

SNS BANK N.V.

Tier II investor and analyst presentation

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RegioBank



Zwitserleven

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Executive summary



- SNS Bank, the fourth largest bank in the Netherlands, operates in the Dutch retail market with a focus on mortgages, savings and payments
- SNS Bank has a multi-brand, single IT-platform strategy. Brands include ASN Bank, BLG Wonen, RegioBank, SNS and Zwitserleven
- SNS Bank has substantial positions in its core markets. Market share in retail mortgages is 7%, market share in retail savings balances stands at 11% and in current accounts it is 6%. Together, the brands of SNS Bank reach almost 3 million customers
- Following the transfer from SNS REAAL to the Dutch State, SNS Bank operates as a fully independent entity. Its strategic priorities are to achieve an excellent customer experience, further improve its business operations and to maintain a moderate risk profile
- The retail banking activities of SNS Bank have been profitable throughout the years. In the first half of 2015, the bank reported a strong increase in profit, a net interest margin of 1.54% and an adjusted efficiency ratio of 46.6%. The quality of the mortgage loan portfolio improved: loans in arrears showed a marked decline
- Stand-alone capital ratios of SNS Bank in 1H15 were solid: a CET 1 ratio of 20.4% and a leverage ratio of 4.3%
- In anticipation of future capital requirements (MREL, TLAC), SNS Bank intends to further strengthen and diversify its capital base
- SNS Bank intends to re-access capital markets by issuance of €500m 10NC5 Tier 2 security. Going forward, SNS Bank plans to be a frequent issuer of capital market debt



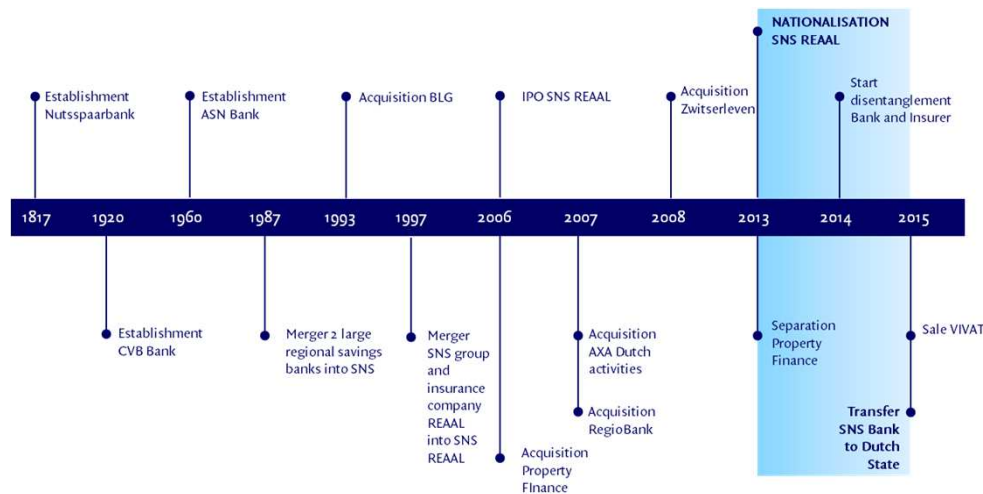
I. Business profile

SNS Bank: A fully independent bank

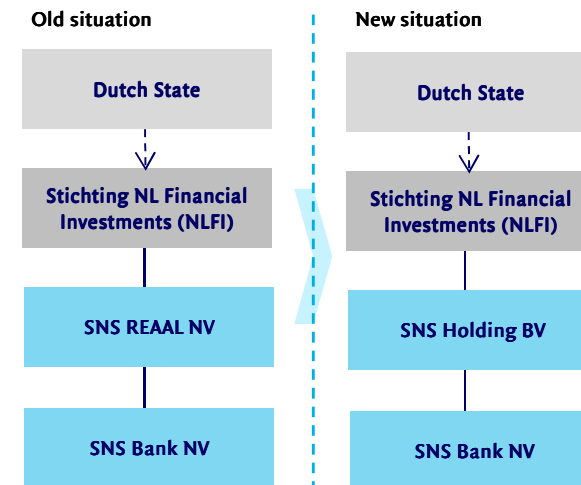
The transfer of SNS Bank to the Dutch State on 30 September 2015 marked the end of the disentanglement process of SNS REAAL

- The history of SNS Bank started in 1817, with the establishment of the Nutsspaarbank. In 1997, the SNS Group merged with insurance company REAAL to form SNS REAAL. An IPO of SNS REAAL in 2006 was followed by a number of large acquisitions: Property Finance (commercial real estate financing), AXA NL and Zwitserleven. Mounting losses at Property Finance led to the nationalisation of SNS REAAL on 1 February 2013
- The nationalisation of SNS REAAL has led to the disentanglement of the company: in 2013 Property Finance was separated from the group, in 2015 the insurance operations (renamed VIVAT) were sold and on 30 September 2015 SNS Bank was transferred from SNS REAAL to the Dutch State (NLF) for a consideration of € 2.7 billion
- NLF requested a holding structure similar to its participation in ABN AMRO
- Following the transfer to the Dutch State, SNS Bank operates as a fully independent bank. The Minister of Finance has requested NLF to advise on the sale of SNS Bank no sooner than mid-2016

SNS Bank: Embedded in Dutch society



Transfer SNS Bank to Dutch State on 30 Sep 2015



SNS Bank: A purely Dutch retail bank and a national SIFI

Profile SNS Bank

- Focus on:
 - **Dutch retail segment:** private individuals, self-employed customers and SMEs
 - **3 core products:** mortgages (7% market share), savings (11% market share) and payments (6% market share)
 - **5 differentiated brands:** 'ASN Bank', 'BLG Wonen', 'RegioBank', 'SNS', and 'ZwitserlevenBank'
- The brands are supported by a single back office, a strong IT organisation and a central staff organisation
- Strong direct distribution channels, complemented by two franchise formulas (for SNS and RegioBank brands) with a relatively large network of bank branches
- Solid balance sheet
- SNS Bank is a national SIFI and one of the 120 largest European banks supervised by the ECB

ASN BANK








RegioBank



SNS Zwitserleven

SNS Bank, the fourth largest bank of the Netherlands, operates in the Dutch retail market with a focus on mortgages, savings and payments

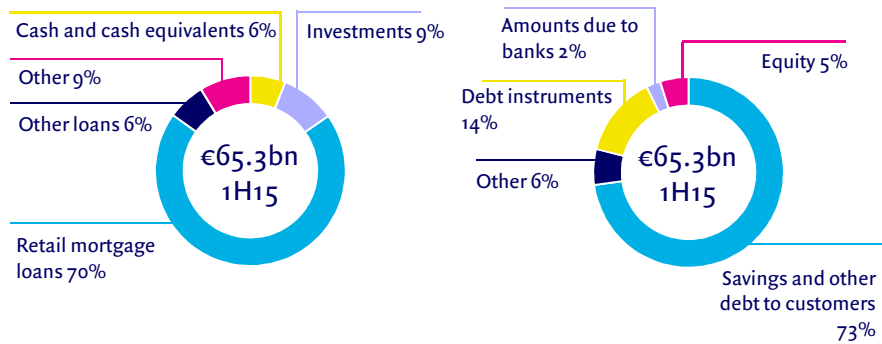
With its multi-brand strategy, SNS Bank reaches almost 3 million customers

| |  |  |  |  |  |
|---|---|--|--|---|---|
| Targeting distinctive customer groups | ASN Bank wants to contribute to a more sustainable society respecting the following pillars: climate, human rights and biodiversity | BLG Wonen serves customers through intermediaries and offers housing-related solutions that meet the needs of the customer's financial situation | RegioBank wants to be a truly local bank with face-to-face contact for every customer and a full range of services | SNS: a no-nonsense bank with simple products that benefit the customer. Challenger of the major banks | ZwitserlevenBank offers various savings products based on the 'Simplicity for later' strategy |
| Leveraging different distribution channels | Online - Mobile | 1,935 Independent advisers | Soft franchise: 535 independent advisers RegioBank - Online - Mobile | Own shops and hard franchise: 188 SNS shops - Online - Mobile | Online |
| Products | Payments – Savings Investments | Mortgages - Savings | Payments - Savings Mortgages | Payments-Savings- Mortgages- Insurance products | Savings |
| # Customers | >600k | >115k | >560k | ≈1.5m | >15k |

SNS Bank aims to create value by targeting distinctive customer groups, leveraging different distribution channels, supported by a single back office and a central staff organisation

SNS Bank: Focussed and well capitalised

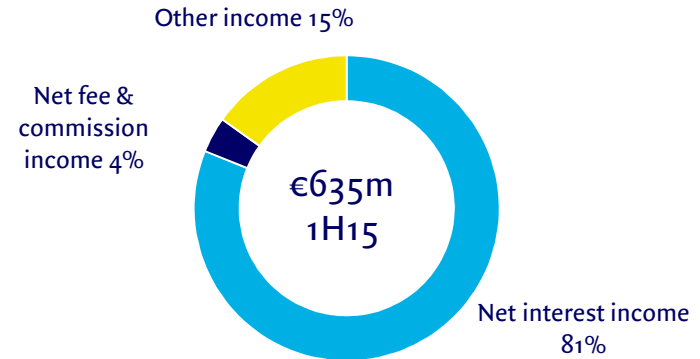
Focus on retail mortgage and savings



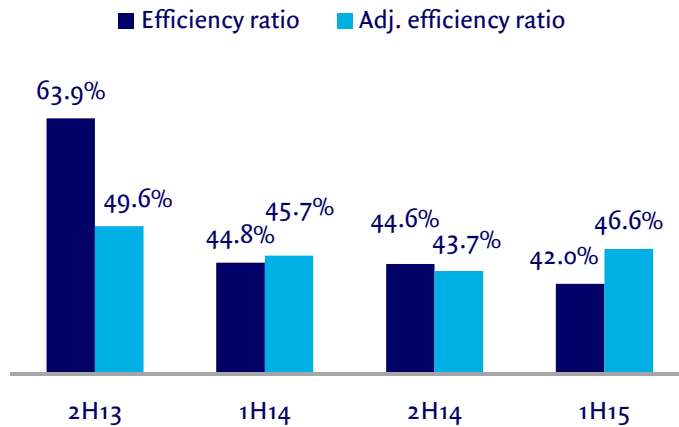
Total assets

Total liabilities and equity

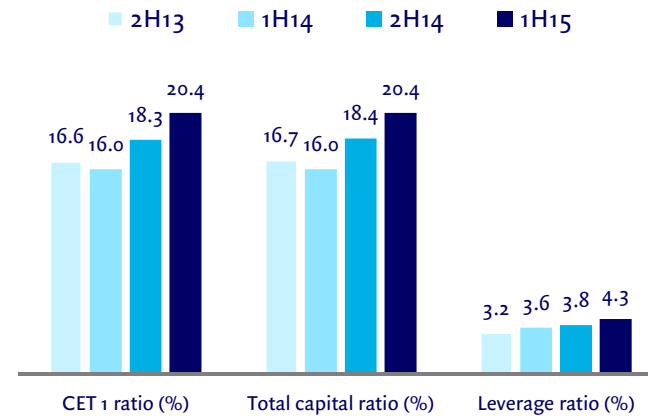
Total income consists predominantly of interest margin



