Press Release

Interim Financial Report

Utrecht, the Netherlands, 15 August 2013

SNS Bank NV posts 2013 first half net loss of € 1,574 million due to one-off provision for real estate finance portfolio related to nationalisation

First half 2013 net profit adjusted for one-off items SNS Bank NV of € 196 million

SNS RETAIL BANK POSTS NET RESULT OF € 215 MILLION

- Sharply higher net profit SNS Retail Bank due to higher net interest income and other income
- € 1.3 billion net inflow of retail savings at SNS Retail Bank following nationalisation
- Decline in adjusted operating expenses despite additional cost allocation from holding, supported by a reduction in staff numbers

NET LOSS OF € 1,789 MILLION AT PROPERTY FINANCE

- Net loss at Property Finance due to € 1.8 billion net impact of provision to bring valuation real estate finance portfolio in line with transfer value as determined by Dutch State
- Pro forma net exposure of Property Finance (net of additional provision) reduced to € 4.8 billion
- Good progress on intended separation of Property Finance to a separate asset management organisation as per 31 December 2013

STRONG IMPROVEMENT SOLVENCY SNS BANK NV DUE TO NATIONALISATION MEASURES

- Core Tier 1 ratio SNS Bank NV improves to 12.2% (6.1% at year-end 2012)
- Pro forma core Tier 1 ratio amounts to 16.3%

Table of contents

1 Key figures

Table 1: Key figures

In € millions	**1st half year 2013**	1st half year 2012	2nd half year 2012
Result			
SNS Retail Bank	215	90	4
Property Finance	(1,789)	(143)	(670)
SNS Bank NV	**(1,574)**	**(53)**	**(666)**
Total income	644	421	422
Total expenses	361	302	413
Result before tax	283	119	9
Taxation	68	28	5
Net result continued operations	215	91	4
Net result discontinued operations	(1,789)	(143)	(670)
Net result for the period	(1,574)	(53)	(666)
Balance Sheet			
Total assets	77,632	82,970	81,341
Investments	5,306	4,452	5,302
Loans and advances to customers	52,177	62,749	61,768
Assets held for sale	6,911	-	-
Total equity	2,312	1,921	1,337
Savings	32,782	32,570	32,815
Ratios			
Efficiency ratio SNS Retail Bank	41.5%	52.0%	61.6%
Core Tier 1 ratio	12.2%	9.6%	6.1%
Tier 1 ratio	12.2%	12.2%	7.7%
BIS ratio	12.3%	14.0%	9.3%

June 2013 and December 2012 Core Tier 1 ratio, Tier 1 ratio and BIS ratio are calculated based on Basel II. June 2012 ratios are calculated based on Basel II taking into account the 80% floor of Basel I.

The result of SNS Retail Bank and SNS Bank NV differ from the result in the SNS REAAL press release. Please refer tot section 5.3.4 segment presentation SNS Bank NV versus SNS REAAL, page 18.

Strategic Update SNS REAAL

SNS Bank NV is a wholly owned subsidiary of SNS REAAL NV and a group entity of SNS REAAL. For a full discussion on the strategic update of the Group, we refer to the 2013 interim press release of SNS REAAL, published on 15 August 2013, available via www.snsreaal.nl.

2 Financial analysis SNS Bank NV

2.1 Net result

2.1.1 Held for sale classification Property Finance

Following the nationalisation on 1 February 2013, including the decision to isolate Property Finance in a separate asset management organisation, total assets and liabilities of Property Finance are classified in the balance sheet as assets held for sale and liabilities held for sale respectively. In the income statement, the total result of Property Finance is classified as a net result from discontinued operations. Comparative figures in the income statement have been adjusted accordingly.

2.1.2 Results first half 2013 compared to first half of 2012

For the first half of 2013, SNS Bank NV reported a net loss of € 1,574 million, compared to a net loss of € 53 million for the first half year 2012, driven by a net loss of € 1,789 million for Property Finance, which included a net impact of an additional provision of € 1,790 million (€ 2,024 million gross) because a constructive obligation arose to transfer Property Finance at the value as determined by the Dutch State.

SNS Retail Bank's net profit increased sharply to € 215 million. The main factor behind this increase was a higher net interest income driven by lower interest expenses due to the expropriation of subordinated debt, declining interest rates offered on savings accounts and the redemption of term deposits. Furthermore, one-off items (see table 2) and buy-back results had a positive impact. This was partly offset by higher impairments on loans, which were 35 basis points of loans (annualised) compared to 30 basis points for the first half of 2012.

The net loss at Property Finance amounted to € 1,789 million, primarily due to the provision for a constructive obligation of € 1.790 million to value the total real estate finance portfolio at the transfer value as determined by the Dutch State. The net result, excluding the addition to this provision, amounted to € 1 million positive, compared to a € 143 million net loss in the first half of 2012, mainly because subsequent impairments were offset by releases from this provision. Furthermore, operating expenses were considerably lower which more than compensated for a decrease in net interest income.

Total income in the first half of 2013 amounted to € 644 million, up € 223 million compared to the first half of 2012 (€ 421 million). At SNS Retail Bank total income increased sharply, as net interest income was up, driven by lower interest expenses due to the expropriation of subordinated debt and declining interest on savings, and sharply increased other operating income, due to unwinding of derivatives related to expropriated subordinated debt and buy-back results.

Total expenses increased by € 59 million to € 361 million, due to higher impairments and increased operating expenses.

Operating expenses

As of 1 January 2013, an additional amount of operating expenses is structurally allocated from the holding company (SNS REAAL) to SNS Retail Bank and Property Finance in order to reflect a more accurate stand-alone cost level. On an annual basis approximately € 17 million operating expenses will be additionally allocated from the holding company to SNS Retail Bank and approximately € 2 million to Property Finance, of which € 9 million and € 1 million respectively are already included in the first-half 2013 figures.

Table 2: Total operating expenses SNS Bank NV

In € millions	**1st half year 2013**	1st half year 2012	Change	2nd half year 2012	Change
Total operating expenses SNS Retail Bank	267	219	22%	260	3%
Total operating expenses Property Finance	34	50	(32%)	366	(91%)
Total operating expenses SNS Bank NV	**301**	**269**	**12%**	**626**	**(52%)**
Adjustments:					
Restructuring charge at SNS Retail Bank	-	-		37	
SNS Retail Bank's share in savings guarantee scheme	-	(2)		(13)	
Provision charge for compensation participation certificates	53	-		-	
Total adjustments	**53**	**(2)**		**24**	
Total adjusted operating expenses SNS Retail Bank	214	221	(3%)	236	(9%)
Total adjusted operating expenses Property Finance	34	50	(32%)	366	(91%)
Total adjusted operating expenses SNS Bank NV	**248**	**271**	**(8%)**	**602**	**(59%)**

Total operating expenses Property Finance are included in the result discontinued operations.

Operating expenses at SNS Bank NV amounted to € 301 million, compared to € 269 in the first half year of 2012. This increase of € 32 million consisted mainly of a provision charge of € 53 million for compensation of holders of expropriated participation certificates and the additional allocation of operating expenses from the holding. Total adjusted operating expenses decreased by € 23 million (-8%) supported by a reduction in the number of staff by 98 FTEs to 2.184 (-4%) and considerable lower operating expenses at Property Finance.

In July 2013, SNS Bank informed all former holders of participation certificates (third tranche) about their compensation amount offered.

Impact of one-off items

One-off items in the first half of 2013 amounted to € 1,770 million negative, entirely consisting of the impact of nationalisation measures. The net loss at Property Finance included a net impact of € 1,790 million related to an additional provision because by the decision of the Dutch State a constructive obligation arose to transfer Property Finance in line with the value as determined by the Dutch State.

At Property Finance, a provision of € 2,024 million (€ 1,790 million net) was taken due to valuation of the Property Finance portfolio at transfer value. The total assets of Property Finance will be separated at a considerably lower value than the book value. As part of the transfer, a write-off of € 2.8 billion was required on the total assets of Property Finance as per 30 June 2012. This € 2.8 billion write-off has been determined by the Dutch State. Therefore, in addition to the € 776 million impairments and discounts in the second half of 2012, an additional write-off of € 2,024 million gross (€ 1,790 million net) is taken. SNS REAAL is currently at an advanced stage to conclude a settlement agreement with the Netherlands Tax Authorities relating to corporate tax returns. This agreement clarifies principles upon which the corporate tax returns for SNS REAAL are to be established and can potentially lead to a substantial tax benefit.

