum percentage of the gross income which shall be used for mortgage payments
- This percentage is dependent on:
 - The gross income of the borrower
 - The mortgage loan rate
- Nibud considers all general household costs and potential tax advantages for compiling this table

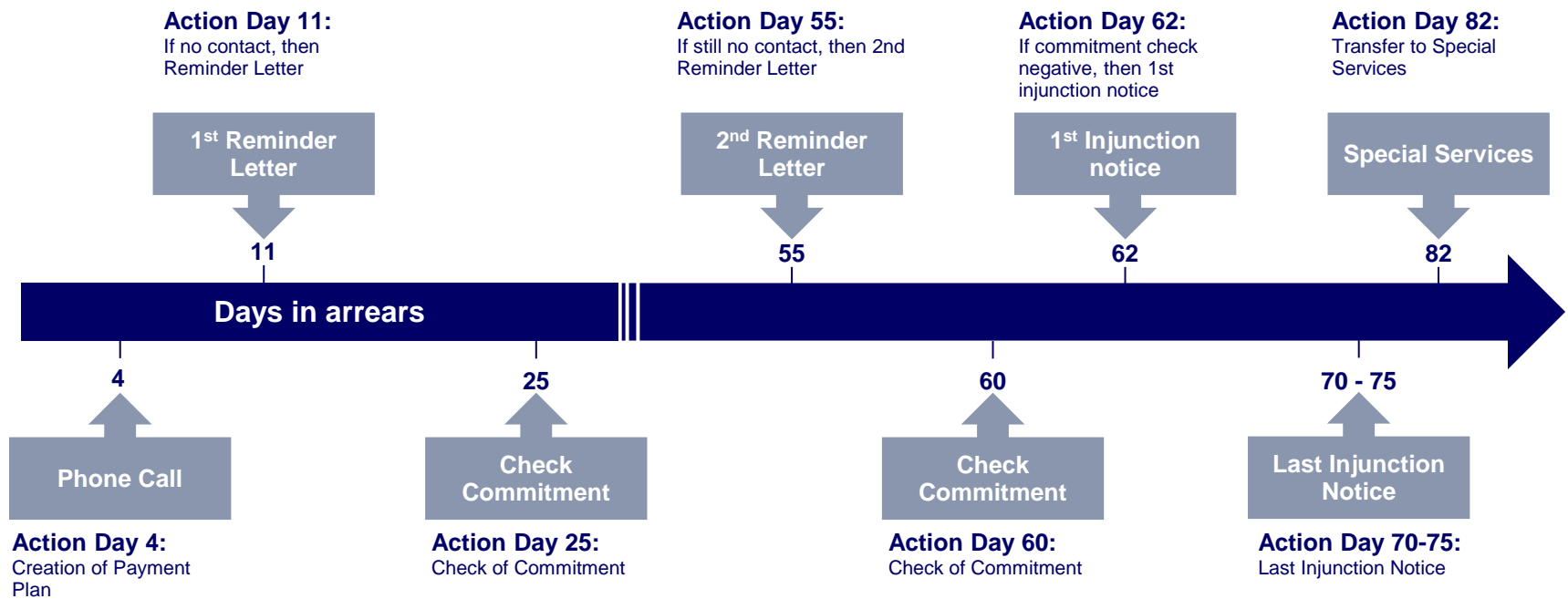
Gross Income	Mortgage loan rate				
	<5%	5-5,5%	5,5-6%	6-6,5%	>6,5%
19,000	20.5%	21.0%	21.5%	22.0%	22.5%
19,500	22.0%	22.5%	23.0%	23.5%	24.0%
20,000	23.5%	24.0%	24.5%	25.0%	25.5%
20,500	24.5%	25.0%	25.5%	26.0%	26.5%
21,000	25.0%	25.5%	26.0%	26.5%	27.0%
21,500	26.0%	26.5%	27.0%	27.5%	28.0%
22,000	26.5%	27.5%	28.5%	29.5%	30.5%
22,500	27.0%	28.0%	29.0%	30.0%	31.0%
23,000	28.0%	29.0%	30.0%	31.0%	32.0%
23,500	28.5%	29.5%	30.5%	31.5%	32.5%
24,000	29.0%	30.0%	31.0%	32.0%	33.0%
40,000	29.5%	30.5%	31.5%	32.5%	33.5%
44,000	30.0%	31.0%	32.0%	33.0%	34.0%
46,000	30.5%	31.5%	32.5%	33.5%	34.5%
49,000	31.0%	32.0%	33.0%	34.0%	35.0%
53,000	31.5%	32.5%	33.5%	34.5%	35.5%
56,000	32.0%	33.0%	34.0%	35.0%	36.0%
57,000	32.5%	33.5%	34.5%	35.5%	36.5%
60,000	33.0%	34.0%	35.0%	36.0%	37.0%
62,000	33.5%	34.5%	35.5%	36.5%	37.5%
65,000	34.0%	35.0%	36.0%	37.0%	38.0%
68,000	34.5%	35.5%	36.5%	37.5%	38.5%
71,000	35.0%	36.0%	37.0%	38.0%	39.0%
73,000	35.5%	36.5%	37.5%	38.5%	39.5%
78,000	36.0%	37.0%	38.0%	39.0%	40.0%
81,000	36.0%	37.5%	39.0%	40.5%	42.0%
89,000	36.5%	38.0%	39.5%	41.0%	42.5%
110,000	36.5%	38.0%	39.5%	41.0%	42.5%