Low and variable cost base

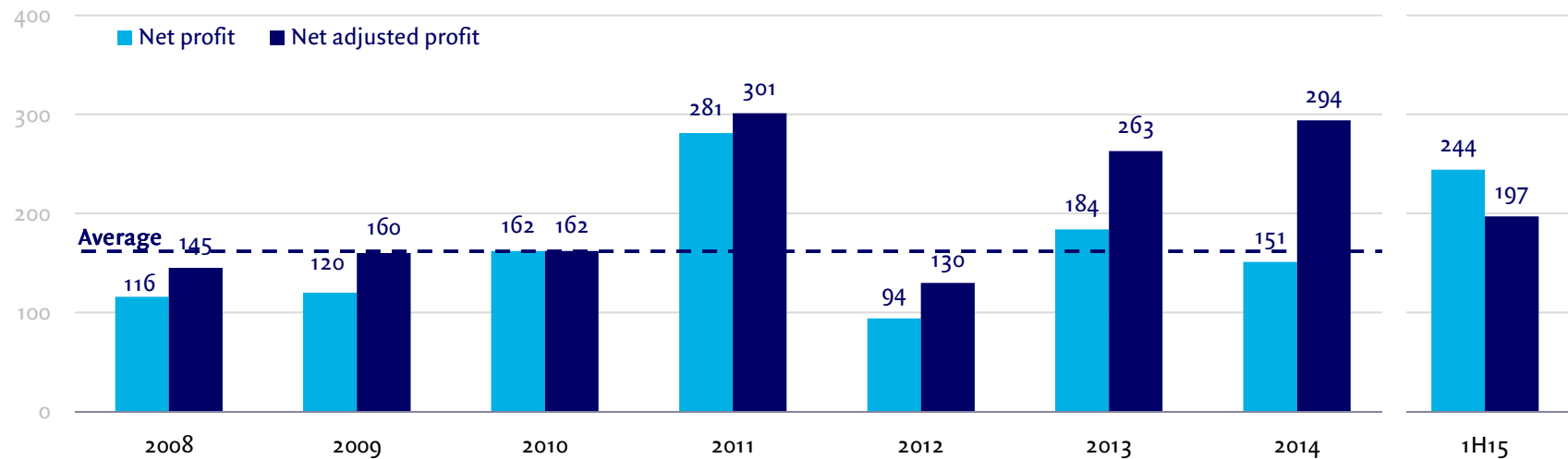


Strong capital ratios



The retail banking activities of SNS Bank have been profitable throughout the years

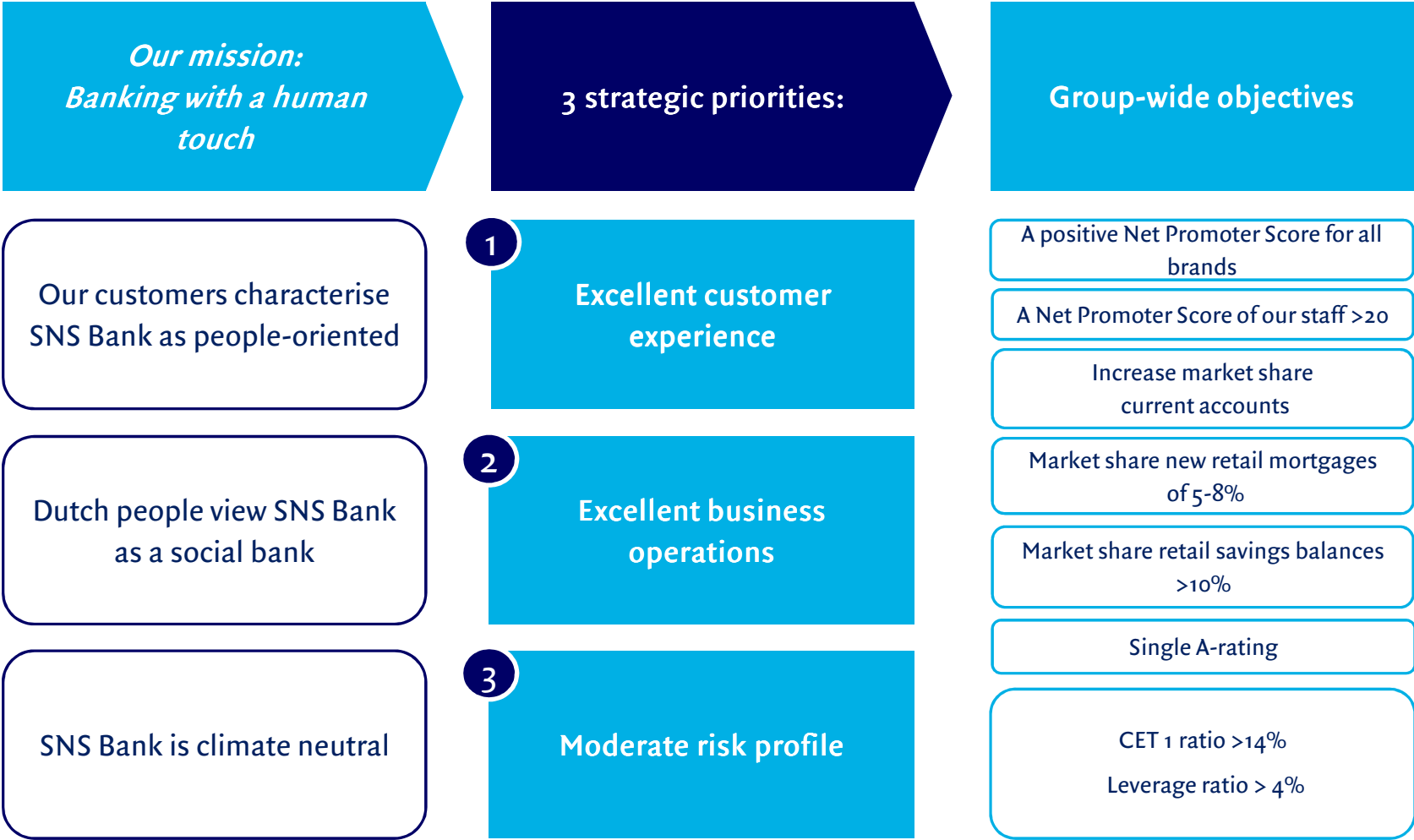
Net and adjusted¹ profit SNS Bank's retail banking activities in € millions



[1] Net profit adjusted for one off items

The retail banking activities of SNS Bank remained profitable, even in the stressed year of 2012

SNS Bank's mission, strategic priorities and group-wide objectives

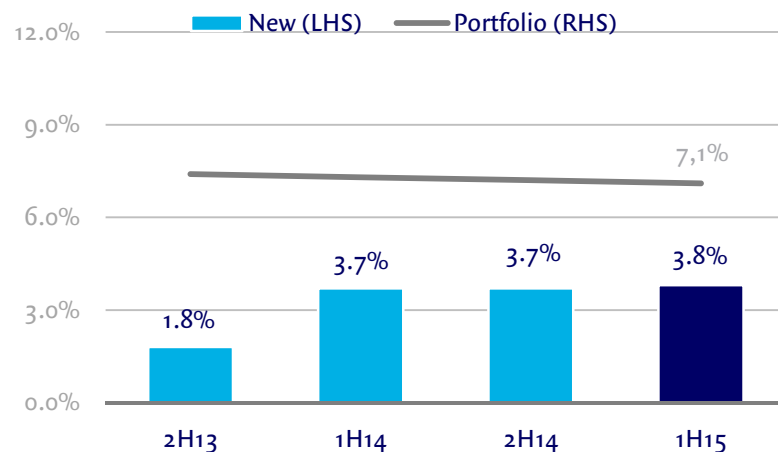




II. 1H15 results and outlook

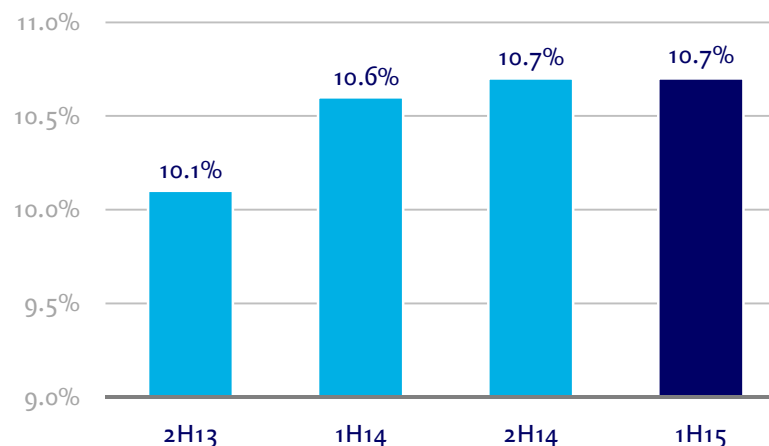
Virtually stable market shares in retail mortgages and savings balances in 1H15

Market share retail mortgages



- New retail mortgage production increased to €0.9bn (+34%). However, in a growing market, market share was up only slightly
- Target market share new retail mortgages: 5-8%
- Slightly lower market share based on total retail mortgage loan portfolio at 7.1%, driven by €1.5bn redemptions (1H14: €1.2bn)

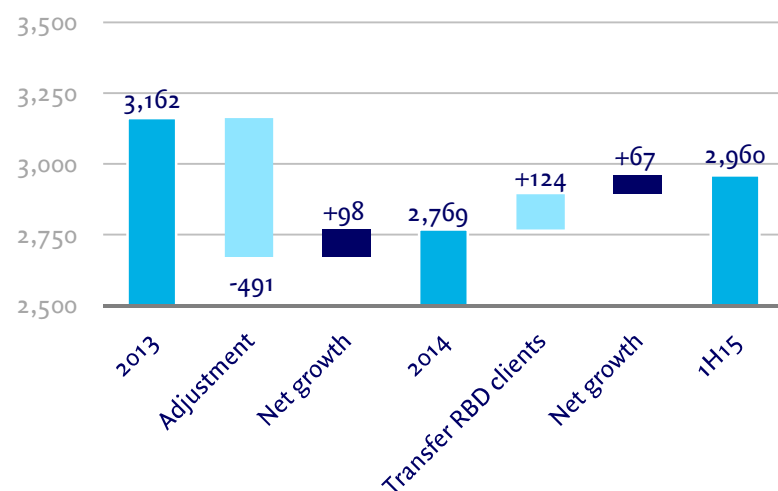
Market share retail savings balances



- Retail savings balances increased to € 37.3bn, up €1.6bn (+5%) compared to YE14
- Market share in retail savings balances remained stable at 10.7%, in line with target of >10%

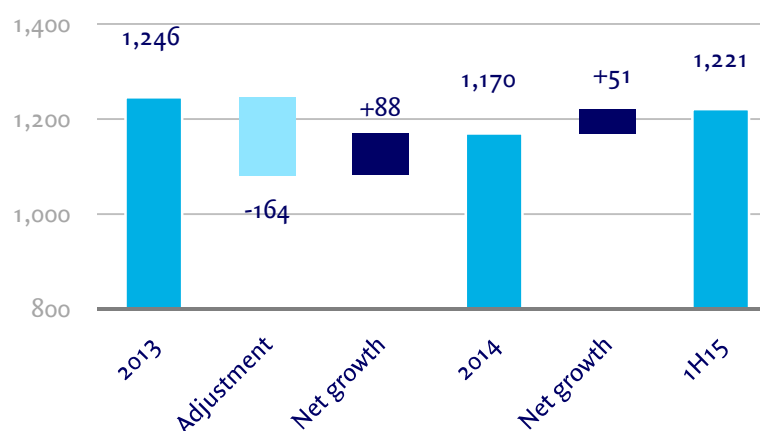
Continued increase in current account customers in 1H15

SNS Bank customers (in 1,000)



- SNS Bank welcomed 131,000 new customers (net growth: 67,000; +2.4%) in 1H15
- All brands contributed to the growth of the customer base; overall improvement of customer satisfaction rates since 2013
- Transfer of 124,000 clients REAAL Bancaire Diensten (RBD) to SNS Bank in 1H15