The € 20 million positive impact from nationalisation measures at SNS Retail Bank consisted of the impact from the expropriation of privately placed subordinated debt and gains from unwinding derivatives related to subordinated debt partly offset by a provision charge for the compensation of holders of expropriated participation certificates.

In the first half of 2012 the impact of one-off items at SNS Retail Bank consisted of a loss of € 9 million net on the exchange of Greek government bonds.

Table 3: Net result SNS Bank NV

In € millions	**1st half year 2013**	1st half year 2012	2nd half year 2012
Net interest income	460	342	363
Net fee and commission income	28	28	26
Other operating income	156	51	33
Total income	**644**	**421**	**422**
Total operating expenses	267	219	260
Impairment charges to loans and advances	94	83	141
Other impairment charges	-	-	4
Other expenses	-	-	8
Total expenses	**361**	**302**	**413**
Result continued operations	283	119	9
Taxation	**68**	**28**	**5**
Net result discontinued operations	(1,789)	(143)	(670)
Net result for the period SNS Bank NV	**(1,574)**	**(52)**	**(666)**
Minority interests	-	1	-
Net result attributable to shareholders	**(1,574)**	**(53)**	**(666)**
Impact of one-off items at SNS Retail Bank	20	(9)	(27)
Impact of one-off items at Property Finance	(1,790)	-	(47)
Total one-off items	**(1,770)**	**(9)**	**(74)**
Adjusted net result for the period at SNS Retail Bank	195	99	31
Adjusted net result for the period at Property Finance	1	(143)	(623)
Total adjusted net result for the period SNS Bank NV	**196**	**(44)**	**(592)**

2.1.3 Results first half of 2013 compared to second half 2012

For the first half of 2013, SNS Bank NV reported a net loss of € 1,574 million, compared to a net loss of € 666 million for the second half of 2012. At Property Finance, the net loss increased sharply from € 670 million in the second half of 2012 to € 1,789 million in the first half of 2013 driven by the additional provision to transfer Property Finance in line with the transfer value as determined by the Dutch State.

At SNS Retail Bank, net profit increased sharply, compared to the second half of 2012. The main factor behind this increase was a higher net interest income driven by lower interest expenses due to the expropriation of subordinated debt, declining interest rates offered on savings accounts and the redemption of term deposits. Furthermore, one-off items, consisting of the impact of nationalisations measures, had a positive impact in the first half of 2013, while the second half of 2012 included a restructuring charge. Impairment charges on loans were with 35 basis points of loans (annualised) lower compared to the 51 basis points for the second half of 2012 (which included the impact of the new risk assessment models for loans).

2.2 Capital Management

2.2.1 Solvency

Nationalisation measures had an important impact on the core Tier 1 ratio of SNS Bank NV in the first half of 2013. At the end of June 2013, the core Tier 1 ratio had improved to 12.2%, compared to 6.1% at year-end 2012. The increase was due to the capital contribution of the Dutch State of € 1.9 billion and the impact from the expropriation of subordinated debt (€ 0.7 billion), partly offset by the first half year loss of SNS Bank NV of € 1.6 billion. Risk-weighted assets declined with € 2.2 billion to € 18.4 billion, mainly due to the provision to value the total real estate finance portfolio of Property Finance at the transfer value as determined by the Dutch State.

Table 5: Capitalisation

In € millions	**June 2013**	December 2012	June 2012
Core Tier 1 ratio	12.2%	6.1%	9.6%
Tier 1 ratio	12.2%	7.7%	12.2%
BIS ratio	12.3%	9.3%	14.0%
BIS ratio (Basel I 80% floor)	11.9%	9.6%	14.0%
Core Tier 1 capital	2,246	1,253	1,893
Tier 1 capital	2,246	1,584	2,396
BIS capital	2,252	1,908	2,752
Risk Weighted Assets (Basel II)	18,385	20,592	18,137

June 2013 and December 2012 Core Tier 1 ratio, Tier 1 ratio and BIS ratio are calculated based on Basel II. June 2012 ratios are calculated based on Basel II taking into account the 80% floor of Basel I.

Due to the expropriation of subordinated debt, the Tier 1 ratio and the BIS ratio are almost equal to the core Tier 1. At the end of June 2013, the only remaining subordinated loan of SNS Bank was a € 40 million internal loan obtained from the holding company.

2.2.2 Pro forma capitalisation

Most nationalisation measures (the write-off of Property Finance assets, the capital contribution from the Dutch State and the expropriation of subordinated debt) have already been executed and are reflected in the capital position at the end of June 2013. The following pro forma figures provide insight in the effects of the remaining main nationalisation measures, which have not been implemented yet and are, therefore, not reflected in the reported capital position. Actual effects may differ, for instance as a result of the European Commission's response to the restructuring plan.

Table 4: Impact Nationalisation - Pro forma figures

In € millions	**June 2013**	Guarantee on funding PF	Resolution levy	Deduction Tier 1 (shortfall)	**Pro forma**
SNS Bank NV					
Total equity	2,312		(70)		2,242
Core Tier 1 capital (Basel II)	2,246		(70)	(35)	2,141
Risk Weighted Assets (Basel II)	18,385	(5,246)			13,139
Core Tier 1 ratio (Basel II)	12.2%				16.3%

The pro forma core Tier 1 ratio of SNS Bank NV at the end of June 2013 stands at 16.3%. The pro forma figure includes a release of risk-weighted assets of € 5.2 billion related to the transfer of Property Finance to a separate asset management organisation in combination with an expected guarantee of approximately € 5 billion for the funding after the separation. It also includes an estimated € 70 million negative impact from SNS Bank NV's share in the non-recurrent resolution levy on Dutch banks of € 1 billion to be paid in 2014.

Furthermore the difference between expected loss (EL) and actual provisions made for the related exposure is adjusted in the capital. The negative difference (when EL amount is larger than the provision amount) is deducted from the capital base as a shortfall. At the end of June 2013, this shortfall amounted to € 70 million of which € 35 million is deducted from core Tier 1 capital and € 35 million from BIS capital. In the pro forma figures the entire shortfall is deducted from core Tier 1 capital due to the absence of subordinated debt after the expropriation.

The fully phased in pro forma Basel III core Tier 1 ratio of SNS Bank NV amounted to 12.6%. In this ratio the entire deferred tax asset (DTA) related to the loss carrying forward as at end June of € 249 million and the entire negative fair value reserve of SNS Bank NV of € 127 million are deducted from Tier 1 capital. Under Basel II these items, which are included in core Tier 1 capital as at end June, will be gradually deducted from Tier 1 capital in the period 1 January 2014 up and to 1 January 2018. Furthermore, Basel III Risk Weighted Assets of € 13.7 billion include a Credit Valuation Adjustment (CVA) capital charge, which increases the capital held against the risk that the mark-to-market value of derivatives may deteriorate due to a change in counterparty credit worthiness.

2.3 Funding activities

During the first half of 2013, SNS Bank did not enter into any capital market transactions. In total, retail savings balances remained stable at € 32.8 billion. After a decline of € 1.3 billion in January, the following months showed a net inflow of the same amount.

As a result of the decrease in loans and advances to customers, in combination with stable retail funding, the loan-to-deposit ratio of the Banking activities improved from 142% at year-end 2012 to 138% end of June 2013. Excluding Property Finance, the loan-to-deposit amounted to 123%.

The total liquidity position was reduced but remained high at € 8.7 billion at the end of June 2013, compared to € 11.5 billion at the end of 2012. The decline was due to the redemption of securitisations which reduced the assets eligible for the repo funding facilities of the ECB. In July liquid assets increased again by € 2.9 billion as ECB eligible assets increased driven by an increase in available collateral due to an on balance securitisation and a lower use of collateral related to contingencies.

