

Financial results first half 2016

Investor presentation



Highlights 1H16

Banking with a human touch

- People-oriented: Several banking industry-specific awards contributing to overall increased customer satisfaction scores
- Social: successful start of 'Mortgage term monitoring service'
- Sustainable: balance sheet 23% climate neutral at the end of June (YE15: 22%)

Commercial developments

- SNS Bank welcomed 101,000 new customers: net growth of 30,000
- Sharp increase in new mortgage production to €1.5bn (+67%); market share new retail mortgages higher at 4.8% (2015: 4.1%)
- Retail mortgage portfolio virtually stable at €45.0bn compared to year-end 2015
- Slight increase in retail savings balances to €37.7bn (+2%); stable market share of 10.8%

Financial performance

- Net profit of €181m (1H15: €244m), negatively impacted by a swing of €59m net in unrealised results on mortgages and related derivatives
- Slightly lower net profit excluding one-off items of €193m (1H15: €197m), mainly driven by lower net interest income and higher operating expenses, largely offset by a release from loan provisions
- Improved credit quality retail mortgage portfolio; strong decline in loans in arrears
- Adjusted Return on Equity of 11.5% (1H15: 12.9%)
- Strong CET1 ratio of 26.6% (YE15: 25.3%); Leverage ratio: 4.8% (YE15: 4.7%)

Update on strategy

- SNS Bank's strategy aimed at creating value for all stakeholders
- Focus on implementation of strategic plan in coming years: strengthening of social identity, enhancing business operations by aiming for simplicity and efficiency and tightening our innovation policy as a 'smart adopter'

With its core products, mortgages, savings and payments, SNS Bank has strengthened its market positions and posted solid financial results in 1H16

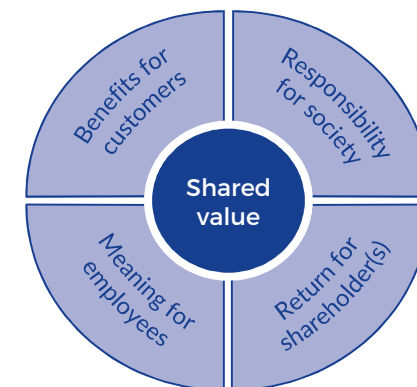
1 Update on strategy

Strategic update: Optimising shared value

Outcome strategic review

- Based on an extensive strategic review, SNS Bank re-affirmed its choice to be a safe retail bank that offers simple and transparent products in the areas of mortgages, savings and payments to Dutch retail customers. In addition, smaller enterprises can be serviced as retail customers
- SNS Bank wants to bring about a turnaround of the predominantly product-driven banking model to a model organised around customers' needs: payments are not just about vying for the customer's favour, but about the need for a safe digital wallet; savings are not just about retail funding, but about reliably managing financial buffers; mortgages not just assets in which to invest, but about making housing wishes come true
- SNS Bank's mission 'banking with a human touch' has remained unchanged. To live up to this mission, SNS Bank has formulated an ambition based on the principle of shared value. Shared value is directed towards social and economic, as well as financial and non-financial aspects, which go hand in hand

SNS Bank's ambition is to optimise shared value by creating benefits for customers, taking responsibility for society, providing meaning for its employees and achieving adequate returns for its shareholder(s)



SNS Bank: Mission, ambition, profile & priorities



2 Manifesto ambitions & commercial developments

Manifesto ambitions: Initiatives in 1H16



People-oriented

- Successful start of Mortgage term monitoring service: since the introduction in November 2015, SNS has contacted more than 85,000 customers
- SNS introduced a purchase protection insurance linked to a debit card, the first bank in the Netherlands to do so
- RegioBank expanded its financial services in smaller villages and communities by opening ATMs and service counters



Social

- SNS Bank actively participates in organisations that aim to further develop financial education for individuals. In 1H16, SNS Bank employees gave over 500 guest lessons at primary schools as part of National Money Week
- BLG Wonen continued to make it easier for first-home buyers to purchase a house by offering sharper rates and a step-by-step guide in the mortgage application process
- ASN Bank continued to successfully promote its philosophy of sustainable banking











Sustainable

- At the end of the first half of 2016, SNS and RegioBank took further initiatives to reduce the carbon footprint of our mortgage loan portfolio by including the 'sustainable living' theme in their customer mortgage advice interviews and proactively approaching customers about finalising their energy label
- At the end of June 2016, SNS Bank's balance was 23% climate neutral (year-end 2015: 22%)
- SNS opened its first circular shop in Zoetermeer. Materials used in this shop are suitable for re-use and have an extended life-span. SNS intends to build all new shops based on these circular principles

Overall improvement in customer satisfaction levels

Net Promoter Score (NPS in %)

| Brand | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 1H16 | Trend 2010-1H16 |
|--|------|------|------|------|------|------|------|---|
|  SNS | -67 | -33 | -35 | -39 | -28 | -26 | -19 |  |
| ASN  BANK | +19 | +34 | +22 | +19 | +12 | +19 | +14 |  |
| RegioBank | -33 | -18 | -8 | -7 | -7 | +5 | 0 |  |
|  BLGwonen | -- | -- | -- | -15 | -14 | -42 | -27 |  |
| Weighted average | -41 | -16 | -17 | -21 | -16 | -11 | -9 |  |

* BLG Wonen's measurement started in 1H13

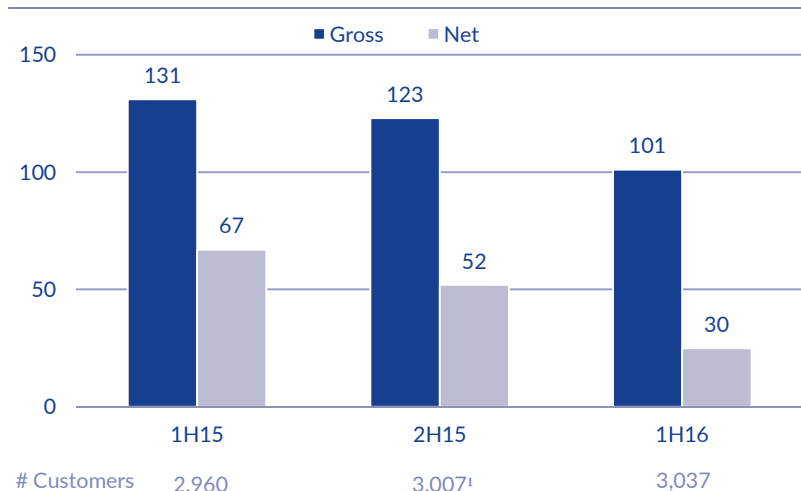
- Weighted average NPS of all brands improved from -11% at YE15 to -9%
- NPS of SNS improved in 1H16 to the highest score ever measured
- ASN Bank's NPS decreased slightly. ASN Bank continued to have one of the highest customer satisfaction levels in the industry
- Slightly lower NPS at RegioBank
- BLG Wonen's NPS showed a strong rebound after decrease in 2015. Sharp drop in 2015 was due to first time inclusion of former RBD customers