Current account customers (in 1,000)










- New current account customers of 75,000 gross (51,000 net; +4.3%) in 1H15
- Market share in new current accounts of 22%¹

[1] period 2Q14 – 1Q15

Improving Net Promoter Scores at most brands

Net Promoter Score (NPS; %)

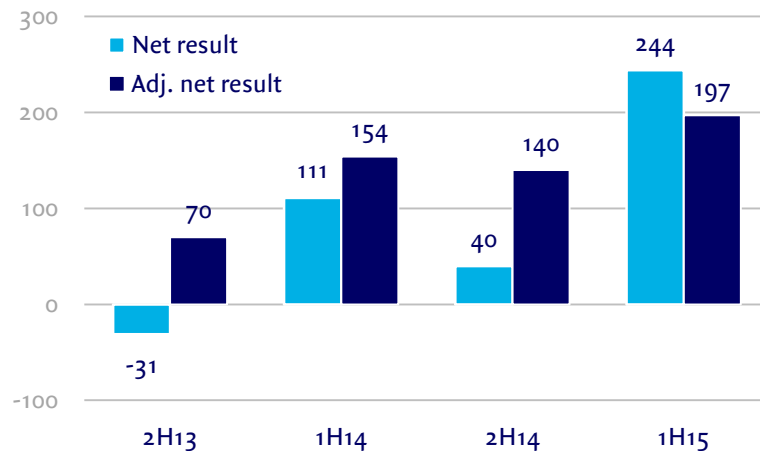
| Brand | 2010 | 2011 | 2012 | 2013 | 2014 | 1H15 | Trend 2010 – 1H15 |
|--|------|------|------|------|------|------|---|
|  SNS | -67 | -33 | -35 | -39 | -28 | -26 |  |
| ASN  BANK | +19 | +34 | +22 | +19 | +12 | +13 |  |
| RegioBank | -33 | -18 | -8 | -7 | -7 | +3 |  |
|  BLG Wonen | -- | -- | -- | -15 | -14 | -40 |  |

* BLG Wonen measurement started in 1H13

- Slight improvement NPS at SNS Bank
- ASN Bank continued to have one of the highest customer satisfaction rates in the industry
- RegioBank obtained a positive NPS for the first time in its history
- Sharp drop of NPS at BLG Wonen due to first time inclusion of former RBD clients

Solid financial performance in 1H15, strong increase net adjusted profit

Result (€m)



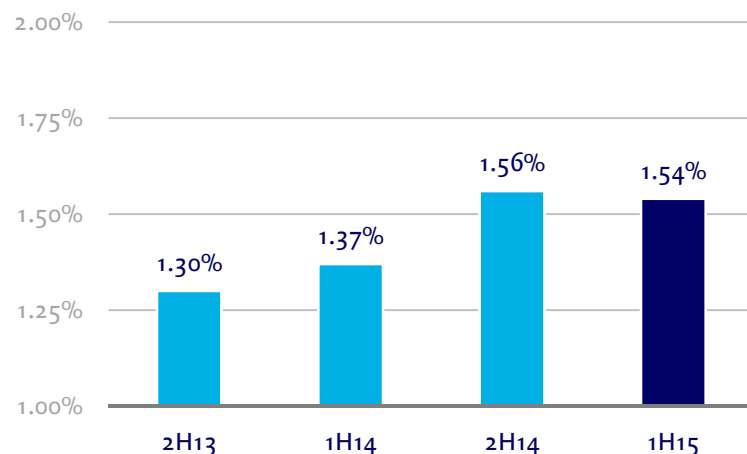
Adjusted net result

| In € millions | 1H14 | 2H14 | 1H15 | Δ y-o-y |
|---|------------|-------------|------------|--------------|
| Net result for the period | 111 | 40 | 244 | +120% |
| Impairment goodwill RegioBank | -- | -67 | -- | |
| Resolution levy related to nationalisation of SNS REAAL | -51 | -25 | -- | |
| Fair value movements of mortgages/related derivatives | 8 | -8 | 47 | |
| Total one-off items | -43 | -100 | 47 | |
| Adjusted net result for the period | 154 | 140 | 197 | +28% |
| Return on Equity | 8.0% | 2.7% | 16.0% | |
| Adjusted Return on Equity | 11.4% | 9.7% | 12.9% | |

- 28% higher adjusted 1H15 net profit of €197m, driven by lower loan impairment charges and higher net interest income, more than compensating an increase in operating expenses
- 1H15 net profit more than doubled, impacted by a sharp swing in one-off items. In 1H15, net profit was supported by high unrealised gains on former DBV mortgages and related derivatives accounted for at fair value. This fair value is influenced by customer mortgage rates and swap rate movements

Modest increase in 1H15 interest income, sharp swing of result on financial instruments

Net interest margin (% average assets)



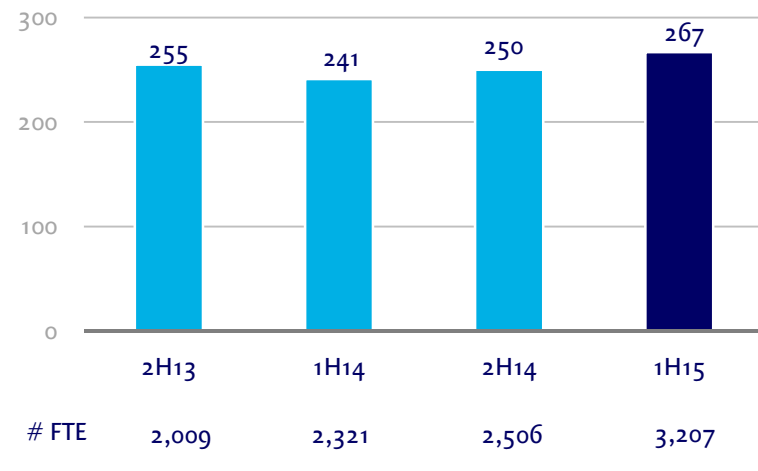
Income

| In € millions | 1H14 | 2H14 | 1H15 | Δ y-o-y |
|---------------------------------|------------|------------|------------|-------------|
| Net interest income | 491 | 533 | 515 | +5% |
| Net fee and commission income | 24 | 20 | 24 | 0% |
| Investment income | 35 | 37 | 32 | -9% |
| Result on financial instruments | -16 | -30 | 63 | - |
| Other operating income | 4 | 1 | 1 | -75% |
| Total income | 538 | 561 | 635 | +18% |

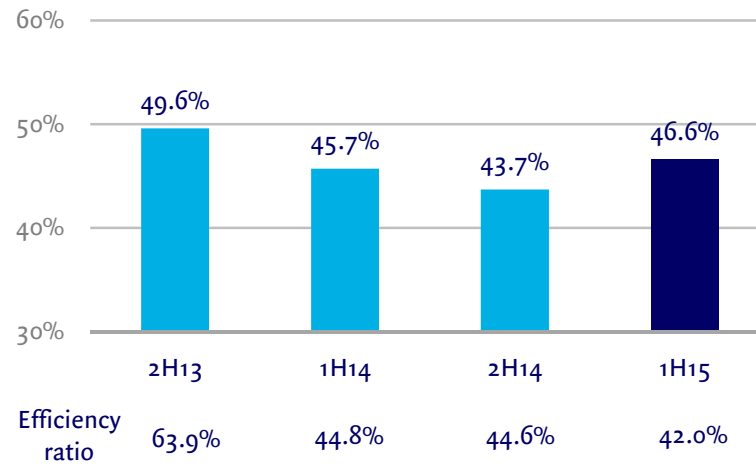
- 5% y-o-y increase in net interest income, mainly driven by declining interest rates on retail funding, partly offset by lower customer interest rates on mortgages. Prepayment charges on mortgages were higher and redemptions of wholesale funding had a positive impact
- Lower net interest income compared to 2H14, fully driven by the positive impact of an adjustment of the effective interest calculation of impaired loans in 2H14 (€27m)
- Sharp swing in result on financial instruments, mainly due to unrealised gains on former DBV mortgages and related derivatives

Sound efficiency ratio in spite of upward trend in 1H15 operating expenses

Operating expenses (€m)



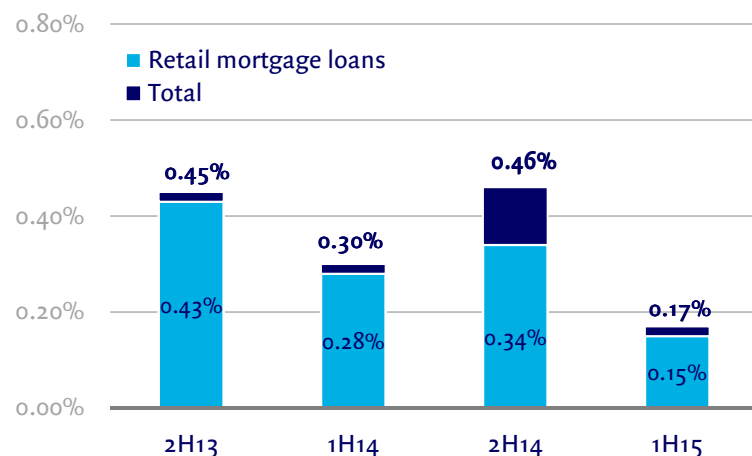
Adjusted efficiency ratio



- 11% y-o-y increase in operating expenses mainly driven by cost dis-synergies related to the transfer of employees from holding company SNS REAAL and costs to facilitate increased activities at mortgage operations and to improve risk management/the operational control environment
- Considerable increase in FTE, mainly due to transfer of employees from SNS REAAL and RBD
- Additional regulatory levies related to the Dutch banking tax, the ex ante National Resolution Fund contribution and an ex ante Deposit Guarantee Scheme contribution are expected to amount to approximately €20m net in 2H15

Lower 1H15 impairment charges; decline in loans in arrears

Loan impairment charges (% average loans)



Ratios (retail mortgage loans)

| | 1H14 | FY14 | 1H15 |
|--------------------------------|-------|-------|-------|
| Loans in arrears % gross loans | 4.6% | 4.3% | 4.0% |
| Impaired default % gross loans | 3.1% | 2.9% | 2.8% |
| LLR % gross loans | 0.69% | 0.70% | 0.69% |
| Coverage ratio | 20.3% | 19.6% | 20.7% |

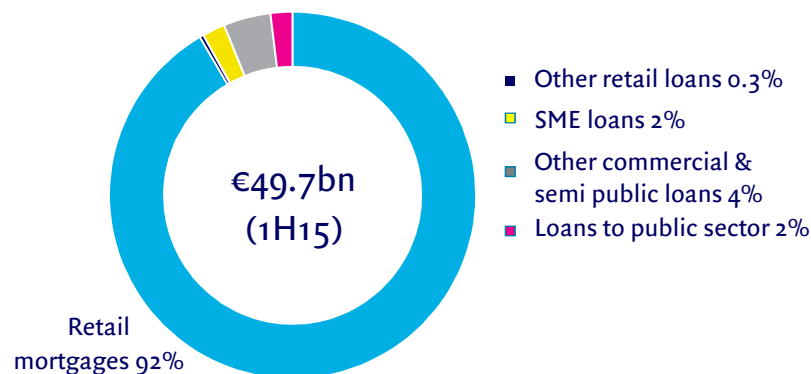
Impairment charges

| In € millions | 1H14 | 2H14 | 1H15 | Δ y-o-y |
|---------------------------------|-----------|------------|-----------|-------------|
| Retail mortgage loans | 66 | 80 | 34 | -48% |
| SME loans | 14 | 30 | 10 | -29% |
| Other | 1 | 16 | - | -50% |
| Total impairment charges | 81 | 126 | 44 | -46% |