Table 6: Development liquidity position SNS Bank

In € millions	**June 2013**	December 2012	June 2012
Cash	6,301	6,691	7,651
Liquid assets	2,423	4,818	3,797
Total liquidity position	**8,724**	**11,509**	**11,448**

2.4 Risk management

2.4.1 Investment portfolio

Total investments at the Banking activities remained stable at € 5.3 billion. The reduction of a short-term position in the trading portfolio held at year-end 2012 in the context of liquidity management was offset by an increase in sovereign debt exposure, mainly in Belgian, Dutch and French debt.
The peripheral European sovereign exposure of SNS Bank increased modestly to € 452 million due to revaluations. The market value of the GIIPS exposure at end June 2013 was at 10% of SNS Bank's total sovereign exposure in line with year-end 2012.

2.4.2 Market risk

During the first half of 2013, short-term interest rates remained at low levels. Long-term interest rates increased, especially in the last two months.

Interest rate risk of the Banking activities is managed mainly through duration of equity. Because of high volatilities in interest rates and in order to limit interest rate risk sensitivity, duration of equity was held at low levels between 1 and 4 during the first half of 2013. By the end of June 2013, duration of equity was 2.5 (year-end 2012: 3.7).

The Value at Risk (VaR) on interest-based economic value of equity is used as a measure for interest rate exposure of the Banking activities. The VaR with a confidence level of 99% was at a level of € 157 million at the end of June 2013 compared to € 175 million at year-end 2012. The average VaR was at a level of € 156 million compared to € 180 million in 2012.

The Earnings-at-Risk (EaR) measures the sensitivity of the net interest income to a limited set of extreme interest rate scenario's. By the end of June 2013, the EaR was € 29 million compared to € 4 million at year-end 2012. In the first half of 2013 the average EaR was € 29 million compared to € 6 million in 2012. As of January 2013, improvements in the EaR-method have been implemented which resulted in higher outcomes. In particular, the new method takes into account an increased interest rate sensitivity of retail sight deposits.

SNS Bank's nominal exposure to government bonds of peripheral southern European countries has not changed in the first half of 2013. There is a remaining exposure in Italy (nominal value of € 310 million) and Ireland (nominal value of € 115 million).

SNS Bank has a small trading portfolio in line with its risk profile. In accordance with this profile, the total limit in terms of VaR (99% confidence on day-to-day basis) was set at € 2 million. During the first half of 2013, this VaR limit was used only to a limited extent.

2.5 Outlook

For the remainder of 2013 the macroeconomic outlook remains challenging and housing and commercial real estate prices are expected to remain under pressure. Indicators suggest that economic activity in the Netherlands will remain subdued. Consumers' purchasing power is expected to decrease further, while unemployment continues to increase.

We expect SNS Retail Bank to continue to report satisfactory results over the coming quarters, in spite of loan impairments remaining at historically high levels. Due to the considerable first half-year loss at Property Finance, SNS Bank NV will also report a loss for the year 2013 as a whole.

We will press ahead with the legal and financial implementation of the (consequences of the) nationalisation. We strive for the transfer of Property Finance to a separate asset management organisation as per 31 December 2013. However this depends amongst others on approval by the European Commission. We will also continue to work on the financial disentanglement of the holding company, bank and insurer.

3 SNS Retail Bank

HIGHLIGHTS SNS RETAIL BANK

- Sharply higher net profit driven by higher net interest income and other income
- Higher net interest income driven by lower interest expenses due to the expropriation of subordinated debt and declining interest rates on savings accounts
- Sharp increase other income due to derivatives gains related to expropriated subordinated debt and buy-back results
- Higher impairment charges to loans, reflecting the weak housing market and economic situation
- Adjusted operating expenses decreased despite additional cost allocation from holding
- Retail savings balances stable compared to year-end 2012; Net inflow of € 1.3 billion following nationalisation

Table 7: SNS Retail Bank

In € millions	**1st half year 2013**	1st half year 2012	Change	2nd half year 2012	Change
Result					
Net interest income	460	342	35%	363	27%
Net fee and commission income	28	28	0%	26	8%
Investment income	75	28	168%	(5)	1600%
Result on financial instruments	80	14	471%	38	111%
Other operating income	1	9	(89%)	-	0%
Total income	**644**	**421**	**53%**	**422**	**53%**
Impairment charges to loans and advances	94	83	13%	141	(33%)
Other impairment charges	-	-	0%	4	(100%)
Total operating expenses	267	219	22%	260	3%
Other expenses	-	-	0%	8	(100%)
Total expenses	**361**	**302**	**20%**	**413**	**(13%)**
Result before tax	**283**	**119**	**138%**	**9**	**3044%**
Taxation	68	28	143%	5	1260%
Minority interests	-	1	(100%)	-	0%
Net result for the period	**215**	**90**	**139%**	**4**	**5275%**
One-off items	20	(9)		(27)	
Adjusted net result for the period	**195**	**99**	**97%**	**31**	**529%**
Efficiency ratio	41.5%	52.0%		61.6%	
Impairment charges to loans and advances as a % of average gross outstanding loans to customers	0.35%	0.30%		0.51%	
Risk-weighted assets Basel II	13,139	9,480	39%	13,081	0%
Savings	32,782	32,570	1%	32,815	0%
Loans and advances to customers	52,177	53,451	(2%)	55,163	(5%)

3.1 Result

3.1.1 Results for the first half of 2013 compared to the first half of 2012

SNS Retail Bank's net profit in the first half of 2013 increased by € 125 million to € 215 million (+139%). Net profit included a € 20 million one-off gain from nationalisation measures, consisting of the impact from the expropriation of privately placed subordinated debt and gains from unwinding derivatives related to subordinated debt, partly offset by charges to provisions for compensation of holders of expropriated participation certificates. The first half of 2012 had included a € 9 million loss on the exchange of Greek government bonds. Adjusted for these one-off items, net profit of SNS Retail Bank was € 195 million compared to € 99 million for the first half of 2012. The main factors behind this increase were higher net interest income and higher other income.

3.1.2 Income

Net interest income showed a considerable increase of € 118 million (+35%) driven by lower interest expenses due to the expropriation of subordinated debt, declining interest rates offered on savings accounts and the redemption of term deposits. Retail savings balances were on balance stable compared to year-end 2012 (€ 32.8 billion). After a decline of € 1.3 billion in January, due to the turmoil ahead of the nationalisation, retail savings showed a steady increase. SNS Retail Bank's market share in savings decreased slightly to 9.9% (year-end 2012: 10.3%). Bank savings, included in retail savings, continued to increase from € 2.4 billion at year-end 2012 to € 2.8 billion (+17%).

SME savings included in 'other amounts due to customers', rebounded after the nationalisation to € 2.8 billion compared to € 2.9 billion at year-end 2012.

SNS Retail Bank's residential mortgage portfolio decreased to € 48.1 billion (year-end 2012: € 49.4 billion), due to redemptions in combination with limited sales of new mortgages. Redemptions were in line with 2012. SNS Retail Bank's market share in new mortgages was at 1.2% again limited (full year 2012: 2.1%). Given SNS Retail Bank's improved financial strength after nationalisation it aims to gradually increase its market share in new mortgage production.

The decrease in loans and advances to customers, in combination with stable retail funding, led to an improvement of the loan-to-deposit ratio of SNS Retail Bank from 126% at year-end 2012 to 123%.

Net fee and commission income was flat at € 28 million. Higher management fees and decreased fees paid on securitisation transactions compensated for lower fees for payments and insurance products.

Investment income increased by € 47 million to € 75 million due to € 12 million gains from the expropriation of privately placed subordinated debt and the absence of a loss of € 13 million gross on the exchange of Greek government bonds while realised gains on fixed-income investments were € 22 million lower. Furthermore, investment income increased sharply due to positive fair value movements of the DBV mortgage portfolio. The latter is hedged and was partly compensated by negative results on derivatives included in result on financial instruments.

The result on financial instruments increased sharply by € 66 million, mainly driven by € 68 million gains from unwinding derivatives related to subordinated debt. Furthermore, buy-back results on own funding paper increased from € 15 million in the first half of 2012 to € 39 million, benefitting from the situation on financial markets. The higher results were partly offset by negative derivative results due to the aforementioned fair value movements of the DBV mortgage portfolio.