Customer growth driven by increase in current accounts

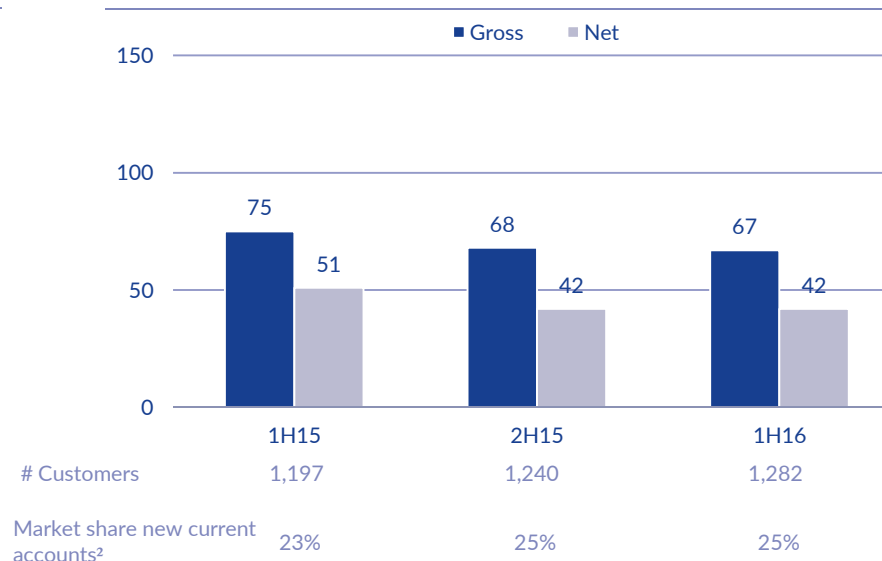
Development customers SNS Bank

In thousands



Development current account customers SNS Bank

In thousands



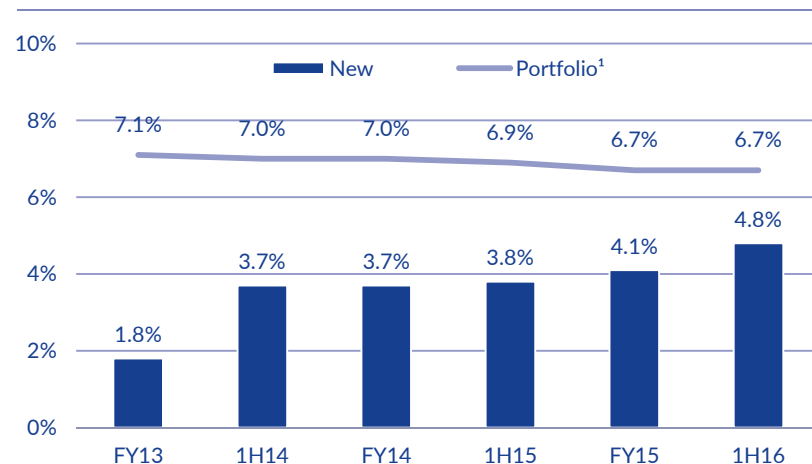
- Together the brands of SNS Bank welcomed 101,000 new customers (net growth: 30,000) in 1H16
- Net growth of 30,000 lower vs 1H15 mainly due to termination of 'spaarloon' accounts, resulting in an outflow of savings customers. In addition there was an outflow of investment customers due to phasing-out of investment propositions

- 67,000 (42,000 net) new current account customers in 1H16
- In 2015 and 1H16, one out of four new current accounts in the Netherlands was opened at one of our brands: ASN Bank, RegioBank and SNS

[1] Includes an adjustment compared to YE15 disclosed figures (-5k) due to changes in definition [2]TOF Tracker, quarterly market research published by GfK

Strong growth in new retail mortgage production; virtually stable market share in retail savings

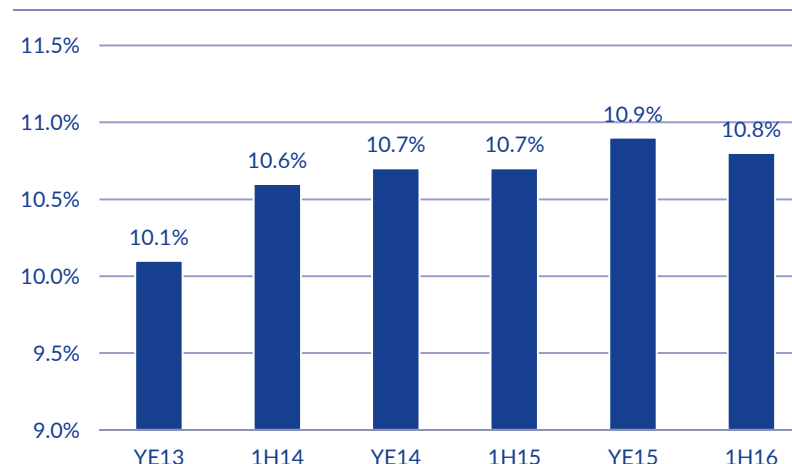
Market share retail mortgages



- New retail mortgage production increased to €1.5bn (+67%). However, in a growing market, market share was up only slightly
- Target market share new retail mortgages: 5-8%. As of April 2016 market share (per month) is within targeted range for the first time since 2013
- Retail mortgage portfolio virtually stable at €45.0bn compared to YE15
- Market share of 6.7% based on total retail mortgage loan portfolio slightly lower, due to high level of redemptions of €1.6bn (1H15: €1.5bn)

[1] Total mortgages based on CBS data (previously DNB data)

Market share retail savings



- Retail savings balances increased to €37.7bn, up €0.8bn compared to YE15, partly due to annual interest accrual in January
- Market share in retail savings remained relatively stable at 10.8%, in line with our >10% target

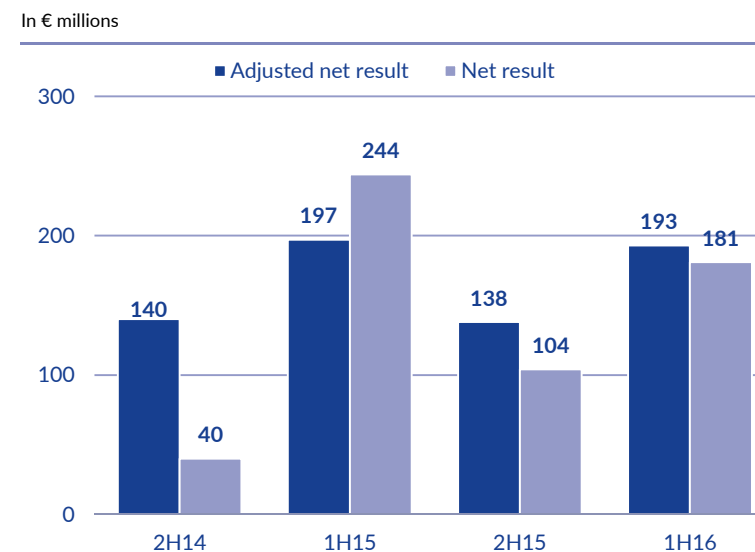
3 Financial performance 1H16

Slightly lower adjusted net profit in 1H16

Result

| In € millions | 1H15 | 2H15 | 1H16 | Δ YoY |
|---|-------|------|------------|-------|
| Net result for the period | 244 | 104 | 181 | -26% |
| Book loss sale SNS Securities NV | -- | -22 | -- | |
| Fair value movements of mortgages/related derivatives | 47 | -12 | -12 | |
| Total one-off items | 47 | -34 | -12 | |
| Adjusted net result for the period | 197 | 138 | 193 | -2% |
| Return on Equity | 16.0% | 6.5% | 10.8% | |
| Adjusted Return on Equity | 12.9% | 8.6% | 11.5% | |