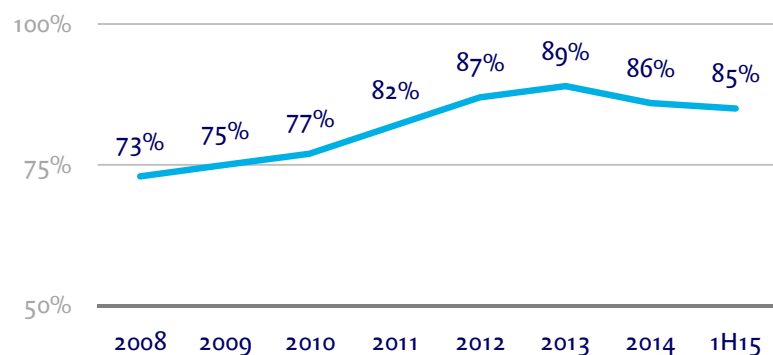
- Impairment charges on retail mortgages declined, driven by a lower net inflow of impaired default loans. Also, impairment charges in FY14 were impacted by non-recurring items
- Mortgages in arrears (from 1 day overdue) showed a marked decrease to €1.8bn, 4% of gross loans, (YE14: €2.0bn; 4.3%) supported by a cautious recovery of the Dutch economy
- Coverage ratio increased to 20.7%

Improving quality of retail mortgage loans

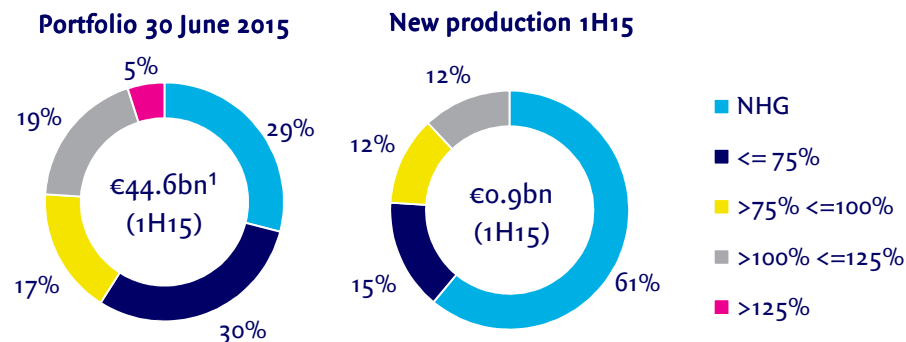
Loan portfolio



Average LtV



Retail mortgage loans by LtV buckets



[1] total retail mortgage loans -/- fair value adjustments from hedge accounting

- Limited decrease of retail mortgage portfolio to €45.5bn (YE14: €46.2bn) due to redemptions, partly offset by sales of new mortgages
- Low risk profile new mortgages: 61% covered by NHG in 1H15 (total portfolio: 29%)
- Average LTV declined to 85%

Key items balance sheet 1H15

| In € millions | 1H14 | 2014 | 1H15 | Δ y-o-y |
|--|---------------|---------------|---------------|------------|
| Total assets | 68,633 | 68,159 | 65,327 | -5% |
| Loans and advances to customers | 53,550 | 52,834 | 49,705 | -7% |
| - of which retail mortgage loans | 46,534 | 46,230 | 45,508 | -2% |
| - of which retail other loans | 235 | 213 | 173 | -26% |
| - of which SME loans | 1,074 | 1,035 | 1,003 | -7% |
| - of which other, including (semi) public sector loans | 5,707 | 5,356 | 3,022 | -47% |
| Loans and advances to banks | 2,537 | 2,604 | 2,402 | -5% |
| Investments | 5,888 | 7,000 | 6,055 | +3% |
| Amounts due to customers | 46,518 | 46,208 | 47,621 | +2% |
| - of which retail savings | 36,269 | 35,666 | 37,277 | +3% |
| - of which other amounts due to customers | 10,249 | 10,542 | 10,344 | +1% |
| Amounts due to banks | 2,915 | 2,099 | 1,587 | -46% |
| Debt certificates | 12,077 | 11,252 | 9,027 | -25% |
| Shareholders' equity | 2,822 | 2,963 | 3,148 | +12% |

Comments

- Balance sheet total decreased by €2.8bn to €65.3bn compared to YE14. Proceeds from the sale of investments and redemptions of (mortgage) loans have been used to redeem €2.2bn of debt certificates
- Retail mortgage loans decreased to €45.5bn due to redemptions, partly compensated by new production
- Other loans and advances to customers decreased by €2.3bn to €3.0bn due to a decrease of cash loans to the public sector as part of liquidity management
- Other loans and advances to customers of €3.0bn include ASN Bank loans of approx. €1.9bn to local governments, health and welfare services, water extraction and management a.o.
- Investments decreased by €0.9bn to €6.1bn due to the sale of investments available for sale as part of liquidity management
- Retail savings increased by €1.6bn due to interest accrual and net new inflow
- Shareholders' equity increased by €185m to €3.2bn due to net profit retention, partly offset by a decrease of the fair value reserve of the fixed-income portfolio and the cash flow hedge reserve

Outlook for second half of 2015



- In 2H15, total income is expected to be lower than in 1H15. Results on fair value movements of former DBV mortgages and related derivatives are volatile and may be lower compared to the high level in 1H15
- In addition, the intended divestment of SNS Securities, if and when completed, is expected to result in a substantial loss compared to the book value (€34m at the end of June 2015)
- Loan impairment charges in 2H15 are expected to be in line with the 1H15 level
- Operating costs will continue to be impacted by dis-synergies related to the disentanglement from SNS REAAL and initiatives to improve operations and risk management. Additional regulatory levies related to the Dutch banking tax, the ex ante National Resolution Fund contribution and an ex ante Deposit Guarantee Scheme contribution are expected to amount to approximately €20m net in 2H15

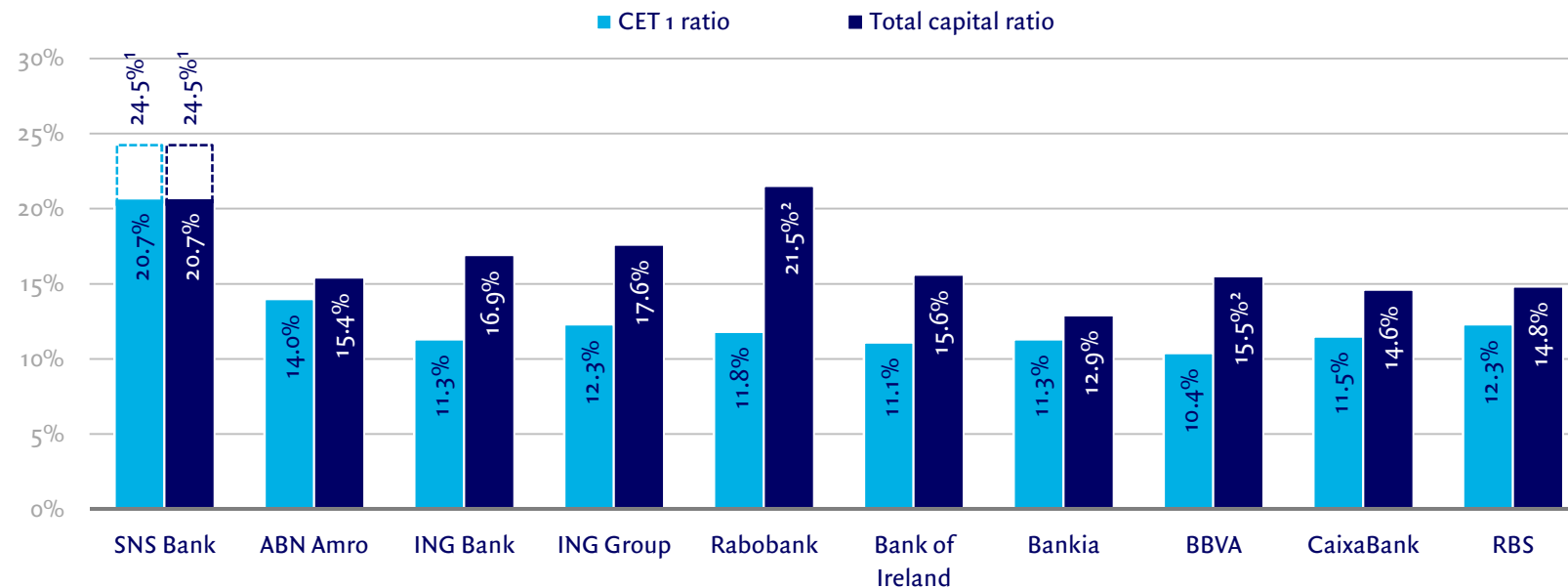
We expect SNS Bank to achieve a satisfactory result in 2H15, albeit at a lower level than in 1H15



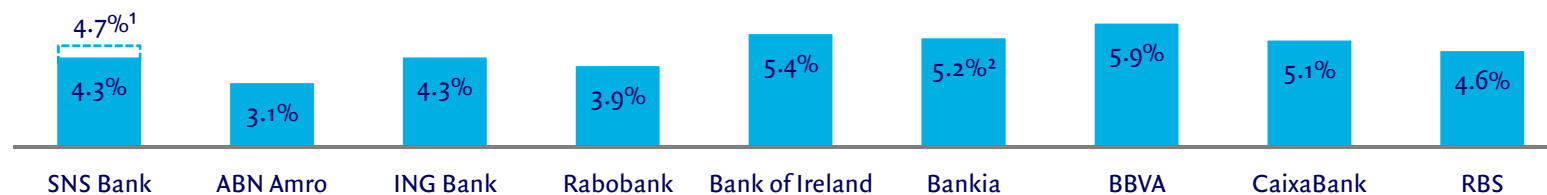
III. Capital, funding & liquidity

SNS Bank: Solid capital ratios compared to other Dutch and European banks

Fully loaded capital ratios as per end June 2015



Fully loaded leverage ratios as per end June 2015



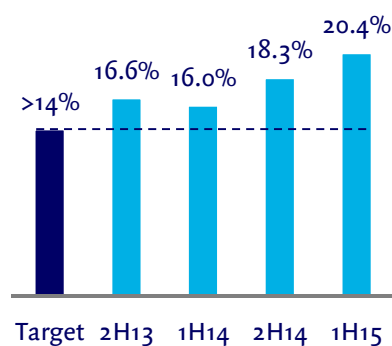
[1] Pro forma including 2Q15 net profit, redemption of a €250m loan to VIVAT and termination of a €100m cash facility to SNS REAAL (see slide 25)

[2] Total capital ratios for Rabobank and BBVA are transitional due to lack of disclosure, the leverage ratio of Bankia is based on the delegated act

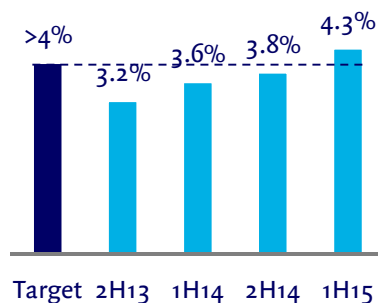
Improving stand-alone capital ratios since 2013

| In € millions | 2013 ¹ | 1H14 | 2014 | 1H15 |
|------------------------------------|-------------------|--------|--------|--------|
| Stand-alone transitional | | | | |
| CET 1 capital | 2,415 | 2,430 | 2,520 | 2,742 |
| Risk-weighted assets | 14,578 | 15,229 | 13,771 | 13,423 |
| CET 1 ratio | 16.6% | 16.0% | 18.3% | 20.4% |
| Tier 1 ratio | 16.6% | 16.0% | 18.3% | 20.4% |
| Total capital ratio | 16.7% | 16.0% | 18.3% | 20.4% |
| Leverage ratio | 3.2% | 3.6% | 3.8% | 4.3% |
| Stand-alone fully phased-in | | | | |
| CET 1 ratio | 12.3% | 14.6% | 17.4% | 20.7% |
| Leverage ratio | 2.5% | 3.3% | 3.6% | 4.3% |