3.1.3 Expenses

Total operating expenses increased by € 48 million. This included a provision charge of € 53 million for compensation of former holders of the third tranche of participation certificates. In July 2013, SNS Bank has informed these former holders about the compensation amount offered. Furthermore, operating expenses in the first half of 2013 included a structural additional cost allocation from the holding company of € 9 million. Adjusted for these items, total operating expenses decreased by € 14 million (-6%) mainly driven by a reduction in the number of staff.

The efficiency ratio improved from 52.0% in the first half of 2012 to 41.5% and adjusted for the above-mentioned provisioning charge and the one-off gains from nationalisation measures, the efficiency ratio improved to 37.9%, absorbing the additional cost allocation from the holding, driven by higher (net interest) income.

Table 8: Breakdown impairment charges SNS Retail Bank

In € millions	**1st half year 2013**	1st half year 2012	Change	2nd half year 2012	Change
Impairment charges of retail mortgages	70	60	17%	101	(31%)
Impairment charges of other retail loans	3	15	(80%)	4	(25%)
Impairment charges of SME loans	21	8	163%	36	(42%)
Total impairment charges to loans and advances	**94**	**83**	**13%**	**141**	**(33%)**
Other impairment charges	-	-	0%	4	(100%)
Total impairment charges	**94**	**83**	**13%**	**145**	**(35%)**

Total impairment charges to loans and advances increased by € 11 million to € 94 million. This equates to 35 basis points of gross outstanding loans compared to 30 basis points in the first half of 2012. Both retail mortgages and SME loans contributed to this increase. Impairment charges declined compared to the second half of 2012 (51 basis points), which included the impact of the new risk assessment models for loans.

Impairment charges of retail mortgages increased by € 10 million to € 70 million. This equates to 29 basis points of gross outstanding retail mortgages compared to 24 basis points in the first half of 2012. The increase reflects the weakening economic situation in the Netherlands and lower recovery amounts on mortgages as a result of the pressure on housing prices.

Impairment charges of other retail loans decreased from € 15 million to € 3 million. Impairment charges in the first half of 2012 had included an amount of € 11 million due to the default of one major debtor.

Impairment charges of SME loans increased by € 13 million to € 21 million driven by the weakening economic situation and lower recovery amounts as a result of the pressure on prices of collateral.

3.2 Credit risk

Housing prices continued to decrease in the first half of 2013. The price index of existing home sales fell 9.6% year-on-year. The number of homes sold in the first half of 2013 was down again, by approximately 23% compared to the same period in 2012. The weak housing market lengthens the recovery period of loans in default and limits recovery amounts.

Rising unemployment and declining disposable incomes are important drivers for the development of loans in arrears that increased from € 2.2 billion at year-end 2012 to € 2.3 billion. As a percentage of gross loans they rose from 3.94% to 4.41%. Under current market circumstances, SNS Retail Bank proactively contacts mortgage clients with higher risk mortgages, for instance due to high loan-to-values and provides information and tips to avoid consecutive missed payments, if necessary in combination with a personal budget coach.

The quality of new mortgage inflows is, however, improving thanks to stricter standards and an increase in mortgages covered by the Dutch Mortgage Guarantee Scheme (NHG). At SNS Bank, 63% of new mortgage production of new clients in the first half of 2013 was covered by NHG. Of the total mortgage portfolio, 20% is now covered by NHG. At the end of June 2013, the weighted average indexed Loan-to-Foreclosure-Value (LtFV) of the retail mortgages stood at 100% compared to 99% at year-end 2012.

4 Property Finance

HIGHLIGHTS PROPERTY FINANCE

- Substantial net loss of € 1,789 million due to additional provision for real estate finance portfolio due to valuation of portfolio at transfer value as determined by the Dutch State
- Adjusted net profit of € 1 million as impairments and discounts are offset by releases from the additional provision
- Total net exposure excluding additional provision reduced by € 0.4 billion to € 6.6 billion (-6%)
- Pro forma net exposure including the additional provision reduced to € 4.8 billion

Table 9a: Property Finance

In € millions	**1st half year 2013**	1st half year 2012	Change	2nd half year 2012	Change
Result					
Net result discontinued operations	(1,789)	(143)	(1151%)	(670)	(167%)
Net result for the period	**(1,789)**	**(143)**	**(1151%)**	**(670)**	**(167%)**
Risk-weighted assets Basel II	5,246	8,657	(39%)	7,511	(30%)

Table 9b: Property Finance

In € millions	**1st half year 2013**	1st half year 2012	Change	2nd half year 2012	Change
Breakdown result discontinued operations					
Net interest income	43	52	(17%)	46	(7%)
Result on financial instruments	(3)	(8)	63%	(4)	25%
Other operating income	(1)	(1)	0%	(1)	0%
Total income	**39**	**43**	**(9%)**	**41**	**(5%)**
Impairment charges	184	169	9%	772	(76%)
Release constructive obligation	(187)	-	0%	-	0%
Impairment charges goodwill	-	-	0%	47	(100%)
Total operating expenses	34	50	(32%)	66	(48%)
Addition constructive obligation	2,024	-	0%	-	0%
Other expenses	-	-	0%	1	(100%)
Total expenses	**2,055**	**219**	**838%**	**886**	**132%**
Result before tax	(2,016)	(176)	(1045%)	(845)	(139%)
Taxation	(227)	(33)	(588%)	(175)	(30%)
Net result for the period	**(1,789)**	**(143)**	**(1151%)**	**(670)**	**(167%)**
One-off items	(1,790)	-		(47)	
Adjusted net result for the period	**1**	**(143)**	**101%**	**(623)**	**100%**
Impairment charges as a % of average gross outstandings	**4.53%**	**3.53%**		**17.80%**	

4.1 Held for sale classification Property Finance

As a result of the nationalisation on 1 February 2013, including the decision to isolate Property Finance in a separate asset management organisation, total assets and liabilities of Property Finance are classified in the balance sheet as at 30 June 2013 as assets held for sale and liabilities held for sale respectively. In the income statement, the total result of Property Finance is classified as a net result discontinued operations. Comparative figures in the income statement have been adjusted accordingly. To provide more insight in the regular financial developments, table 9b provides a breakdown of the net result.

4.2 Result

4.2.1 Results for the first half of 2013 compared to the first half of 2012

At Property Finance, the net loss amounted to € 1,789 million, primarily due to the additional provision of € 2,024 million gross (€ 1,790 million net) to value the total real estate finance portfolio at the transfer value as determined by the Dutch State. The total assets of Property Finance will be separated at a considerably lower value than the current book value. As part of the transfer, a write-off of € 2.8 billion was required on the total assets of Property Finance as per 30 June 2012. Therefore, in addition to the € 776 million impairments and discounts in the second half of 2012, an additional provision of € 2,024 million gross was taken.

As of 2013, impairment charges (incurred losses) and discounts on performing loans are offset by releases from this provision. As a consequence, impairment charges and discounts do not have an impact on the bottom line net result going forward.

Adjusted for the one-off addition to the provision, the net result of Property Finance was € 1 million positive in the first half of 2013, compared to a € 143 million net loss in the first half of 2012, mainly because subsequent impairments and discounts are, in 2013, offset by releases from the additional provision. Furthermore, operating expenses were considerably lower which more than compensated for a decrease in net interest income.

4.2.2 Income

Net interest income declined by € 9 million (-17%) in line with the run off of the loan portfolio.

The result on financial instruments of € 3 million negative improved compared to the first half of 2012 mainly due to lower discounts on the sale of performing loans, reflecting the slowdown of sales of non-default loans to third parties and limited discounts on realised transactions. The discounts are fully neutralised by releases of the provision.

4.2.3 Expenses

Impairment charges increased slightly by € 15 million (+ 9%) to € 184 million and are fully neutralised by releases of the additional provision obligation. The impairment charges consisted mainly of impairments on loans (€ 182 million; first half of 2012: € 160 million). Impairments on property projects amounted to € 2 million (first half 2012: € 6 million). Impairments on participations were nil (first half 2012 € 3 million).