Result



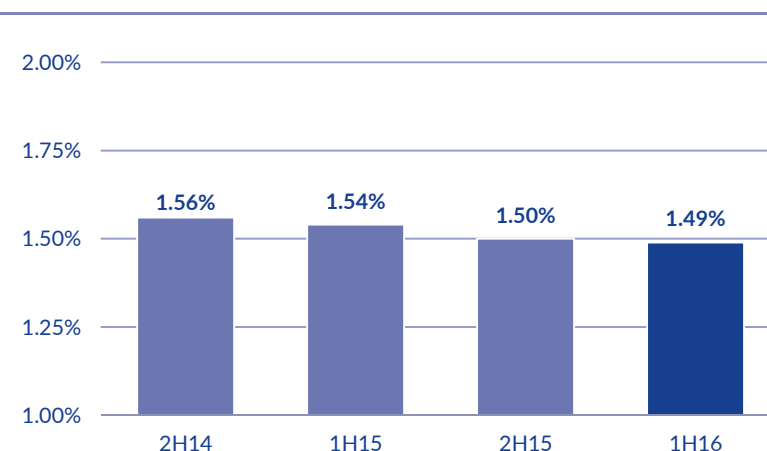
- Net profit of €181m (1H15: €244m), negatively impacted by a swing of €59m in unrealised results on mortgages and related derivatives (former DBV mortgage loans)
- Slightly lower adjusted net profit of €193m, mainly driven by lower net interest income and higher operating expenses, including the impact of regulatory levies, mostly offset by a release from loan provisions

Lower total adjusted income mainly due to lower net interest income

Income

| In € millions | 1H15 | 2H15 | 1H16 | Δ YoY |
|---------------------------------|------------|------------|------------|-------------|
| Net interest income | 515 | 479 | 472 | -8% |
| Net fee and commission income | 24 | 24 | 31 | 29% |
| Investment income | 32 | 10 | 37 | 16% |
| Result on financial instruments | 63 | -24 | -31 | -- |
| Other operating income | 1 | 1 | 1 | 0% |
| Total income | 635 | 490 | 510 | -20% |
| One-off items | 62 | -15 | -16 | -- |
| Adjusted income | 573 | 505 | 526 | -8% |

Net interest margin (% of average assets)

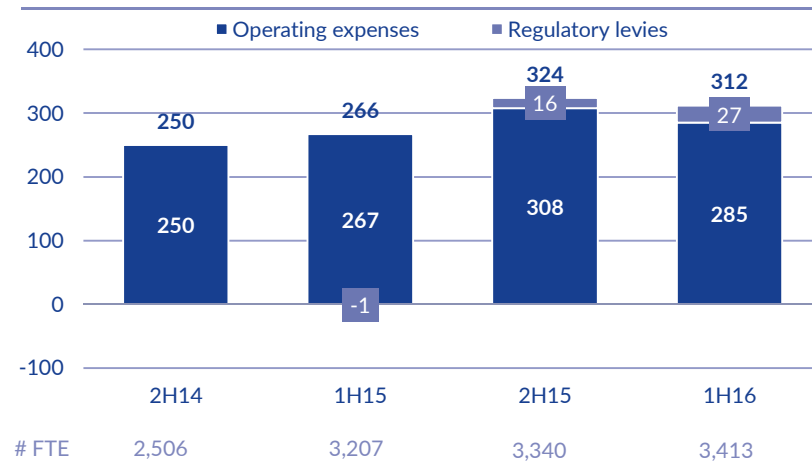


- Net interest income decreased by €43m YoY, mainly as a result of high (early) renewals at lower mortgage rates in 2015 and 1H16 and a lower mortgage portfolio compared to 1H15
- Net interest margin as percentage of average assets of 1.49% holding up well compared to previous periods
- Net fee and commission income increased by €7m due to higher received management fees as a result of higher assets under management
- Investment income increased by €5m due to a gain resulting from the sale of SNS Bank's share in VISA Europe Ltd (€10m), more than compensating for lower realised gains on fixed-income investments
- Swing of €94m negative in result on financial instruments of which €78m due to fair value movements of former DBV mortgages and related derivatives and €15m due to hedge ineffectiveness results on derivatives
- Adjusted income in 1H16 declined compared to 1H15 with €47m, mainly due to lower net interest income

Increase in total operating expenses

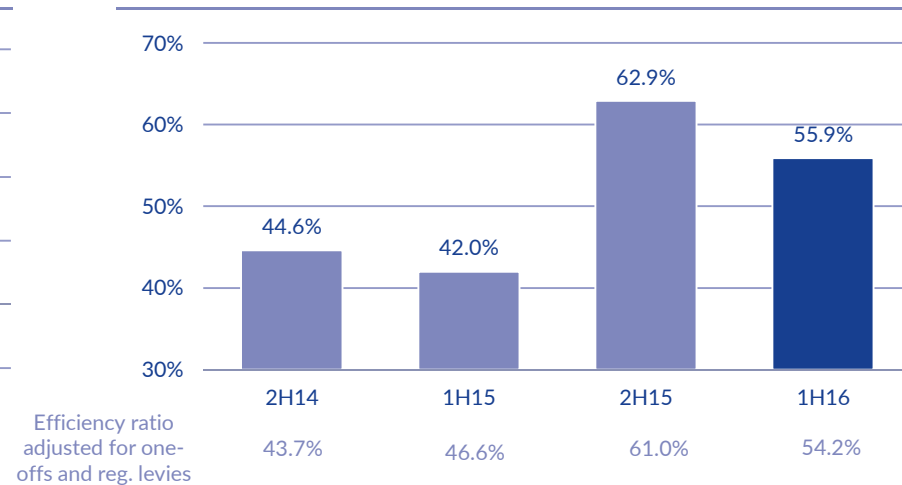
Operating expenses

In € millions



| # FTE | 2H14 | 1H15 | 2H15 | 1H16 |
|-------|-------|-------|-------|-------|
| | 2,506 | 3,207 | 3,340 | 3,413 |

Efficiency ratio adjusted for regulatory levies



- Total operating expenses increased by €46m to €312m , partly due to regulatory levies (+€28m)
- In 1H16 regulatory levies amounted to €27m of which €8m related to the ex-ante resolution fund contribution and €19m to two quarters of the ex-ante DGS contribution
- 1H16 operating expenses excluding regulatory levies increased by €18m to €285m compared to 1H15 (+7%). This increase was mainly due to costs to facilitate the increased mortgage production, improve the operational effectiveness and control framework and to comply with the supervisory and regulatory framework. This trend was already visible in 2H15
- 1H16 operating expenses included €17m provisioning charges related to the expected compensation under the Recovery Framework pertaining to SME Interest Derivatives. However, the impact of these charges was more than compensated by a release of other non-credit risk related provisions