Stand-alone CET 1 ratio vs target



Stand-alone leverage ratio vs target



[1] Transitional figures based on Basel II

Comments

- As from the moment of transfer of SNS Bank from SNS REAAL to the Dutch State (30 September 2015). SNS Bank's regulatory capital position and capital ratios are similar to the level of the SNS Bank stand-alone figures. This positively impacts capital ratios: 1H15 CET 1 ratio/leverage ratio on MFH basis: 14.1%/1.7% > on a stand-alone basis: 20.4%/4.3%
- 1H15 stand-alone capitalisation does not include 2Q15 net profit of €135m
- Stand-alone CET 1 ratio increased to 20.4% in 1H15, mainly due to inclusion net profit 2H14/1Q15, slightly lower RWA and a positive impact from prudential filters (conversion DTA and phasing in of fair value reserve)
- Fully phased-in CET 1 ratio (stand-alone) of 20.7%, higher than transitional CET 1 ratio, due to positive fair value reserve
- 1H15 average risk weighting of mortgages ~18%. 1H15 risk weighting of total assets ~21%
- SNS Bank aims for a CET1 ratio > 14% and a Leverage Ratio > 4% based on current regulations
- We closely follow the developments in respect of the BCBS consultation papers regarding credit risk (RWA, capital floors and revised Standardised Approach)

SNS Bank is well positioned to meet anticipated capital requirements, given strong stand-alone capital ratios as of 1H15

Pro forma stand-alone capitalisation

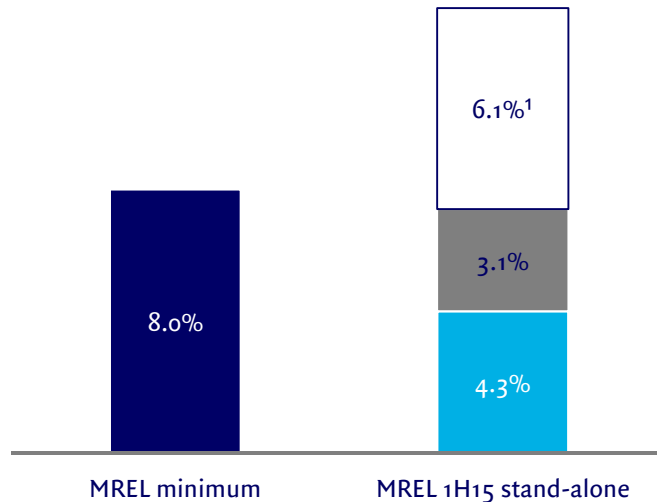
| In € millions | Reported 2Q15 | Net profit 2Q15 | Pro forma incl. net profit 2Q15 | Redemption of loan SNS Bank to VIVAT | Pro forma incl. net profit 2Q15 and redemption of loan | Termination cash facility SNS REAAL | Pro forma incl. net profit 2Q15, redemption of loan and termination cash facility |
|---------------------------------|---------------|-----------------|---------------------------------|--------------------------------------|--|-------------------------------------|---|
| Stand-alone transitional | | | | | | | |
| CET 1 capital | 2,742 | +135 | 2,877 | - | 2,877 | +100 | 2,977 |
| RWA | 13,423 | - | 13,423 | -1,250 | 12,173 | - | 12,173 |
| CET 1 ratio | 20.4% | +1.0% | 21.4% | +2.2% | 23.6% | +0.9% | 24.5% |
| Leverage ratio | 4.3% | +0.2% | 4.5% | - | 4.5% | +0.2% | 4.7% |

- Taking into account net profit for 2Q15 (€ 135m; impact 1.0%-point), the pro forma transitional CET1 ratio is 21.4%
- Redemption of a €250m loan from SNS Bank to VIVAT (expected before YE15) will reduce RWA by €1,250m (risk-weight of 500%). The impact of this is +2.2%-points. Taking also into account termination of the cash facility to SNS REAAL (€100m; impact 0.9%-points), the pro forma CET1 ratio is 24.5%

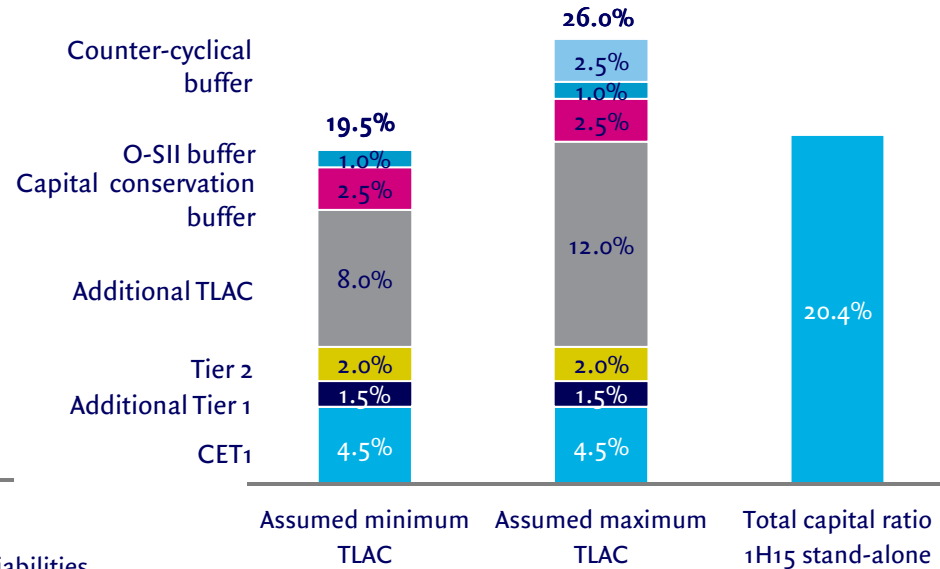
Pro forma stand-alone transitional CET1 ratio of SNS Bank, including net profit 2Q15 and after redemption loan VIVAT and termination cash facility SRH: 24.5%

SNS Bank aims to exclude all depositors from bail-in scenarios

MREL (as % of assets)



TLAC (as % of RWA)



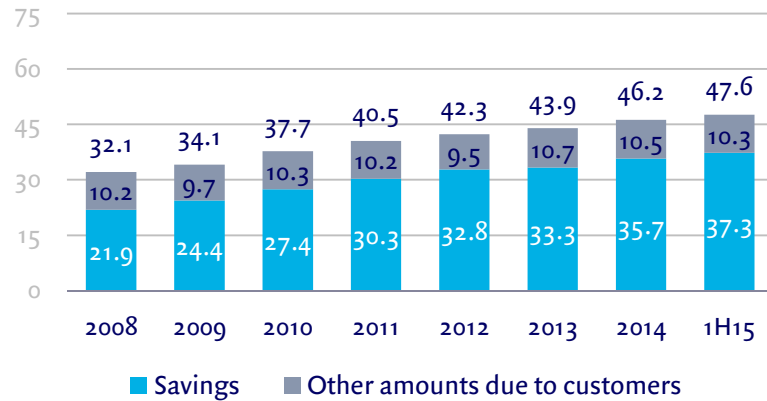
■ CET1 capital ■ Senior unsecured > 1y □ Other MREL eligible liabilities

- SNS Bank aims for MREL >8% by YE17 in such a way that depositors that are not DGS-guaranteed are protected from the 8% bail-in tool
- SNS Bank's capital ratio is within the expected risk-weighted TLAC required range but does not yet meet the expected unweighted TLAC requirement of an initially 6% leverage ratio (based on 1H15 RWA, equivalent to a risk-weighted TLAC-requirement of approx. 29%)
- Given all uncertainties regarding BCBS proposals, BRRD implementation and TLAC, SNS Bank will monitor developments closely and adapt its bail-in profile as and when regulation becomes more clear

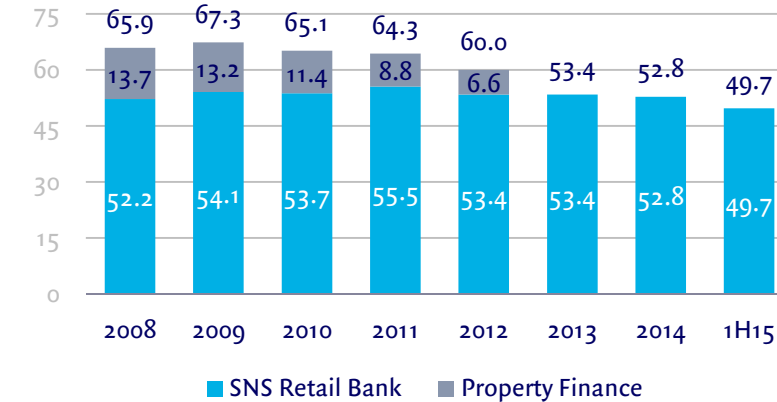
[1] Under current BRRD implementation, Other MREL eligible liabilities rank pari passu with senior unsecured debt

Increasing importance of retail funding over the years

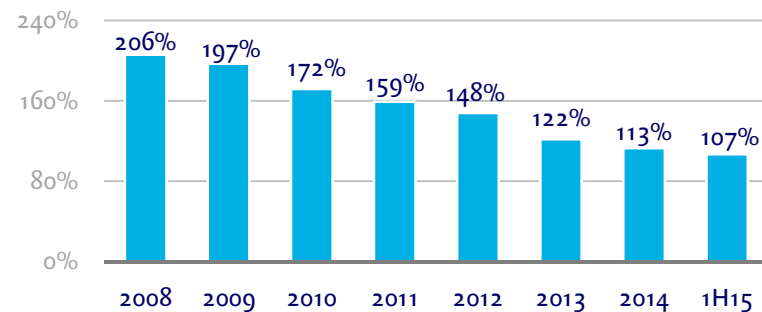
Development amounts due to customers
2008-1H15 in € billions



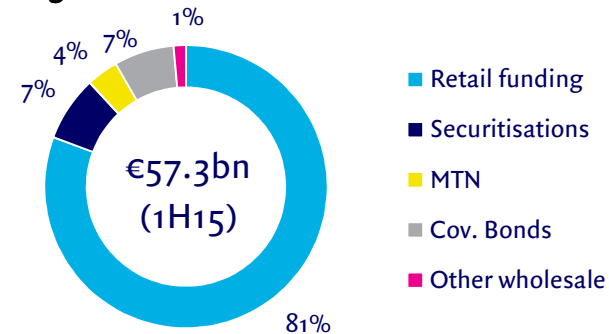
Development loans and advances to customers
2008-1H15 in € billions