Operating expenses decreased by € 16 million to € 34 million due to lower legal and advisory costs related to the run off of the loan portfolio, lower costs related to forensic audits and decreased costs of staff.

4.3 Portfolio development

4.3.1 Total Portfolio

Excluding the additional provision to value the total real estate finance portfolio at the transfer value as determined by the Dutch State, total net exposure declined by € 0.4 billion to € 6.6 billion (-6%) compared to year-end 2012. This decline was due to impairment charges of € 0.2 billion and transactions (sales, redemptions) of € 0.2 billion. Total commitments declined by € 0.3 billion to € 7.6 billion (-4%).

The average LtV of the total loan portfolio increased slightly from 100.9% at year-end 2012 to 102.6%. Non-performing loans increased by € 0.3 billion to € 2.9 billion. Total non-performing loans as a percentage of gross loans increased from 34% to 39%. As a result total loan provisions increased by € 171 million to € 1,388 million due to additions, partly offset by the reduction of the loan portfolio. Due to the additions to loan provisions the coverage ratio increased from 45.9% to 47.1%.

4.3.2 Dutch portfolio

The total Dutch net exposure declined by € 0.3 billion to € 5.2 billion compared to year-end 2012 (-5%), mainly through impairments and redemptions. Total commitments declined from € 6.3 billion to € 6.1 billion (-4%).

The average LtV of the Dutch portfolio increased from 101.3% to 103.4%. Non-performing Dutch loans increased by € 147 million due mainly to new inflows reflecting the continued weak domestic real estate markets. Total non-performing loans as a percentage of gross loans outstanding increased from 30% to 34%. The coverage ratio increased from 46% to 47%. Net of provisions, the average LtV of the Dutch portfolio amounted to 86.9% (year-end 2012: 87.0%).

Table 10: Breakdown Property Finance portfolio

In € millions	June 2013	December 2012	June 2012
Total portfolio			
Commitments	7,580	7,880	8,615
Undrawn commitments	-	48	70
Outstanding loan portfolio (gross)	**7,580**	**7,832**	**8,545**
Loan provision	1,388	1,217	740
Outstanding loan portfolio	**6,192**	**6,615**	**7,805**
Property projects	411	416	519
Total net exposure	**6,603**	**7,031**	**8,324**
Non-performing loans	2,948	2,649	2,098
Non-performing loans as % of loans outstanding	38.9%	33.8%	24.6%
Coverage ratio	47.1%	45.9%	35.3%
Average loan-to-value (LtV)	102.6%	100.9%	91.1%
Dutch portfolio			
Commitments	6,109	6,348	6,860
Undrawn commitments	20	66	70
Outstanding loan portfolio (gross)	**6,089**	**6,282**	**6,790**
Loan provision	958	867	490
Outstanding loan portfolio	**5,131**	**5,415**	**6,300**
Property projects	105	106	40
Total net exposure	**5,236**	**5,521**	**6,340**
Non-performing loans	2,046	1,899	1,486
Non-performing loans as % of loans outstanding	33.6%	30.2%	21.9%
Coverage ratio	46.8%	45.7%	33.0%
Average loan-to-value (LtV)	103.4%	101.3%	90.3%
International portfolio			
Commitments	1,471	1,532	1,755
Undrawn commitments	(20)	(18)	-
Outstanding loan portfolio (gross)	**1,491**	**1,550**	**1,755**
Loan provision	430	350	250
Outstanding loan portfolio	**1,061**	**1,200**	**1,505**
Property projects	306	310	479
Total net exposure	**1,367**	**1,510**	**1,984**
Non-performing loans	902	750	612
Non-performing loans as % of loans outstanding	60.5%	48.4%	34.9%
Coverage ratio	47.7%	46.7%	40.8%
Average loan-to-value (LtV)	99.4%	99.4%	94.0%
Breakdown international portfolio (geographical)			
Germany	299	333	457
Spain	184	198	405
France	141	145	180
Other Europe	552	634	690
North America	191	200	252
Total net exposure	**1,367**	**1,510**	**1,984**

4.3.3 International portfolio

The total international net exposure declined from € 1.5 billion at year-end 2012 to € 1.4 billion (-10%). The exposure was reduced through redemptions, movements in foreign exchange rates and impairments. Total commitments amounted € 1.5 billion, in line with year-end 2012.

The average LtV of the international portfolio remained stable at 99.4%. Non-performing international loans increased from € 750 million to € 902 million. New inflow of non-performing loans related mainly to Luxembourg. As a percentage of gross loans outstanding, non-performing loans increased from 49% to 61%.
The coverage ratio increased from 46.7% to 47.7%.

Net exposure in Europe (excluding the Netherlands) declined by € 134 million to € 1,176 million (-10%). The average LtV increased from 98.0% to 98.7%. Non-performing loans increased by € 168 million to € 786 million. The coverage ratio in Europe increased from 41% to 43% due to the impairments in Spain and Italy on existing non-performing loans, and new provisions on loans in Luxembourg.

Net exposure in North America declined by € 9 million to € 191 million (-5%). The average LtV decreased from 103.8% to 103.3%. Non-performing loans decreased by € 16 million resulting from redemptions. The coverage ratio increased from 74% to 79% due to the decline in non-performing loans.

5 Interim Financial Statement

5.1 Statement of the Management Board

The condensed consolidated interim financial statements of SNS Bank NV have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted within the European Union.
To the best of our knowledge, the condensed consolidated interim financial statements in this interim financial report for the first half year of 2013 give a true and fair view of the assets, liabilities, composition of equity, financial position as per 30 June 2013 and financial result of SNS REAAL NV and the undertakings included in the consolidation as a whole.

The interim financial report gives, to the best of our knowledge, a fair review of the information required pursuant to section 5:25d (8) and (9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Utrecht, 14 August 2013
Dick Okhuijsen
Ernst-Jan Boers
Maurice Oostendorp
Wim Henk Steenpoorte

5.2 General information

5.2.1 Group Structure

SNS Bank NV, incorporated and established in the Netherlands, is a public limited liability company incorporated under the laws of the Netherlands. SNS Bank NV's registered office is located at Croeselaan 1, 3521 BJ Utrecht. SNS Bank NV is a wholly owned subsidiary of SNS REAAL NV, and a group entity of SNS REAAL. The condensed consolidated interim financial statements of SNS Bank NV comprise the accounts of all the companies controlled by SNS Bank NV and the interests of SNS Bank NV in associated subsidiaries and entities.

The consolidated financial statements of SNS Bank NV for the financial year 2012 are available on request at the registered office of the company at the address Croeselaan 1, P.O. Box 8444, 3503 RK Utrecht, or via www.snsreaal.nl .

These condensed consolidated interim financial statements were approved by the Supervisory Board on 14 August 2013. The condensed consolidated interim financial statements have not been audited and neither has a review been performed on these condensed consolidated interim financial statements.

5.2.2 Related Parties

Parties are considered to be related if one party can exert control or significant influence over the other party in deciding financial or operational matters. As part of its ordinary operations, SNS Bank NV maintains various sorts of ordinary business relations with related companies and parties, particularly in the areas of insurance, banking, and asset management. Other parties related with SNS Bank NV are the Dutch Ministry of Finance, subsidiaries, associated companies, joint ventures, managers in key positions and their close family members.

The main related-party transactions for this reporting period are:

- The conversion into equity as contribution of share premium by SNS REAAL of the expropriated subordinated debt of SNS Bank NV by the State.
- A paid-in premium of € 2.2 billion by the State in SNS REAAL on 11 March 2013, of which € 1.9 billion has subsequently been passed through as share premium to SNS Bank.

5.3 Basis of preparation

5.3.1 Statement of IFRS compliance

SNS REAAL prepares the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted within the European Union (EU).

5.3.2 Main accounting principles for financial reporting

The same accounting principles, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2012, except for the impact of the adoption of the IFRS Standards and Interpretations, and the changes in accounting principles described below. The changes in presentation and accounting principles as set out in the accounting principles are applied to the comparative figures in these condensed consolidated interim financial statements.