Net release of loan provisions; strong decline in mortgages in arrears

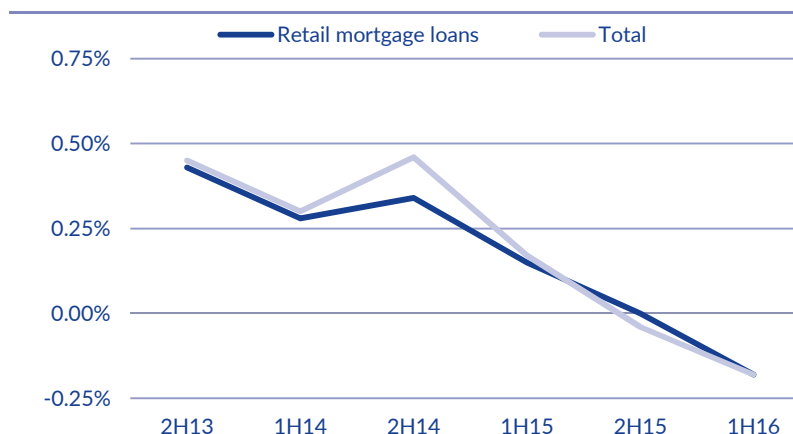
Loan impairment charges

| In € millions | 1H15 | 2H15 | 1H16 |
|--------------------------------------|-----------|------------|------------|
| Retail mortgage loans | 34 | -- | -40 |
| SME loans | 10 | 3 | -3 |
| Other | 1 | -13 | -2 |
| Total loan impairment charges | 45 | -10 | -45 |

Retail mortgage loans (ratios)

| | 1H15 | 2H15 | 1H16 |
|----------------------------------|-------|-------|-------|
| Loans in arrears % gross loans | 4.0% | 2.9% | 2.0% |
| Impaired ratio | 2.8% | 2.0% | 1.4% |
| Loan loss reserves % gross loans | 0.69% | 0.57% | 0.39% |
| Coverage ratio | 20.7% | 22.5% | 21.4% |
| Average LtV | 85% | 83% | 82% |

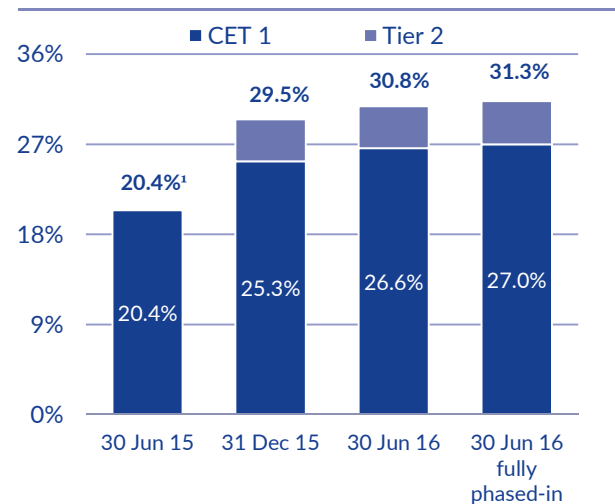
Loan impairments charges (% average loans)



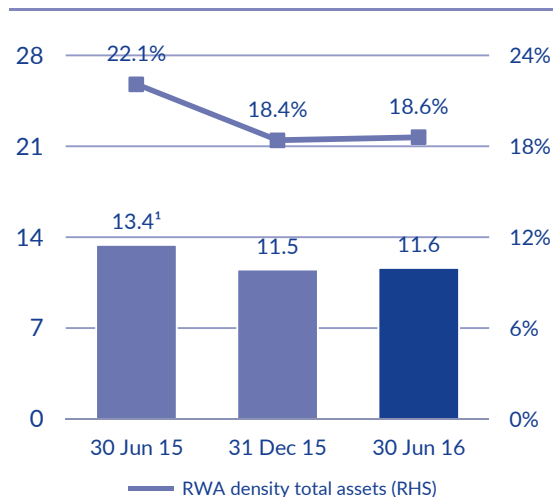
- Sharp improvement of impairments on retail mortgages and SME loans, positively impacted by a decrease in loans in default due to a high level of recoveries and a low inflow, positive macro-economic developments and improvements in arrears management. In addition, rising residential house prices contributed to a surplus on foreclosures
- Decrease retail mortgages in arrears (from 1 day overdue) from €1.3bn to €0.9bn, 2.0% of gross loans. Impaired default loans decreased from €0.9bn to €0.6bn, 1.4% of gross loans (impaired ratio)

Further improvement of capital ratios in 1H16

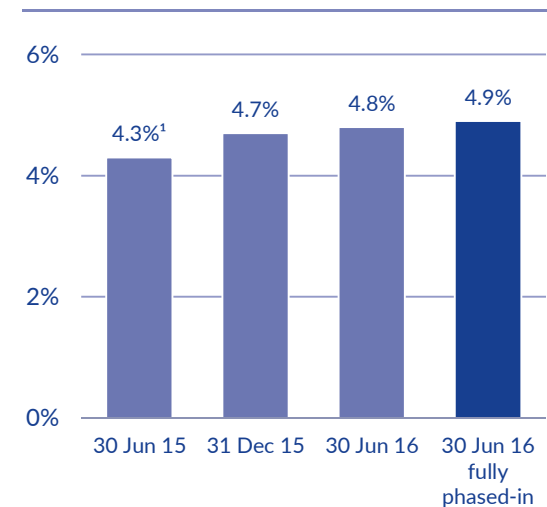
Total capital ratio



Risk weighted assets (€bn; LHS)



Leverage ratio



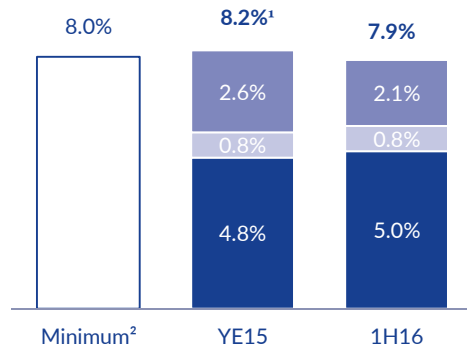
- As of 2016, the minimum CET1 capital requirement of SNS Bank is 12.0%, which is made up of a 11.75% SREP capital requirement as from 1 January 2016 (including the capital conservation buffer) and a 0.25% O-SII buffer. The O-SII will increase by 0.25% per annum to 1% in 2019
- In 1H16, the CET 1 ratio improved to 26.6% mainly due to the termination of a credit facility provided to SRH NV
- RWA increased to €11.6bn compared to €11.5bn YE15, mainly driven by the impact of an update of the IRB model (estimated €0.7bn), partly offset by the impact of improved economic circumstances
- The leverage ratio rose to 4.8%, mainly driven by an increase of CET1 capital, partly offset by growth of the balance sheet