Loan to Deposit ratio

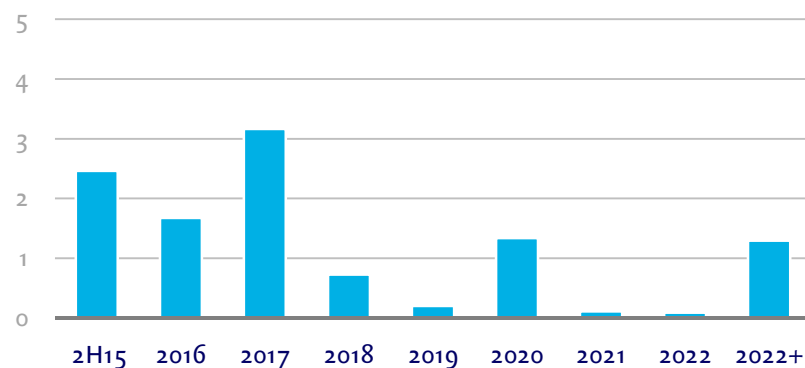


Funding mix

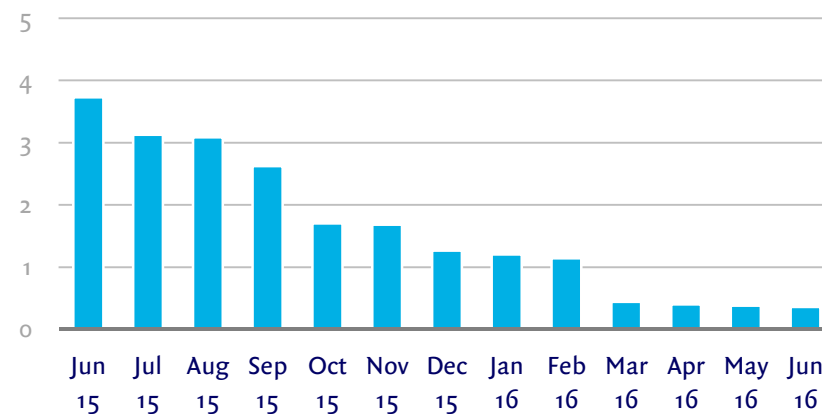


Strong liquidity position

Maturity profile of loans issued to the capital markets – per first call date (€bn)



Maturity cash profile



Liquidity position

| In € millions | 1H14 | 2014 | 1H15 |
|---|---------------|---------------|---------------|
| Cash | 3,978 | 2,537 | 3,729 |
| Sovereigns | 3,829 | 4,033 | 3,637 |
| Regional/local governments & supranationals | 436 | 540 | 600 |
| Other liquid assets | 128 | 215 | 360 |
| Eligible retained RMBS | 5,555 | 6,220 | 5,780 |
| Total liquidity position | 13,926 | 13,545 | 14,106 |

Liquidity Coverage Ratio (LCR)

| In € millions | 2014 | 1H15 |
|--------------------------------|-------|-------|
| High quality liquid assets | 6,309 | 8,162 |
| Net cash outflows over 30 days | 1,385 | 2,504 |
| LCR | 455% | 326% |

- NSFR is well above 100%



IV. Transaction overview

Transaction rationale

Tier 2 transaction rationale

- Raise loss absorbing capital contributing to meeting expected MREL and TLAC requirements
- Support credit rating ambition

Investment rationale

- Well capitalised and focused Dutch retail bank
- Moderate risk profile
- Positive outlook Dutch economy

Frequent issuer

- SNS Bank intends to access capital markets to further diversify and strengthen its capital base and funding profile

The Tier 2 transaction will mark the re-entrance of SNS Bank to capital markets

Summary of the transaction

| | |
|----------------------------------|--|
| Issuer | <ul style="list-style-type: none"> SNS Bank N.V. |
| Ratings | <ul style="list-style-type: none"> Issuer S&P: BBB (Neg) Moody's: Baa2 (Pos) Fitch: BBB (Sta) Tier 2 offering (expected) S&P: BB Moody's: Ba2 Fitch: BBB- |
| Currency & size | <ul style="list-style-type: none"> EUR benchmark 500 million (no grow) |
| Structure | <ul style="list-style-type: none"> 10NC5 Tier 2 |
| Maturity | <ul style="list-style-type: none"> 2025 |
| Reset Date | <ul style="list-style-type: none"> [-] 2020 the Interest Payment Date falling on the fifth anniversary of the Issue Date |
| Coupon | <ul style="list-style-type: none"> Fixed rate until the Reset Date If not called at the Reset Date, interest will reset to the aggregate of the Mid Swap Rate and initial margin Payable annually in arrears Optional call at the discretion of the Issuer on the Reset Date |
| Optional Redemption | <ul style="list-style-type: none"> Issuer will also have the option to call the Notes upon a Capital Event (full disqualification from Tier 2) or for Tax Reasons (loss of deductibility or gross up) Any option to call the Notes will be subject to the prior approval of the Competent Authority |
| Variation or Substitution | <ul style="list-style-type: none"> Either upon a Capital Event (full disqualification from Tier 2) or CRD IV Capital Event (partial disqualification from Tier 2), the Issuer may substitute or vary the Notes but only on terms that are not materially less favourable to Noteholders Any substitution or variation will in principle be subject to prior approval of the Competent Authority (<i>see Terms and Conditions for full list of additional requirements</i>) |
| Denomination | <ul style="list-style-type: none"> EUR 100K + 1K |
| Listing | <ul style="list-style-type: none"> Euronext Amsterdam and Luxembourg Stock Exchange |
| Governing law | <ul style="list-style-type: none"> Netherlands |

* Please see the base prospectus for full terms and conditions. The base prospectus is available on the website of SNS Bank: www.snsbanknv.nl



V. Appendix

SNS Bank: Summary p&l account 1H13 – 1H15

| In € millions | 2013 | 2014 | 1H13 | 2H13 | 1H14 | 2H14 | 1H15 |
|--------------------------------------|--------------|--------------|------------|-------------|------------|------------|------------|
| Net interest income | 957 | 1,024 | 460 | 497 | 491 | 533 | 515 |
| Net fee and commission income | 50 | 44 | 28 | 22 | 24 | 20 | 24 |
| Other income | 36 | 31 | 156 | (114) | 23 | 8 | 96 |
| Total income | 4,043 | 1,099 | 644 | 399 | 538 | 561 | 635 |
| Impairment charges | 224 | 207 | 94 | 130 | 81 | 126 | 44 |
| Impairment charges goodwill | -- | 67 | -- | -- | -- | 67 | -- |
| Total operating expenses | 522 | 491 | 267 | 255 | 241 | 250 | 267 |
| Other expenses | 8 | 83 | -- | 8 | 51 | 32 | -1 |
| Total expenses | 754 | 848 | 361 | 393 | 373 | 475 | 310 |
| Result before tax | 289 | 251 | 283 | 6 | 165 | 86 | 325 |
| Taxation | 105 | 100 | 68 | 37 | 54 | 46 | 81 |
| Net result | 184 | 151 | 215 | (31) | 111 | 40 | 244 |
| One-off items | (79) | (143) | 20 | (99) | (43) | (100) | 47 |
| Adjusted net result | 263 | 294 | 195 | 68 | 154 | 140 | 197 |
| Ratios | | | | | | | |
| Efficiency ratio | 50.0% | 44.7% | 41.5% | 63.9% | 44.8% | 44.6% | 42.0% |
| Operating expenses/ average assets | 0.67% | 0.69% | 0.67% | 0.67% | 0.67% | 0.73% | 0.80% |
| NIM/ average assets | 1.23% | 1.43% | 1.16% | 1.30% | 1.37% | 1.56% | 1.54% |
| Retail impairments/ retail mortgages | 0.36% | 0.31% | 0.29% | 0.43% | 0.28% | 0.34% | 0.15% |
| RoE | 7.1% | 5.4% | 20.7% | -2.5% | 8.0% | 2.7% | 16.0% |
| Adjusted RoE | 10.2% | 10.6% | 18.8% | 5.6% | 11.4% | 9.7% | 12.9% |

SNS Bank: Summary balance sheet 1H13 – 1H15

| In € millions | 30-6-2013 | 31-12-2013 | 30-6-2014 | 31-12-2014 | 30-6-2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total assets | 77,632 | 74,537 | 68,633 | 68,159 | 65,327 |
| Cash and cash equivalents | 6,744 | 5,528 | 2,693 | 1,968 | 3,913 |
| Loans and advances to banks | 2,588 | 6,063 | 2,537 | 2,604 | 2,402 |
| Loans and advances to customers | 52,177 | 53,405 | 53,550 | 52,834 | 49,705 |
| Derivatives | 2,792 | 2,484 | 2,661 | 2,702 | 2,198 |
| Investments | 5,306 | 5,657 | 5,888 | 7,001 | 6,055 |
| Property and equipment | 65 | 52 | 54 | 86 | 80 |
| Intangible assets | 93 | 89 | 84 | 15 | 12 |
| Deferred tax assets | 512 | 507 | 412 | 450 | 309 |
| Corporate income tax | -- | 208 | 275 | 66 | 36 |
| Other assets | 444 | 544 | 479 | 284 | 430 |
| Assets held for sale | 6,911 | -- | -- | 149 | 187 |
| Total liabilities and equity | 77,632 | 74,537 | 68,633 | 68,159 | 65,327 |
| <i>Savings</i> | <i>32,782</i> | <i>33,276</i> | <i>36,269</i> | <i>35,666</i> | <i>37,277</i> |
| <i>Other amounts due to customers</i> | <i>9,569</i> | <i>10,628</i> | <i>10,249</i> | <i>10,542</i> | <i>10,344</i> |
| Amounts due to customers | 42,351 | 43,904 | 46,518 | 46,208 | 47,621 |
| Amount due to banks | 8,254 | 7,457 | 2,915 | 2,099 | 1,587 |
| Debt certificates | 18,028 | 16,439 | 12,077 | 11,252 | 9,027 |
| Derivatives | 2,951 | 2,670 | 3,080 | 3,266 | 2,507 |
| Deferred tax liabilities | 265 | 174 | 239 | 287 | 217 |
| Other liabilities | 1,202 | 1,205 | 884 | 1,971 | 1,074 |
| Other provisions | 112 | 66 | 58 | 55 | 54 |
| Provision for employee benefits | -- | -- | -- | -- | 17 |
| Participation certificates and subordinated debt | 40 | 40 | 40 | 40 | -- |
| Liabilities held for sale | 2,098 | -- | -- | 18 | 75 |
| Shareholders' equity | 2,312 | 2,582 | 2,822 | 2,963 | 3,148 |

SNS Bank: Quality of retail mortgage loans

Retail mortgage loans

| in € millions | 2013 | 2014 | 1H15 |
|--|--------|--------|--------|
| Gross loans | 47,316 | 46,556 | 45,822 |
| Loans in arrears | 2,157 | 2,014 | 1,826 |
| Non default loans | 762 | 657 | 564 |
| Impaired default loans | 1,395 | 1,357 | 1,262 |
| Specific provision | 265 | 266 | 261 |
| IBNR provision | 41 | 60 | 53 |
| Total provision | 306 | 326 | 314 |
| Impairment charges | 173 | 146 | 34 |
| Additions | 226 | 179 | 81 |
| Write offs | 80 | 102 | 47 |
| Loans in arrears (%) | 4.6% | 4.3% | 4.0% |
| Impaired ratio | 2.9% | 2.9% | 2.8% |
| Coverage ratio ¹ | 19.0% | 19.6% | 20.7% |
| Total provision as a % of loans in arrears | 14.2% | 16.2% | 17.2% |
| Total provision as a % of gross loans | 0.65% | 0.70% | 0.69% |
| Impairments charges as a % of gross loans | 0.36% | 0.31% | 0.15% |