The balance sheet item 'Held for Sale' has been created as a result of the identification and subsequent reclassification of Property Finance as a disposal group held for sale (balance sheet) and discontinued operation (profit and loss statement). This is explained in the accounting principles as assets and liabilities that are part of operations to be discontinued and assets held for sale, of which it is highly probable that, on balance sheet date, the discontinuation or sale is within 12 months. Assets held for sale are recognised at the lower of the book value and fair value less expected sales costs.

Property projects of Property Finance held for sale are measured at the lower of cost or net realisable value. Financial instruments held for sale follow the measurement of the instrument.

In the income statement the results from discontinued operations are listed in a net amount separately from the results from continued operations.

5.3.3 Change in published Standards and Interpretations effective in 2013

New or amended standards become effective on the date specified by IFRS, but may allow early adoption. In 2013, the following standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee respectively became mandatory and have been adopted by the EU. Unless stated otherwise, the changes will have no material effect on the condensed consolidated interim financial statements of SNS REAAL.

- Amendment to IFRS 1 First-time Adoption – Government Loans.
- Amendment to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities.
- IFRS 13 Fair Value Measurement.
- Amendment to IAS 1 Presentation of Financial Statements - 'Presentation of Items of Other Comprehensive Income'.
- Amendment to IAS 19 Employee Benefits - Post Employment Benefits.
- Improvements to IFRSs' 2011.

5.3.4 Segment presentation SNS Bank NV versus SNS REAAL

With effect from January 2011, SNS REAAL changed its presentation of the segment information to align it to the way management assesses the segments' performance. Corrections to one-off, Group-directed intercompany transactions for which eliminations and/or corrections in the consolidated results are required, are incorporated directly in the segment in question. Formerly, these corrections were made in the Eliminations column.

Due to this change in presentation the segment information shown at the SNS REAAL press release differs from the information in the separate financial statements of SNS Bank NV as shown in this press release. The SNS Retail Bank net result in the press release of SNS Bank NV is € 3 million higher, as net interest income is € 1 million (gross) lower and result on financial instruments is € 5 million (gross) higher. These differences derived from the sale of € 0.5 billion of mortgages of SNS Retail Bank to the Insurance activities in 2011. However at SNS Bank NV the result of a related intercompany hedge accounting transaction is still included in the segmented report for SNS Retail Bank.

6 Profile and brands

SNS Bank NV (SNS Bank), part of SNS REAAL, is a financial services provider engaged in banking, with a particular focus on the Dutch retail market, including small and medium sized enterprises. The product range consists of two core product groups: mortgages and property finance, and savings and investments. SNS Bank has a balance sheet total of approximately € 78 billion and about 2,200 employees (FTE), which makes it a major player in the Dutch market.
SNS Bank NV has its head office in Utrecht.

6.1 General

6.1.1 Rooted in society

SNS Bank is strongly rooted in Dutch society. SNS Bank dates back 200 years when the first savings banks with a public utility function were founded.

6.1.2 Simplicity in Finance

SNS Bank aims to make banking business simple, understandable and transparent. We do this by actively engaging our customers in developing our products and services. But also with the assistance of committed employees, who believe in these products and services.

6.1.3 Customer focus

We work hard to earn our customers, who encompass both private individuals and business customers. By providing a sound service, we favour an optimal relationship with each and every customer - a service that is accessible and fairly priced. Every SNS Bank brand gives shape to this in its own way. We ultimately aim for sustainable relationships with our customers but also with society.

6.2 Our brands

There is no such thing as the average customer. Everyone has different desires, needs and preferences. And we want to serve our customers in the way that suits them best. That is why, instead of one brand for all customers, we have opted for different brands that each serve their customers in the way that suits them. Each brand has its own way of working, image, mentality and products, from savings and investments. For example, SNS Bank customers can go to more than 200 shops, ASN Bank is a full online bank, clients choose the coverage that best suits their needs and RegioBank works with personal advisors.

6.2.1 SNS Bank

SNS Bank was founded in 1817 with a view to increasing people's financial independence. This assignment and challenge is just as relevant today as it was back then. As a broad, accessible bank for consumers and the small business market, we allow our customers to choose for themselves how they manage their banking business: via the website, over the telephone, with a financial advisor at home or at one of the 200 SNS Shops or via the mobile channel.
Products: payments, savings, mortgages, insurance, loans, investments and bank savings.
www.snsbank.nl

6.2.2 ASN Bank

ASN Bank has been one of the leading banks in sustainable banking in the Netherlands for 50 years. Money is invested in projects and companies that respect people, animals and the environment. ASN Bank aims to demonstrate that sustainable banking goes perfectly hand-in-hand with market-based results.
Products: savings, payments, investments and asset management.
www.asn.nl

6.2.3 RegioBank

RegioBank is the SNS Bank regional bank formula to which some 535 independent advisors are affiliated. RegioBank is the local bank without the fuss or hassle. With great personal attention, a sense of service and a full range of banking products all under one roof.
Products: mortgages, savings, payments, loans and investments.
www.regiobank.nl

6.2.4 BLG Wonen

BLG Wonen is a financial services provider whose aim is to allow its customers to live as comfortable as possible. Carefree home ownership makes you feel at home. Now and in the future. We achieve this by making our customers' living wishes come true via transparent services and professional, personal advice from the best independent advisors.
Products: mortgages, savings and insurance.
www.blg.nl

7 Disclaimer

RESERVATION CONCERNING FORWARD LOOKING STATEMENTS

This press release contains forward looking statements concerning future events. Those forward looking statements are based on the current information and assumptions of SNS Bank NV's management concerning known and unknown risks and uncertainties.
Forward looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to SNS Bank NV's expectations regarding such matters as the assessment of market risk or possible acquisitions, or business expansion and premium growth and investment income or cash flow predictions or, more generally, the economic climate and changes in the law and taxation.
SNS Bank NV cautions that expectations are only valid on the specific dates, and accepts no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like.

The information in this interim financial report is unaudited.

DISCLAIMER

This interim financial report contains only factual information and should not be regarded as an opinion or recommendation concerning the purchase or sale of shares or other securities issued by SNS Bank NV. This interim financial report does not contain any value judgement or predictions with respect to the financial performance of SNS Bank NV.

8 Tables

Consolidated balance sheet

Before result appropriation and in € millions	**June 2013**	December 2012
Assets		
Cash and cash equivalents	6,744	6,933
Loans and advances to banks	2,588	1,927
Loans and advances to customers	52,177	61,768
Derivatives	2,792	3,660
Investments	5,306	5,302
Property projects	-	416
Investments in associates	-	3
Property and equipment	65	71
Intangible assets	93	98
Deferred tax assets	512	337
Corporate income tax	-	117
Other assets	444	709
Assets held for sale	6,911	-
Total assets	**77,632**	**81,341**
Equity and liabilities		
Savings	32,782	32,815
Other amounts due to customers	9,569	9,529
Amounts due to customers	**42,351**	**42,344**
Amounts due to banks	8,254	8,686
Debt certificates	18,028	21,990
Derivatives	2,951	3,599
Deferred tax liabilities	265	303
Other liabilities	1,202	2,180
Other provisions	112	82
Participation certificates and subordinated debt	40	820
Liabilities held for sale	2,098	-
Share capital	381	381
Other reserves	3,505	1,675
Retained earnings	(1,574)	(719)
Shareholder's equity	**2,312**	**1,337**
Minority interests	-	-
Total equity	**2,312**	**1,337**
Total equity and liabilities	**77,632**	**81,341**

Consolidated income statement

in € millions	1st half year 2013	1st half year 2012
Income		
Interest income	1,122	1,292
Interest expense	662	950
Net interest income	**460**	**342**
Fee and commission income	48	50
Fee and commission expense	20	22
Net fee and commission income	**28**	**28**
Investment income	75	28
Result on financial instruments	80	14
Other operating income	1	9
Total income	**644**	**421**
Expenses		
Staff costs	90	99
Depreciation and amortisation of fixed assets	9	14
Other operating expenses	168	106
Impairment charges	94	83
Total expenses	**361**	**302**
Result before tax	**283**	**119**
Taxation	68	28
Net result continued operations	**215**	**91**
Net result discontinued operations	(1,789)	(143)
Net result for the period	**(1,574)**	**(52)**
Attribution:		
Net result attributable to shareholders	(1,574)	(53)
Net result attributable to minority interests	-	1
Net result for the period	**(1,574)**	**(52)**

Some of the comparative figures have been restated for comparison purposes as a result of the decision to classify Property Finance as held for sale which is described in paragraph 4.1 "Held for sale classification Property Finance".