[1] Stand-alone

SNS Bank well positioned to meet MREL/TLAC requirements

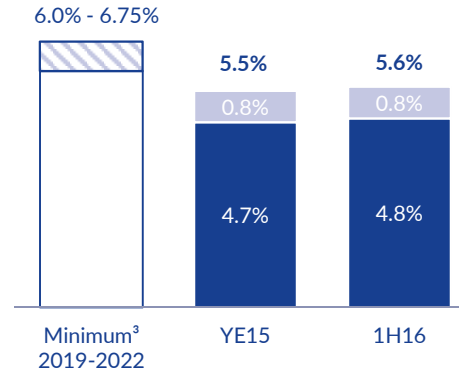
MREL ratio

■ CET1 capital ■ AT1 & T2 ■ Sr. Unsecured > 1yr



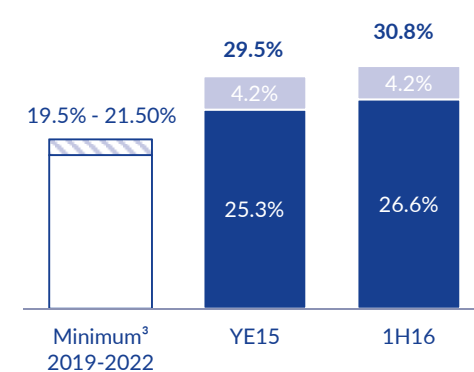
TLAC non-risk weighted

■ CET1 capital ■ AT1 & T2 □ Phase-in '19-'22



TLAC risk weighted

■ CET1 capital ■ AT1 & T2 □ Phase-in '19-'22

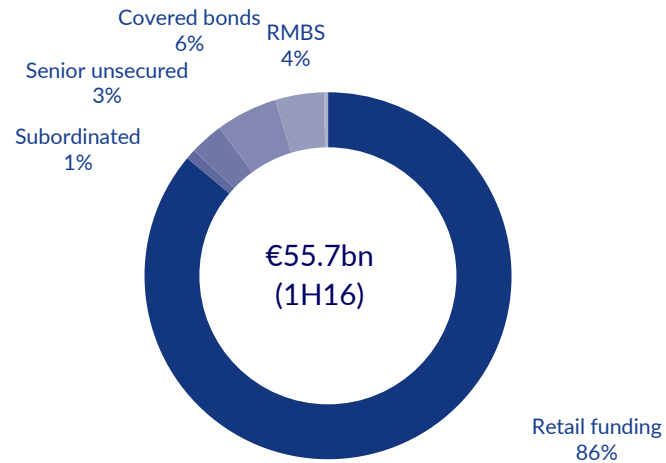


- Including all MREL-eligible liabilities, the non-risk weighted MREL ratio amounts to 7.9%
- Going forward, resolution authorities may require that the bail-in buffer is filled up only with MREL eligible liabilities subordinated to ordinary unsecured liabilities. The non-risk weighted MREL ratio including only eligible liabilities subordinated to unsecured liabilities amounts to 5.8%
- Although TLAC is not yet applicable to SNS Bank, however it may become applicable to domestic systemically important banks
- TLAC is currently composed of CET1 capital and Tier 2 capital. Based on the capital position at 1H16, the non-risk weighted TLAC amounts to 5.6% and the risk-weighted TLAC equals 30.8%
- SNS Bank monitors developments closely and plans to strengthen and diversify its capital structure accordingly

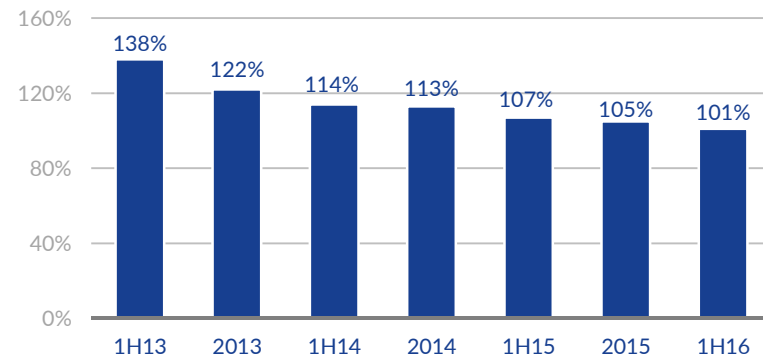
[1] As per June 2016, the calculation of the numerator of the MREL ratio changed (comparative figures as of YE15 have also been restated, resulting in a decrease by 0.5% from 8.7% to 8.2%) [2] The definitive institution specific MREL is expected to be set by the regulator at the end of 2016 together with an appropriate transitional period [3] Final TLAC requirement may deviate from current assumption. TLAC risk weighted includes O-SII buffer and capital conservation buffer

Funding & liquidity

Funding mix



Loan to deposit ratio



Liquidity position

| In € millions | 2014 | 1H15 | 2015 | 1H16 |
|---|---------------|---------------|---------------|---------------|
| Cash | 2,537 | 3,729 | 2,142 | 2,866 |
| Sovereigns | 4,033 | 3,637 | 3,762 | 2,746 |
| Regional/local governments & supranationals | 540 | 600 | 702 | 719 |
| Other liquid assets | 215 | 360 | 413 | 294 |
| Eligible retained RMBS | 6,220 | 5,780 | 4,812 | 4,344 |
| Total liquidity position | 13,545 | 14,106 | 11,831 | 10,969 |

- Further increase in retail funding in 1H16 (84% YE15)
- Further decrease in Loan-to-Deposit ratio to 101%
- Liquidity position remained high
- LCR and NSFR well above 100%

Outlook 2H16

- The low interest rate environment will continue to impact the mortgage market, translating into fierce competition from pension funds and insurance companies, a high customer demand for longer term interest fixed-rate mortgages and a high level of (early) renewals, including interest rate averaging. This may impact both the pricing and size of our mortgage loan portfolio. As a consequence, pressure on net interest income is expected to persist
- We aim to contain operating costs comparable to 1H16
- Compared to 1H16, which was positively impacted by releases of provisions, we expect a net charge from loan impairments in 2H16. Due to the ongoing recovery of defaults, a limited inflow of defaults and an expected constant level of outflow and foreclosures in 2H16, it is expected that the number of defaults will be significantly lower by the end of 2016. As a result, we expect that impairment charges will remain low in 2H16, at a level below 10bps of gross outstanding loans
- We expect regulatory levies for the full year 2016 to arrive at approximately €46m
- We will press ahead with the implementation of our strategic plan by improving our operational efficiency, resulting in a lower cost base, and by implementing targeted and timely technological innovations
- We remain committed to translate our vision on people-oriented, social and sustainable banking into useful products and services, leading to a further improvement of our customer experience

Key take-aways 1H16

- We launched several new initiatives and continued to develop previous ones to put our ambition to be a people-oriented, social and sustainable bank into practice
- Continued growth of current account customers
- Sharp increase in new mortgage production (+67% YoY); retail mortgage portfolio virtually stable at €45.0bn compared to YE15
- Slightly lower but solid adjusted net profit of €193m
- Strong decline in mortgages in arrears, leading to a net release of loan provisions
- Strong capital and liquidity position
- SNS Bank is well positioned to achieve its strategic plan in the next few years. Execution requires two to three years to achieve optimal long-term value creation
- Execution of SNS Bank's strategic plan does not exclude any future options regarding the ownership of our bank