Tabel 1: Maximum percentage of gross income which shall be used for mortgage payments (source: Nibud)

¹ <http://www.nibud.nl>

The SNS collection process

- Collection process for high risk profile (Expected Loss > €1,500) clients:



Restructuring and Recovery Management

Collection Department

- Centralized department in Den Bosch is operational since 1 June 2006
- Main objective is to centralise delinquent client information and enable front office to focus on selling mortgages
- Centralized: no collection and similar actions at the front office
- Next to the collection, the department also offers budget coaching (since 2009)

Approach

- Focus on clients and no longer on products
- In general, Budget coaches approach the clients at an early stage (since October 2009)
- Borrowers are classified into risk groups for monitoring purposes
- The risk group classification (low, middle and high) is based on the Expected Loss
- Interaction level with clients is dependent on the risk profile of the client
- If no contact can be made with the client a letter is sent to the client advising him to contact the collection department
- If the client does not get in contact with the collection department after 45 days, the file is transferred to the Administration & Support Department (arrears and special services)

Team

- Team of 61 people for arrears and special services (BB)
- 7 account managers and 20 employees calling
- The collection activity is in-house and the arrears are reported in the arrears department
- Primary causes of arrears are unemployment and divorce

Investor Reporting

Hermes Investor Reporting

- Dedicated portal for investor reporting in respect of Hermes and Pearl transactions
- Updated on the 3rd business day before each payment day
- All current and historical investor reports
- No password is required
- Bloomberg: `HERME <MTGE> <GO>`
`PEARL <MTGE> <GO>`
`LOWLA <MTGE> <GO>`

Portal: Securitisation.nl

Securitisation.nl

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Securitisation

SNS Bank believes it has a well established name in international capital markets. The Hermes program ranks among the top-three most active securitisation programs for residential mortgage loans in the Netherlands.

The Hermes (Holland Mortgage-Backed Series) program is SNS Bank's cash securitisation program for residential mortgage loans. Next to that, SNS Bank has launched a synthetic securitisation under the PROVIDE name. Furthermore SNS Bank has securitised residential mortgages backed by a state guarantee (NHG mortgages) under the name PEARL.

Via this website investor reports and other information on the outstanding securitisations of SNS Bank will be provided.

If you want to receive investor reports on a regular basis, please subscribe to our mailing list. You will then receive the investor reports every 3rd business day prior to the payment date via email (Bcc).

News

13 May 2011
Investor Reports for Hermes 8, 9, 13 and 14 are now available for download.

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