Consolidated statement of comprehensive income

In € millions	1st half year 2013	1st half year 2012
Net result for the period	**(1,574)**	**(52)**
Items that will not be reclassified subsequently to profit or loss		
Change in revaluation reserve	1	-
Total items never reclassified to profit and loss	**1**	**-**
Items that may be reclassified subsequently to profit or loss		
Change in cash flow reserve	(14)	12
Change in fair value reserve	(10)	19
Total items that may be reclassified to profit and loss subsequently	**(24)**	**31**
Change in other comprehensive income (after tax)	**(23)**	**31**
Total comprehensive income	**(1,597)**	**(21)**
Attribution:		
Total comprehensive income attributable to shareholders	(1,597)	(21)
Total comprehensive income to minority interests	-	-
Total comprehensive income	**(1,597)**	**(21)**

Result from Discontinued Operations Property Finance

in € millions	1st half year 2013	1st half year 2012
Income		
Interest income third parties	100	147
Interest income group companies	9	10
Interest expense third parties	-	-
Interest expense group companies	66	105
Net interest income	**43**	**52**
Result on financial instruments	(3)	(8)
Other operating income	(1)	(1)
Total income	**39**	**43**
Expenses		
Staff costs	13	19
Other operating expenses	21	31
Impairment charges	184	169
Other expenses	1,837	-
Total expenses	**2,055**	**219**
Result before tax	**(2,016)**	**(176)**
Taxation	(227)	(33)
Net result for the period	**(1,789)**	**(143)**

Consolidated statement of changes in total equity 1st half year 2013

In € millions	Issued share capital	Share premium reserve	Revaluation property and equipment	Cash flow hedge reserve	Fair value reserve	Other reserves	Retained earnings	Equity attributable to share-holders
Balance as at 1 January 2013	**381**	**1,186**	**-**	**68**	**(117)**	**538**	**(719)**	**1,337**
Transfer of net result 2012	-	-	-	-	-	(719)	719	-
Transfers 2012	**-**	**-**	**-**	**-**	**-**	**(719)**	**719**	**-**
Unrealised revaluations from cash flow hedges	-	-	-	(14)	-	-	-	(14)
Unrealised revaluations	-	-	-	-	(8)	-	-	(8)
Realised revaluations through profit or loss	-	-	-	-	(2)	-	-	(2)
Other movements	-	-	1	-	-	-	-	1
Amounts charged directly to total equity	**-**	**-**	**1**	**(14)**	**(10)**	**-**	**-**	**(23)**
Net result 1st half year 2013	-	-	-	-	-	-	(1,574)	(1,574)
Total result 1st half year 2013	**-**	**-**	**1**	**(14)**	**(10)**	**-**	**(1,574)**	**(1,597)**
Transactions with shareholder	**-**	**2,572**	**-**	**-**	**-**	**-**	**-**	**2,572**
Total changes in equity 1st half year 2013	**-**	**2,572**	**1**	**(14)**	**(10)**	**(719)**	**(855)**	**975**
Balance as at 30 June 2013	**381**	**3,758**	**1**	**54**	**(127)**	**(181)**	**(1,574)**	**2,312**

Consolidated statement of changes in total equity 1st half year 2012

In € millions	Issued share capital	Share premium reserve	Cash flow hedge reserve	Fair value reserve	Other reserves	Retained earnings	Equity attributable to share-holders	Securities capital	Minority interests	Group equity
Balance as at 1 January 2012	**381**	**967**	**64**	**(227)**	**500**	**38**	**1,723**	**156**	**-**	**1,879**
Transfer of net result 2011	-	-	-	-	38	(38)	-	-	-	-
Transfers 2011	**-**	**-**	**-**	**-**	**38**	**(38)**	**-**	**-**	**-**	**-**
Unrealised revaluations from cash flow hedges	-	-	12	-	-	-	12	-	-	12
Unrealised revaluations	-	-	-	40	-	-	40	-	-	40
Realised revaluations through profit or loss	-	-	-	(21)	-	-	(21)	-	-	(21)
Amounts charged directly to total equity	**-**	**-**	**12**	**19**	**-**	**-**	**31**	**-**	**-**	**31**
Net result 1st half year 2012	-	-	-	-	-	(53)	(53)	-	1	(52)
Total result 1st half year 2012	**-**	**-**	**12**	**19**	**-**	**(53)**	**(22)**	**-**	**1**	**(21)**
Capital issue	-	63	-	-	-	-	63	-	-	63
Transactions with shareholders	**-**	**63**	**-**	**-**	**-**	**-**	**63**	**-**	**-**	**63**
Total changes in equity 1st half year 2012	**-**	**63**	**12**	**19**	**38**	**(91)**	**41**	**-**	**1**	**42**
Balance as at 30 June 2012	**381**	**1,030**	**76**	**(208)**	**538**	**(53)**	**1,764**	**156**	**1**	**1,921**

Consolidated statement of changes in total equity 2nd half year 2012

In € millions	Issued share capital	Share premium reserve	Cash flow hedge reserve	Fair value reserve	Other reserves	Retained earnings	Equity attributable to share-holders	Securities capital	Minority interests	Group equity
Balance as at 30 June 2012	**381**	**1,030**	**76**	**(208)**	**538**	**(53)**	**1,764**	**156**	**1**	**1,921**
Unrealised revaluations from cash flow hedges	-	-	(8)	-	-	-	(8)	-	-	(8)
Unrealised revaluations	-	-	-	100	-	-	100	-	-	100
Realised revaluations through profit or loss	-	-	-	(9)	-	-	(9)	-	-	(9)
Other mutations	-	-	-	-	-	-	-	-	(1)	(1)
Amounts charged directly to total equity	**-**	**-**	**(8)**	**91**	**-**	**-**	**83**	**-**	**(1)**	**82**
Net result 2nd half year 2012	-	-	-	-	-	(666)	(666)	-	-	(666)
Total result 2nd half year 2012	**-**	**-**	**(8)**	**91**	**-**	**(666)**	**(583)**	**-**	**(1)**	**(584)**
Capital issue	-	156	-	-	-	-	156	(156)	-	-
Transactions with shareholders	**-**	**156**	**-**	**-**	**-**	**-**	**156**	**(156)**	**-**	**-**
Total changes in equity 2012	**-**	**156**	**(8)**	**91**	**-**	**(666)**	**(427)**	**(156)**	**(1)**	**(584)**
Balance as at 31 December 2012	**381**	**1,186**	**68**	**(117)**	**538**	**(719)**	**1,337**	**-**	**-**	**1,337**

Comprehensive consolidated cash flow statement

In € millions	**1st half year 2013**	1st half year 2012
Cash flow from continued operations		
Cash and cash equivalents as at 1 January	**6,730**	**4,652**
Net cash flow from operating activities	1,832	3,730
Net cash flow from investment activities	54	(216)
Net cash flow from financing activities	(1,895)	(181)
Cash and cash equivalents from continued operations as at 30 June	**6,721**	**7,985**
Cash flow from discontinued operations		
Cash and cash equivalents as at 1 January	**203**	**476**
Net cash flow from operating activities	(180)	27
Net cash flow from investment activities	-	(3)
Net cash flow from financing activities	-	-
Cash and cash equivalents from discontinued operations as at 30 June	**23**	**500**

Some of the comparative figures have been restated for comparison purposes as a result of the decision to classify Property Finance as held for sale which is described in paragraph 4.1 "Held for sale classification Property Finance".