4 Questions and answers

5 Additional slides

Summary P&L

| In € millions | 2014 | 2015 | 1H13 | 2H13 | 1H14 | 2H14 | 1H15 | 2H15 | 1H16 |
|-------------------------------|--------------|--------------|------------|-------------|------------|------------|------------|------------|------------|
| Net interest income | 1,024 | 994 | 460 | 497 | 491 | 533 | 515 | 479 | 472 |
| Net fee and commission income | 44 | 48 | 28 | 22 | 24 | 20 | 24 | 24 | 31 |
| Other income | 31 | 84 | 156 | (114) | 23 | 8 | 96 | (12) | 7 |
| Total income | 1,099 | 1,125 | 644 | 399 | 538 | 561 | 635 | 490 | 510 |
| Impairment charges | 207 | 37 | 94 | 130 | 81 | 126 | 44 | (7) | (45) |
| Impairment charges goodwill | 67 | -- | -- | -- | -- | 67 | -- | -- | -- |
| Total operating expenses | 491 | 590 | 267 | 255 | 241 | 250 | 266 | 324 | 312 |
| Other expenses | 83 | 22 | -- | 8 | 51 | 32 | -- | 22 | 1 |
| Total expenses | 848 | 649 | 361 | 393 | 373 | 475 | 310 | 339 | 268 |
| Result before tax | 251 | 475 | 283 | 6 | 165 | 86 | 325 | 151 | 242 |
| Taxation | 100 | 128 | 68 | 37 | 54 | 46 | 81 | 47 | 61 |
| Net result | 151 | 348 | 215 | (31) | 111 | 40 | 244 | 104 | 181 |
| One-off items | (143) | (13) | 20 | (99) | (43) | (100) | 47 | (34) | (12) |
| Adjusted net result | 294 | 335 | 195 | 68 | 154 | 140 | 197 | 138 | 193 |

Ratios

| | | | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Efficiency ratio | 44.7% | 51.2% | 41.5% | 63.9% | 44.8% | 44.6% | 42.0% | 62.9% | 55.9% |
| Operating expenses/ average assets | 0.69% | 0.88% | 0.67% | 0.67% | 0.67% | 0.73% | 0.80% | 0.96% | 0.90% |
| NII/ average assets | 1.43% | 1.52% | 1.16% | 1.30% | 1.37% | 1.56% | 1.54% | 1.50% | 1.49% |
| Retail impairments/ retail mortgages | 0.31% | 0.07% | 0.29% | 0.43% | 0.28% | 0.34% | 0.15% | 0.00% | -0.18% |
| RoE | 5.4% | 11.1% | 20.7% | -2.5% | 8.0% | 2.7% | 16.0% | 6.5% | 10.8% |
| Adjusted RoE | 10.6% | 10.7% | 18.8% | 5.6% | 11.4% | 9.7% | 12.9% | 8.6% | 11.5% |

Summary balance sheet

| In € millions | 31-12-2013 | 30-6-2014 | 31-12-2014 | 30-6-2015 | 31-12-2015 | 30-06-2016 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Total assets | 74,537 | 68,633 | 68,159 | 65,327 | 62,690 | 64,408 |
| Cash and cash equivalents | 5,528 | 2,693 | 1,968 | 3,913 | 2,259 | 3,110 |
| Loans and advances to banks | 6,063 | 2,537 | 2,604 | 2,402 | 2,081 | 3,333 |
| Loans and advances to customers | 53,405 | 53,550 | 52,834 | 49,705 | 49,217 | 48,697 |
| Derivatives | 2,484 | 2,661 | 2,702 | 2,198 | 1,993 | 1,864 |
| Investments | 5,657 | 5,888 | 7,001 | 6,055 | 6,376 | 6,646 |
| Property and equipment | 52 | 54 | 86 | 80 | 77 | 74 |
| Intangible assets | 89 | 84 | 15 | 12 | 15 | 14 |
| Deferred tax assets | 507 | 412 | 450 | 309 | 284 | 367 |
| Corporate income tax | 208 | 275 | 66 | 36 | -- | -- |
| Other assets | 544 | 479 | 284 | 430 | 278 | 303 |
| Assets held for sale | -- | -- | 149 | 187 | 110 | -- |
| Total liabilities and equity | 74,537 | 68,633 | 68,159 | 65,327 | 62,690 | 64,408 |
| <i>Savings</i> | 33,276 | 36,269 | 35,666 | 37,277 | 36,860 | 37,666 |
| <i>Other amounts due to customers</i> | 10,628 | 10,249 | 10,542 | 10,344 | 10,580 | 11,482 |
| Amounts due to customers | 43,904 | 46,518 | 46,208 | 47,621 | 47,440 | 49,148 |
| Amounts due to banks | 7,457 | 2,915 | 2,099 | 1,587 | 1,000 | 1,522 |
| Debt certificates | 16,439 | 12,077 | 11,252 | 9,027 | 6,941 | 6,008 |
| Derivatives | 2,670 | 3,080 | 3,266 | 2,507 | 2,189 | 2,536 |
| Deferred tax liabilities | 174 | 239 | 287 | 217 | 216 | 282 |
| Corporate income tax | | | | | | 90 |
| Other liabilities | 1,205 | 884 | 1,971 | 1,074 | 11 | 808 |
| Other provisions | 66 | 58 | 55 | 54 | 955 | 53 |
| Provision for employee benefits | -- | -- | -- | 17 | 23 | 24 |
| Participation certificates and subordinated debt | 40 | 40 | 40 | -- | 493 | 505 |
| Liabilities held for sale | -- | -- | 18 | 75 | 37 | -- |
| Shareholders' equity | 2,582 | 2,822 | 2,963 | 3,148 | 3,302 | 3,432 |

Key items balance sheet

| In € millions | 31 Dec 15 | 30 Jun 16 | Δ YoY |
|---|-----------|-----------|-------|
| Total assets | 62,690 | 64,408 | +3% |
| Loans and advances to customers | 49,217 | 48,697 | -1% |
| - of which retail mortgage loans | 44,787 | 44,786 | -- |
| - of which retail other loans | 184 | 178 | -3% |
| - of which SME loans | 990 | 895 | -10% |
| - of which other, including (semi-) public sector loans | 3,256 | 2,838 | -13% |
| Loans and advances to banks | 2,081 | 3,333 | +60% |
| Investments | 6,376 | 6,646 | +4% |
| Amounts due to customers | 47,440 | 49,148 | +4% |
| - of which retail savings | 36,860 | 37,666 | +2% |
| - of which other amounts due to customers | 10,580 | 11,482 | +9% |
| Amounts due to banks | 1,000 | 1,522 | +52% |
| Debt certificates | 6,941 | 6,008 | -13% |
| Shareholders' equity | 3,302 | 3,432 | +4% |