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

SNS Bank: Quality of retail other loans

Retail other loans

| in € millions | 2013 | 2014 | 1H15 |
|--|-------|-------|-------|
| Gross loans | 293 | 268 | 225 |
| Loans in arrears | 97 | 85 | 78 |
| Non default loans | 18 | 15 | 12 |
| Impaired default loans | 79 | 70 | 66 |
| Specific provision | 46 | 52 | 50 |
| IBNR provision | 1 | 3 | 2 |
| Total provision | 47 | 55 | 52 |
| Impairment charges | 5 | 16 | 1 |
| Additions | 5 | 17 | 3 |
| Write offs | 9 | 7 | 4 |
| Loans in arrears (%) | 33.1% | 31.7% | 34.7% |
| Impaired ratio | 27.0% | 26.1% | 29.3% |
| Coverage ratio ¹ | 58.2% | 74.3% | 75.8% |
| Total provision as a % of loans in arrears | 48.5% | 31.7% | 34.7% |
| Total provision as a % of gross loans | 16.0% | 20.5% | 23.1% |
| Impairments charges as a % of gross loans | 1.6% | 5.7% | 0.4% |

- 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 | 2013 | 2014 | 1H15 |
|--|-------|-------|-------|
| Gross loans | 1,249 | 1,164 | 1,128 |
| Loans in arrears | 171 | 204 | 207 |
| Non default loans | - | - | - |
| Impaired default loans | 171 | 204 | 207 |
| Specific provision | 94 | 123 | 118 |
| IBNR provision | 6 | 6 | 7 |
| Total provision | 100 | 129 | 125 |
| Impairment charges | 36 | 44 | 10 |
| Additions | 59 | 59 | 12 |
| Write offs | 25 | 15 | 13 |
| Loans in arrears (%) | 13.7% | 17.5% | 18.4% |
| Impaired ratio | 13.7% | 17.5% | 18.4% |
| Coverage ratio ¹ | 55.0% | 60.3% | 57.0% |
| Total provision as a % of loans in arrears | 58.5% | 63.2% | 60.4% |
| Total provision as a % of gross loans | 8.0% | 11.1% | 11.1% |
| Impairments charges as a % of gross loans | 2.84% | 3.65% | 1.71% |

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

SNS Bank: Investment portfolio

Breakdown portfolio (sector)

| in € billions | 2014 | % | 1H15 | % |
|--------------------------------|------------|-------------|------------|-------------|
| Sovereign | 6.1 | 86% | 5.1 | 83% |
| Financials | 0.4 | 6% | 0.5 | 7% |
| Corporates | 0.2 | 3% | 0.4 | 7% |
| MBS | 0.2 | 3% | 0.2 | 3% |
| Other | 0.3 | 4% | 0.0 | 0% |
| Total | 7.1 | 100% | 6.1 | 100% |
| - of which liquidity portfolio | 6.0 | | 5.5 | |
| - of which deposits | 1.0 | | 0.5 | |
| - of which trading portfolio | 0.1 | | 0.1 | |

Breakdown portfolio (rating)

| in € billions | 2014 | % | 1H15 | % |
|---------------|------------|-------------|------------|-------------|
| AAA | 3.0 | 42% | 3.0 | 49% |
| AA | 1.9 | 27% | 2.1 | 33% |
| A | 1.7 | 24% | 0.8 | 12% |
| BBB | 0.4 | 6% | 0.3 | 5% |
| < BBB | 0.0 | 0% | 0.0 | 0% |
| No rating | 0.0 | 0% | 0.0 | 0% |
| Total | 7.1 | 100% | 6.1 | 100% |

* Includes SNS Securities investment portfolio (included in assets held for sale)

** Geographic: Other mainly consists of Japan, Austria and Luxembourg

Breakdown portfolio (maturity)

| in € billions | 2014 | % | 1H15 | % |
|---------------|------------|-------------|------------|-------------|
| < 3 months | 1.0 | 14% | 0.7 | 12% |
| < 1 year | 0.4 | 6% | 0.5 | 8% |
| < 3 years | 0.4 | 5% | 0.2 | 4% |
| < 5 years | 1.5 | 22% | 1.4 | 23% |
| < 10 years | 2.5 | 35% | 2.4 | 39% |
| < 15 years | 0.2 | 2% | 0.2 | 3% |
| >15 years | 1.1 | 15% | 0.7 | 12% |
| Total | 7.1 | 100% | 6.1 | 100% |

Breakdown portfolio (geographic)

| in € millions | 2014 | % | 1H15 | % |
|---------------|--------------|-------------|--------------|-------------|
| Netherlands | 1,779 | 25% | 1,579 | 26% |
| Germany | 1,556 | 22% | 1,399 | 23% |
| Other** | 1,525 | 21% | 1,098 | 18% |
| France | 947 | 13% | 1,059 | 17% |
| Belgium | 783 | 11% | 654 | 11% |
| Italy | 404 | 6% | 253 | 4% |
| Ireland | 118 | 2% | 101 | 2% |
| Spain | 1 | 0% | 3 | 0% |
| Total* | 7,113 | 100% | 6,146 | 100% |

SNS Bank: Credit ratings

Standard & Poors

Rating overview

| | | |
|-----------------------------|------------------|----------------|
| • Anchor | BICRA (3,3) | bbb+ |
| • Business position | Weak | -2 |
| • Capital & earnings | Strong | +1 |
| • Risk position | Moderate | -1 |
| • Funding Liquidity | Average Adequate | 0 |
| SACP | | bbb- |
| Sovereign support | Moderate | +1 |
| Issuer Credit Rating | | BBB/Neg |

11 November 2014 – “Strengths: Strong capitalization. Reasonably predictable recurring earnings. Fourth-largest retail bank in The Netherlands, though new lending market shares are currently modest.

Weaknesses: Greater reliance on domestic retail activities than larger peers. Higher mortgages loan impairment charges than peers. The bank has yet to fully disentangle itself from the fallout of the nationalization of the SNS group in early 2013.”

“...negative outlook on SNS Bank N.V. reflects our view that we may lower the ... credit rating by one notch by year-end 2015 if we consider that extraordinary government support is less predictable under the new EU legislative framework...”

Moody's

Rating overview

| | |
|--------------------------------|-----------------|
| Macro profile | Strong + |
| • Solvency score | baa2 |
| • Liquidity score | ba1 |
| Financial profile | baa3 |
| Adjustments | +0 |
| Assigned adj. BCA | ba1 |
| LGF analysis | +1 |
| Government support | +1 |
| Senior Unsecured rating | Baa2/Pos |

15 June 2015 – “SNS Bank’s ba1 standalone credit assessment is driven by (1) the significant reduction of its risk profile, following the measures implemented after its nationalisation on 1 February 2013; (2) the improvement in the firm’s franchise and structural profitability; and (3) our expectation that the firm would adequately resist funding stresses. However, SNS Bank’s standalone credit profile is constrained by (1) the current lack of access to unsecured debt markets, (2) the asset quality of its retail loan book, which remains weaker compared with those of its closest peers, and (3) its still relatively high leverage that could constrain targeted growth.”

“SNS Bank’s long-term deposit and senior unsecured ratings carry a positive outlook, reflecting improving credit fundamentals.”

Fitch

Rating overview

| | |
|------------------------------|----------------|
| Viability rating | bbb |
| Support rating floor | No floor |
| Issuer Default Rating | BBB/Sta |

19 May 2015 – “SNS Bank’s VR reflects the bank’s company profile... Its focus on Dutch retail mortgage lending, and limited risk appetite outside this area, will support asset quality.

“...SNS Bank’s risk-weighted capital ratios are strong and leverage is fairly moderate.”

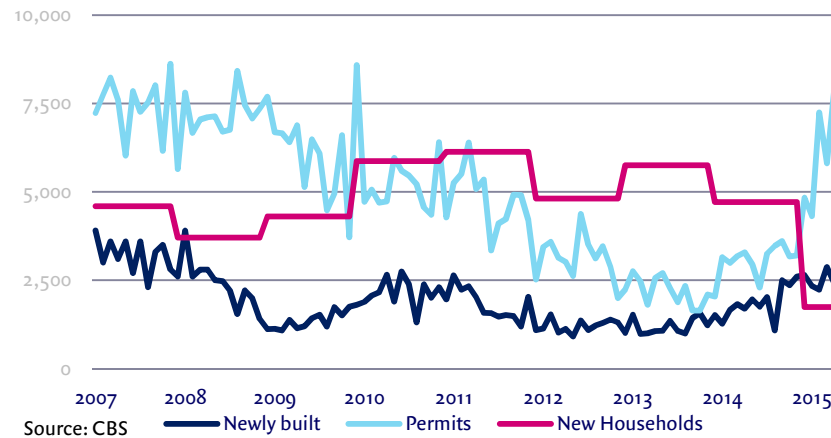
“SNS Bank is predominantly deposit-funded, although the bank still depends on access to debt markets to fund part of its loan book. As such, maintaining its focus on liquidity to mitigate refinancing risks is important.”

“Earning generation capacity is satisfactory, but reliant on a single market and dependent on net interest income given its business model. Fitch expects operating profitability to be sound in 2015, but for LICs to continue to dent performance.”

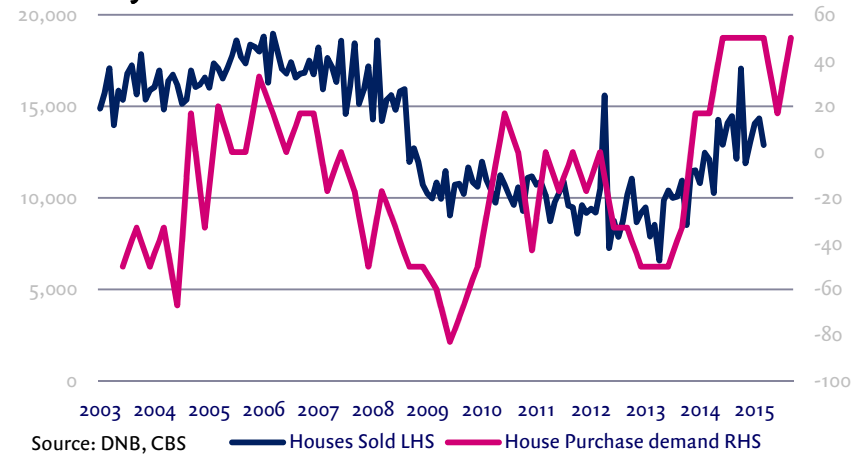
“SNS Bank’s ratings incorporate Fitch’s expectation of improving asset quality, maintained strong capitalisation, and sound liquidity stemming from gradually improved leverage from retained earnings. As such, there is limited upside potential for SNS Bank’s VR within the constraints of its company profile.”