Comments

- Balance sheet total increased by € 1.7bn to € 64.4bn vs YE15
- Loans and advances to banks increased by €1.3bn to €3.3bn due to higher cash loans as part of liquidity management and an increase in cash collateral
- Investments increased to € 6.6bn as part of liquidity management
- Retail savings increased by €0.8bn to €37.7bn of which €0.4bn due to annual interest accrual in January
- Other amounts due to customers increased by €0.9bn mainly due to higher current account balances
- Amounts due to banks increased to €1.5bn due to repo transactions for cash management purposes
- Debt certificates decreased by €0.9bn mainly due to redemption of debt certificates issued under the Hermes XII securitisation programme
- Shareholders' equity increased to €3.4bn due to net profit retention (+€181m) and an increase of the fair value reserve fixed-income portfolio (+€56m), partly offset by a €100m dividend payout and a decrease of the cash flow hedge reserve

SNS Bank: Quality of retail mortgage loans

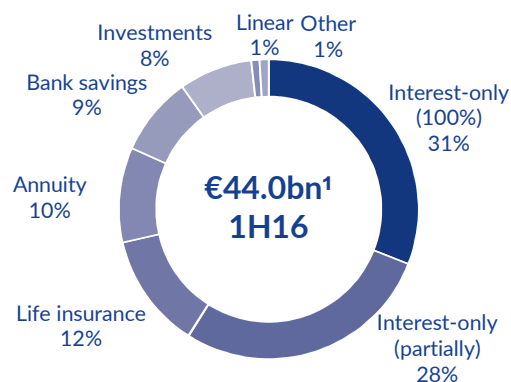
Retail mortgage loans

| in € millions | 2H14 | 1H15 | 2H15 | 1H16 |
|---|--------|--------|--------|--------|
| Gross loans | 46,556 | 45,822 | 45,044 | 44,960 |
| Loans in arrears | 2,014 | 1,826 | 1,317 | 887 |
| Non-default loans | 657 | 564 | 396 | 270 |
| Impaired default loans | 1,357 | 1,262 | 921 | 617 |
| Specific provision | 266 | 261 | 207 | 132 |
| IBNR provision | 60 | 53 | 50 | 42 |
| Total provision | 326 | 314 | 257 | 174 |
| Impairment charges | 80 | 34 | -- | -40 |
| Additions | 75 | 81 | 16 | 32 |
| Write-offs | 55 | 47 | 61 | 49 |
| <hr/> | | | | |
| Loans in arrears (%) | 4.3% | 4.0% | 2.9% | 2.0% |
| Impaired ratio | 2.9% | 2.8% | 2.0% | 1.4% |
| Coverage ratio ¹ | 19.6% | 20.7% | 22.5% | 21.4% |
| <hr/> | | | | |
| Total provision as a % of loans in arrears | 16.2% | 17.2% | 19.5% | 19.6% |
| Total provision as a % of gross loans | 0.70% | 0.69% | 0.57% | 0.39% |
| Impairment charges as a % of avg. gross loans | 0.34% | 0.15% | 0.00% | -0.18% |

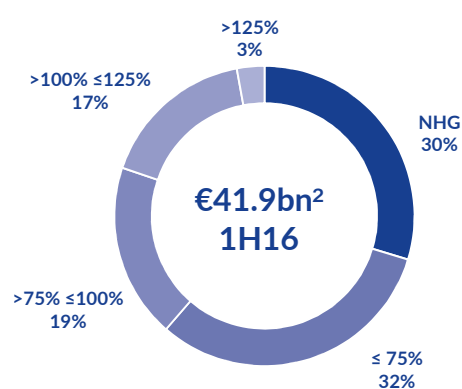
[1] Specific provision as a % of impaired default loans

Retail mortgage portfolio

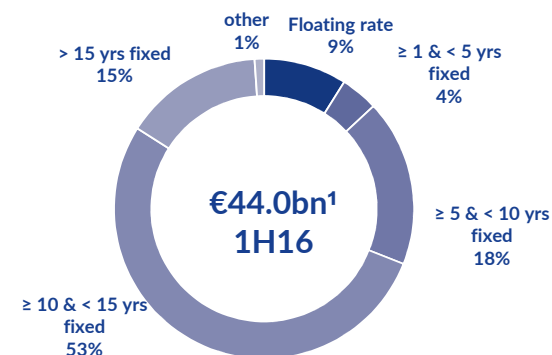
Retail mortgages ...by redemption type,



...by LtV bucket,

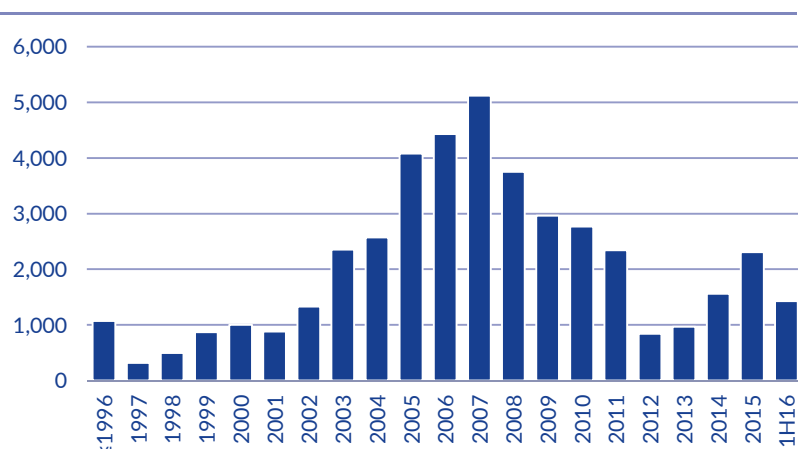


...and by interest type



Retail mortgages by year of origination

In € millions



- Approximately half of the total interest-only mortgages consisted of 100% interest-only mortgages at 30 June 2016 (31% of the total mortgage portfolio)
- 30% of the total mortgage portfolio is covered by NHG (National Mortgage Guarantee)
- New mortgage production in Dutch market is trending towards longer maturities
- The origination of SNS Bank's mortgage portfolio is tilted towards the period 2005-2008

[1] Total net retail mortgage loans (€44.8bn) +/- provision (€0.2) -/- IFRS value adjustments (€0.9bn)

[2] Total net retail mortgage loans (€44.8bn) +/- provision (€0.2m) -/- IFRS value adjustments (€0.9bn), savings parts (€2.1bn)

SNS Bank: Quality of retail other loans

Retail other loans

| in € millions | 2H14 | 1H15 | 2H15 | 1H16 |
|---|-------|-------|-------|-------|
| Gross loans | 268 | 225 | 219 | 207 |
| Loans in arrears | 85 | 78 | 61 | 48 |
| Non-default loans | 15 | 12 | 13 | 4 |
| Impaired default loans | 70 | 66 | 48 | 44 |
| Specific provision | 52 | 50 | 33 | 28 |
| IBNR provision | 3 | 2 | 2 | 1 |
| Total provision | 55 | 52 | 35 | 29 |
| Impairment charges | 14 | 1 | 3 | -2 |
| Additions | 14 | 3 | 5 | 2 |
| Write-offs | 3 | 4 | 20 | 4 |
| Loans in arrears (%) | 31.7% | 34.7% | 27.9% | 23.2% |
| Impaired ratio | 26.1% | 29.3% | 21.9% | 21.3% |
| Coverage ratio ¹ | 74.3% | 75.8% | 68.8% | 63.6% |
| Total provision as a % of loans in arrears | 31.7% | 66.7% | 57.4% | 60.4% |
| Total provision as a % of gross loans | 20.5% | 23.1% | 16.0% | 23.2% |
| Impairment charges as a % of avg. gross loans | 10.4% | 0.8% | 2.7% | -1.9% |

- Retail other loans is a non-selling portfolio

[1] Specific provision as a % of impaired default loans

SNS Bank: Quality of SME loans

SME loans

| in € millions | 2H14 | 1H15 | 2H15 | 1H16 |
|---|-------|-------|--------|--------|
| Gross loans | 1,164 | 1,128 | 1,089 | 977 |
| Loans in arrears | 204 | 207 | 178 | 164 |
| Non-default loans | - | - | - | - |
| Impaired default loans | 204 | 207 | 178 | 164 |
| Specific provision | 123 | 118 | 95 | 79 |
| IBNR provision | 6 | 7 | 4 | 3 |
| Total provision | 129 | 125 | 99 | 82 |
| Impairment charges | 30 | 10 | -13 | -3 |
| Additions | 37 | 12 | 12 | 7 |
| Write-offs | 10 | 13 | 14 | 14 |
| Loans in arrears (%) | 17.5% | 18.4% | 16.3% | 16.8% |
| Impaired ratio | 17.5% | 18.4% | 16.3% | 16.8% |
| Coverage ratio ¹ | 60.3% | 57.0% | 53.4% | 48.2% |
| Total provision as a % of loans in arrears | 63.2% | 60.4% | 55.6% | 50.0% |
| Total provision as a % of gross loans | 11.1% | 11.1% | 16.3% | 8.4% |
| Impairment charges as a % of avg. gross loans | 5.09% | 1.71% | -2.27% | -0.68% |

[1] Specific provision as a % of impaired default loans

SNS Bank investment portfolio

Breakdown portfolio (sector)

| in € billions | 2015 | % | 1H16 | % |
|--------------------------------|------------------------|-------------|------------|-------------|
| Sovereigns | 5.0 | 78% | 5.4 | 80% |
| Financials | 0.9 | 15% | 0.6 | 10% |
| Corporates | 0.5 | 7% | 0.6 | 10% |
| Other | 0.0 | 0% | 0.0 | 0% |
| Total | 6.4¹ | 100% | 6.6 | 100% |
| - of which liquidity portfolio | 5.6 | | 5.6 | |
| - of which deposits | 0.7 | | 1.4 | |
| - of which trading portfolio | 0.1 | | 0.0 | |

Breakdown portfolio (maturity)

| in € billions | 2015 | % | 1H16 | % |
|---------------|------------------------|-------------|------------|-------------|
| < 3 months | 0.6 | 10% | 1.1 | 17% |
| < 1 year | 0.3 | 5% | 0.3 | 5% |
| < 3 years | 0.9 | 13% | 0.8 | 12% |
| < 5 years | 1.1 | 17% | 0.6 | 9% |
| < 10 years | 2.8 | 44% | 2.9 | 44% |
| < 15 years | 0.2 | 3% | 0.5 | 7% |
| >15 years | 0.5 | 8% | 0.4 | 6% |
| Total | 6.4¹ | 100% | 6.6 | 100% |

Breakdown portfolio (rating)

| in € billions | 2015 | % | 1H16 | % |
|---------------|------------------------|-------------|------------|-------------|
| AAA | 3.3 | 51% | 3.1 | 47% |
| AA | 2.4 | 37% | 2.2 | 34% |
| A | 0.6 | 10% | 1.2 | 18% |
| BBB | 0.1 | 2% | 0.1 | 1% |
| < BBB | 0.0 | 0% | 0.0 | 0% |
| No rating | 0.0 | 0% | 0.0 | 0% |
| Total | 6.4¹ | 100% | 6.6 | 100% |

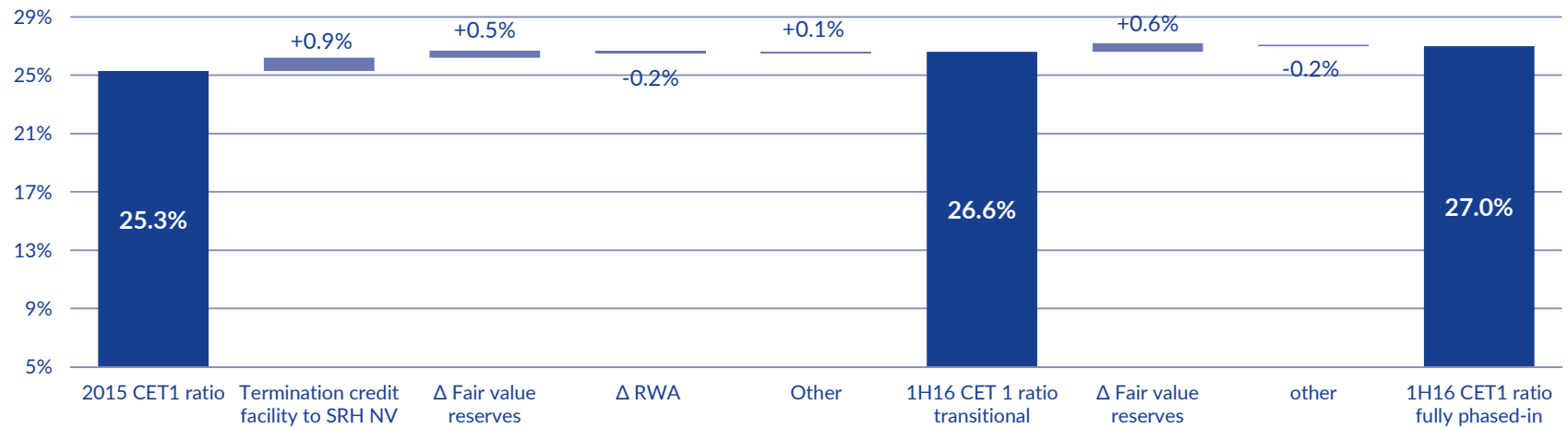
Breakdown portfolio (geographic)

| in € millions | 2015 | % | 1H16 | % |
|--------------------|--------------------------|-------------|--------------|-------------|
| Netherlands | 1,684 | 26% | 1,433 | 26% |
| Germany | 1,504 | 23% | 1,236 | 23% |
| Other ² | 1,347 | 18% | 1,957 | 18% |
| France | 1,098 | 17% | 1,128 | 17% |
| Belgium | 596 | 11% | 703 | 11% |
| Italy | 113 | 4% | 62 | 4% |
| Ireland | 97 | 2% | 105 | 2% |
| Spain | 2 | 0% | 0 | 0% |
| Total | 6,441¹ | 100% | 6,624 | 100% |

[1] Includes SNS Securities investment portfolio (included in assets held for sale) [2] Other mainly consists of Japan, Switzerland, Czech Republic, Austria and Luxembourg

Improvement capital position

Development CET 1 ratio



SNS BANK N.V.

Visiting address
Hojel City Center
A-Building
Croeselaan 1
3521 BJ Utrecht

Post address
PB 8444
3503 RK Utrecht