Dutch housing market data

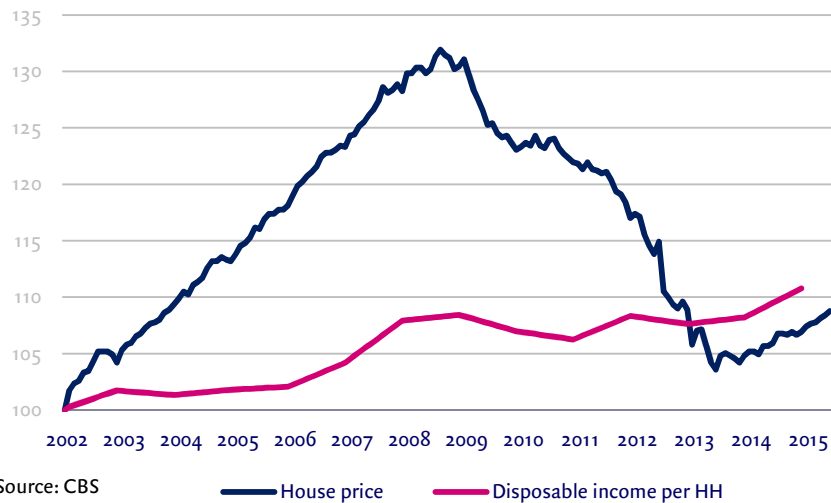
Building permits & newly built homes



Monthly home sales



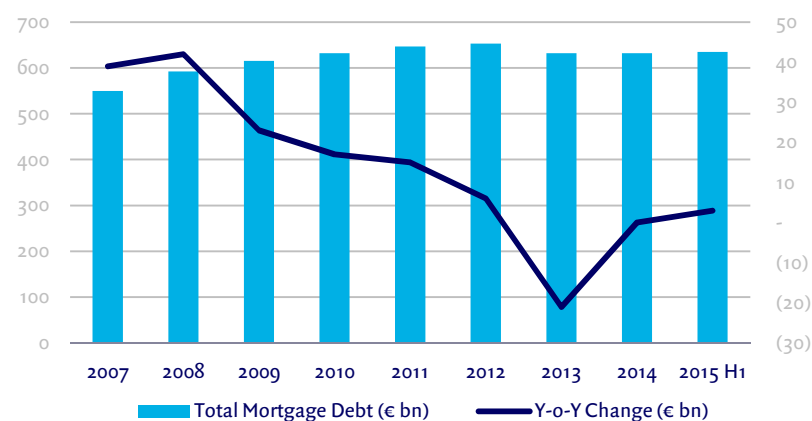
House price developments (2002 = 100)



- After the phasing out of temporary favourable tax rules for parental donations the number of transactions maintained its upward trend
- House prices are rising gradually, although the housing market is quite fragmented. Housing markets in some cities are booming (Amsterdam, Utrecht, Rotterdam, The Hague) whereas rural areas show slower growth
- Further recovery of the housing market is expected on the back of rising consumer confidence, increasing rents and an improving labour market
- Following the recovery in the housing market, the construction sector is finally starting to recover from its deep slump

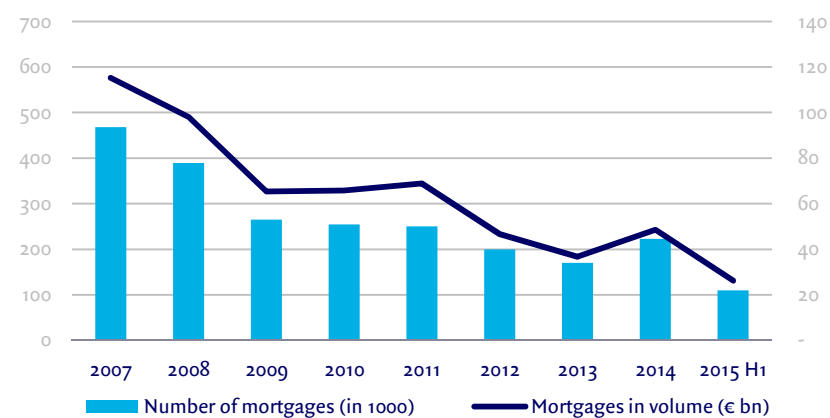
Dutch residential mortgage market data

Mortgage debt outstanding



Source: DNB

Mortgage origination



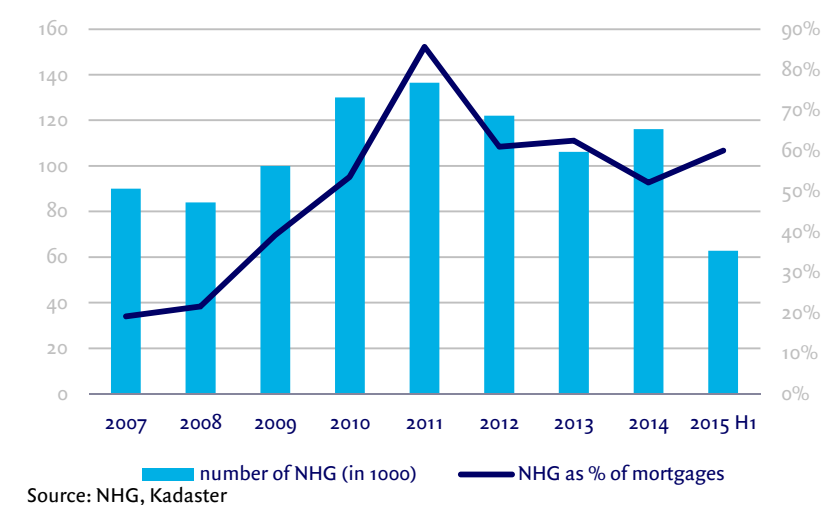
Source: Kadaster

Net financial assets NL-households (1Q15) in € bn

| Assets | | Liabilities | |
|----------------|--------------|-------------------|--------------|
| Bank balance | 52 | Consumer credit | 20.5 |
| Savings | 330 | Mortgages | 635.8 |
| Equities | 35 | | |
| Funds | 75 | | |
| Bonds | 8 | | |
| Pension Assets | 1,421 | | |
| Life insurance | 168 | | |
| Total | 2,098 | Total | 656 |
| | | Net Assets | 1,442 |

Source: DNB

Proportion NHG of new mortgages



Source: NHG, Kadaster

Dutch residential mortgage market characteristics

Residential mortgage market

- Total outstanding retail mortgage debt in 1Q15 was €636bn (source: DNB)
- New mortgage lending in 1Q15 was €12bn compared to €49bn for 2014 in total (source: DNB)

NHG

- National mortgage guarantee (NHG mortgages) supports house ownership
- NHG is a mortgage guarantee up to € 245.000 (lowered from € 265.000 at 1st of July 2015)
- 60% of mortgages in 1Q15 are covered by the NHG (source: NHG/Kadaster)
- The originator is accountable for 10% of the realised loss for mortgages originated as of 1 January 2014

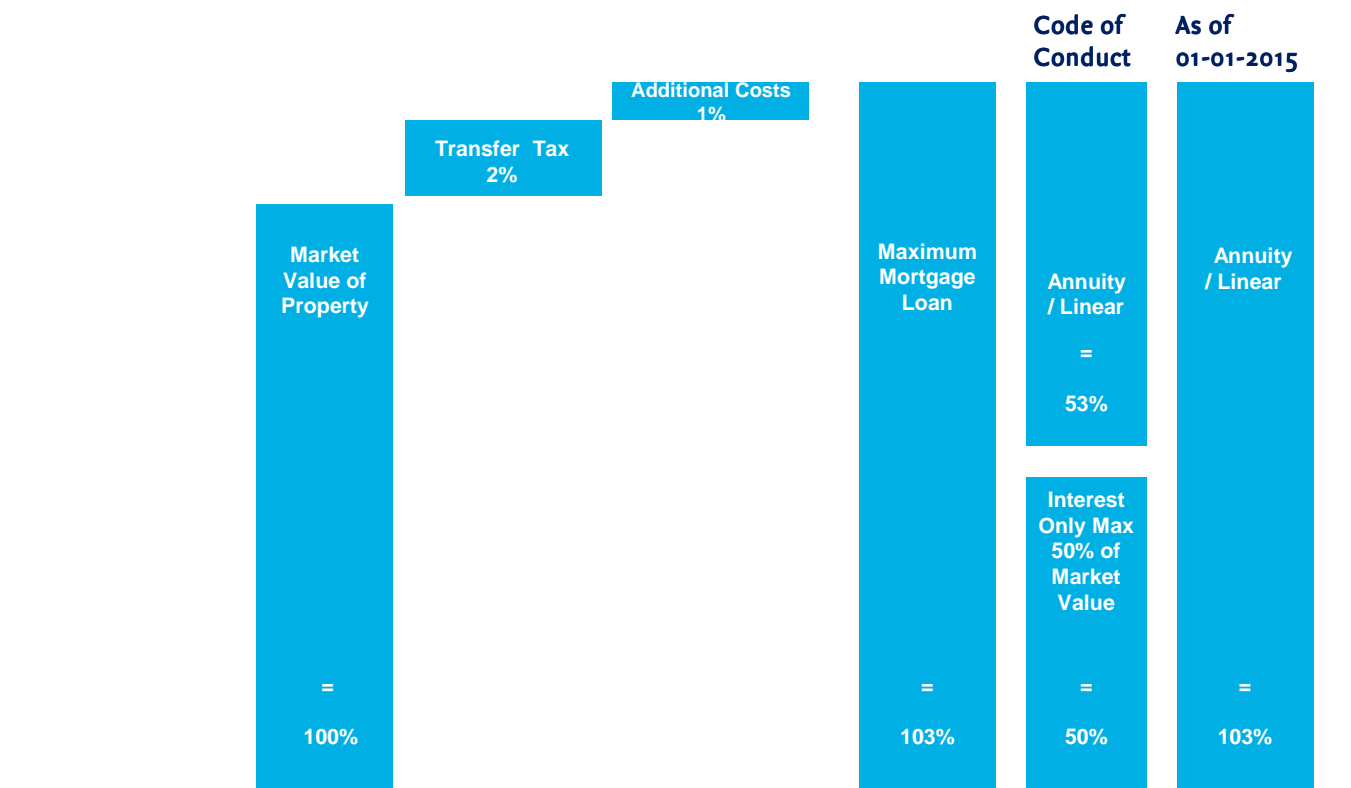
Mortgage products

- Due to fiscal treatment of interest, mortgage loans with no redemption on the principal were most popular in the past, resulting in a high LTV market
- Life insurance / interest only mortgages, savings mortgages and investment-based mortgages were the most popular products
- Due to the recent changes in fiscal treatment however, annuity products now play a more important role

Regulatory developments

- As of January 2013, newly originated mortgage loans need to have 100% repayment features with at least the annuity redemption profile in order to fully benefit from tax deductibility. Mortgage loans originated before 2013 are grandfathered, based on their old fiscal treatment
- As of 2014, for the highest incomes the maximum tax deductibility of mortgage interest will be lowered with 0.5% per year. In 2015 the maximum tax deductibility decreased from 51.5% to 51%
- The maximum permitted loan to value (LTV) is 103% in 2015 (this includes 2% transfer tax)
- The maximum LTV will be gradually lowered (by 1% a year) until it reaches 100% in 2018

Composition of Dutch mortgage loans



Notes:

- As part of the government reforms the maximum LTV is reduced from 104% to 103% in 2015 and will gradually decrease with 1% per year to 100% in 2018. Please note that other repayment types are also allowed. However for those repayment types borrowers do not benefit from tax reduction

Code of conduct

Code of conduct for mortgage underwriting

- The Code of Conduct dictates the strict framework of mortgage underwriting and is endorsed by all major mortgage lenders and intermediaries in the Netherlands
- The Code of Conduct has been prepared in consultations with the government, mortgage lenders, consumer organisations and intermediaries
- Full valuation of the property should be done by a professional certified valuator living in the same area and the valuation report cannot be older than 6 months
- Strict requirements regarding information a lender is required to provide to its borrowers: as a result, borrowers should have a profound understanding of how their mortgage will work, what they can expect to change in the future and what their options are. This prevents unfavourable borrower behaviour

Affordability calculation according to NIBUD

- Nibud (National Institute for Family Finance Information) is an independent foundation
- Its goal is “to promote a rational planning of family finances, these contributing substantially to family welfare in Nibud’s opinion”
- The foundation publishes affordability tables for mortgage loans on <http://www.nibud.nl/beroepsmatig/nibud-hypotheeknormen-2015-lager-dan-2014/>
- The table shows the maximum percentage of the gross income which can be used for mortgage payments
- This percentage is dependent on:
 - The gross income of the borrower
 - The mortgage loan rate
 - In compiling this table, Nibud takes into consideration all general household costs and potential tax advantages

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The background features a light blue color scheme with a white line graph showing an overall upward trend. A horizontal dotted line is positioned across the middle of the page. In the bottom right corner, there is a bar chart with four vertical bars of varying heights. The text is centered in the middle of the page.

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