Balance sheet SNS Bank NV by segment 30 June 2013

In € millions	SNS Retail Bank	Property Finance	Eliminations	Total
Assets				
Cash and cash equivalents	6,764	-	(20)	6,744
Loans and advances to banks	9,748	-	(7,160)	2,588
Loans and advances to customers	52,177	-	-	52,177
Derivatives	2,792	-	-	2,792
Investments	5,306	-	-	5,306
Property and equipment	65	-	-	65
Intangible assets	93	-	-	93
Deferred tax assets	512	-	-	512
Corporate income tax	-	-	-	-
Other assets	463	-	(19)	444
Assets held for sale	-	7,097	(186)	6,911
Total assets	**77,920**	**7,097**	**(7,385)**	**77,632**
Equity and liabilities				
Savings	32,782	-	-	32,782
Other amounts due to customers	9,569	-	-	9,569
Amounts due to banks	8,263	7,199	(7,208)	8,254
Debt certificates	18,028	-	-	18,028
Derivatives	2,951	-	-	2,951
Deferred tax liabilities	265	-	-	265
Corporate income tax	196	-	(177)	19
Other liabilities	1,202	-	-	1,202
Other provisions	112	-	-	112
Participation certificates and subordinated debt	40	-	-	40
Liabilities held for sale	-	2,098	-	2,098
Shareholder's equity	4,512	(2,200)	-	2,312
Minority interests	-	-	-	-
Total equity	**4,512**	**(2,200)**	**-**	**2,312**
Total equity and liabilities	**77,920**	**7,097**	**(7,385)**	**77,632**

The total capital that is taken into account when calculating the solvency of SNS Bank is considered on a consolidated level. This includes both the equity of the segment SNS Retail Bank and the (negative) equity of the Property Finance segment. When Property Finance is separated its negative equity value will be settled with the equity of SNS Retail Bank. From that moment onwards the equity of SNS Retail Bank will be equal to the consolidated equity of SNS Bank.

Balance sheet SNS Bank NV by segment 31 December 2012

In € millions	SNS Retail Bank	Property Finance	Eliminations	Total
Assets				
Cash and cash equivalents	6,909	203	(179)	6,933
Loans and advances to banks	9,867	10	(7,950)	1,927
Loans and advances to customers	55,163	6,605	-	61,768
Derivatives	3,660	-	-	3,660
Investments	5,302	-	-	5,302
Property projects	-	416	-	416
Investments in associates	-	3	-	3
Property and equipment	69	2	-	71
Intangible assets	98	-	-	98
Deferred tax assets	329	8	-	337
Corporate income tax	114	3	-	117
Other assets	508	600	(399)	709
Assets held for sale	-	-	-	-
Total assets	**82,019**	**7,850**	**(8,528)**	**81,341**
Equity and liabilities				
Savings	32,815	-	-	32,815
Other amounts due to customers	9,529	-	-	9,529
Amounts due to banks	8,691	8,124	(8,129)	8,686
Debt certificates	21,990	-	-	21,990
Derivatives	3,599	-	-	3,599
Deferred tax liabilities	295	8	-	303
Corporate income tax	-	-	-	-
Other liabilities	2,458	121	(399)	2,180
Other provisions	73	9	-	82
Participation certificates and subordinated debt	820	-	-	820
Shareholder's equity	1,749	(412)	-	1,337
Minority interests	-	-	-	-
Total equity	**1,749**	**(412)**	**-**	**1,337**
Total equity and liabilities	**82,019**	**7,850**	**(8,528)**	**81,341**

Income statement by segment 1st half year 2013

in € millions	SNS Retail Bank	Property Finance	Eliminations	Total
Income				
Interest income	1,122	-	-	1,122
Interest expense	662	-	-	662
Net interest income	**460**	**-**	**-**	**460**
Fee and commission income	48	-	-	48
Fee and commission expense	20	-	-	20
Net fee and commission income	**28**	**-**	**-**	**28**
Investment income	75	-	-	75
Result on financial instruments	80	-	-	80
Other operating income	1	-	-	1
Result assets and liabilities held for sale	-	-	-	-
Total income	**644**	**-**	**-**	**644**
Expenses				
Staff costs	90	-	-	90
Depreciation and amortisation of fixed assets	9	-	-	9
Other operating expenses	168	-	-	168
Impairment charges	94	-	-	94
Total expenses	**361**	**-**	**-**	**361**
Result before tax	**283**	**-**	**-**	**283**
Taxation	68	-	-	68
Net result continued operations	**215**	**-**	**-**	**215**
Net result discontinued operations	-	(1,789)	-	(1,789)
Net result for the period	**215**	**(1,789)**	**-**	**(1,574)**
Minority interests	-	-	-	-
Net result attributable to shareholders	**215**	**(1,789)**	**-**	**(1,574)**

Income statement by segment 1st half year 2012

in € millions	SNS Retail Bank	Property Finance	Eliminations	Total
Income				
Interest income	1,292	-	-	1,292
Interest expense	950	-	-	950
Net interest income	**342**	**-**	**-**	**342**
Fee and commission income	50	-	-	50
Fee and commission expense	22	-	-	22
Net fee and commission income	**28**	**-**	**-**	**28**
Share in result of associates	-	-	-	-
Investment income	28	-	-	28
Result on financial instruments	14	-	-	14
Other operating income	9	-	-	9
Result assets and liabilities held for sale	-	-	-	-
Total income	**421**	**-**	**-**	**421**
Expenses				
Staff costs	99	-	-	99
Depreciation and amortisation of fixed assets	14	-	-	14
Other operating expenses	106	-	-	106
Impairment charges	83	-	-	83
Total expenses	**302**	**-**	**-**	**302**
Result before tax	**119**	**-**	**-**	**119**
Taxation	28	-	-	28
Net result continued operations	**91**	**-**	**-**	**91**
Net result discontinued operations	-	(143)	-	(143)
Net result for the period	**91**	**(143)**	**-**	**(52)**
Minority interests	1	-	-	1
Net result attributable to shareholders	**90**	**(143)**	**-**	**(53)**

Some of the comparative figures have been restated for comparison purposes as a result of the decision to classify Property Finance as held for sale which is described in paragraph 4.1 "Held for sale classification Property Finance".

Hierarchy financial instruments

	Level 1		Level 2		Level 3		Total	
In € millions	**HY 2013**	FY 2012	**HY 2013**	FY 2012	**HY 2013**	FY 2012	**HY 2013**	FY 2012
Financial assets								
Investments								
- Fair value through profit or loss: held for trading	527	534	148	314	-	-	675	848
- Fair value through profit or loss: designated	35	63	-	40	-	-	35	103
- Available for sale	4,029	3,827	552	510	15	14	4,596	4,351
Derivatives	-	-	2,792	3,660	-	-	2,792	3,660
Loans and advances to customers	-	-	2,270	2,262	-	-	2,270	2,262
Financial liabilities								
Fair value through profit or loss: debt certificates	-	-	1,507	1,577	-	-	1,507	1,577
Derivatives	-	-	2,951	3,599	-	-	2,951	3,599

There have been no movements in level classification compared to the previous financial year

Breakdown fixed income portfolio (geographical)

In € millions		June 2013		December 2012		June 2012
Ireland	126	2%	121	2%	107	2%
Greece	-	0%	-	0%	2	0%
Portugal	-	0%	-	0%	-	0%
Italy	328	6%	326	6%	295	7%
Spain	-	0%	-	0%	-	0%
Total GIIPS	**454**	**9%**	**447**	**8%**	**404**	**9%**
Germany	1,285	24%	1,468	28%	1,144	26%
France	542	10%	456	9%	239	5%
The Netherlands	1,552	29%	1,690	32%	1,591	36%
Austria	411	8%	303	6%	257	6%
Belgium	375	7%	241	5%	181	4%
Other	672	13%	685	13%	623	14%
Total	**5,291**	**100%**	**5,290**	**100%**	**4,439**	**100%**

Breakdown fixed income portfolio (sector)

In € millions		June 2013		December 2012		June 2012
Sovereign	4,587	87%	4,444	84%	3,604	81%
Financials	257	5%	352	7%	281	6%
Corporates	246	5%	105	2%	31	0%
Mortgage backed securities	197	4%	211	4%	224	5%
Other	4	0%	178	3%	299	7%
Total	**5,291**	**100%**	**5,290**	**100%**	**4,439**	**100%**

Breakdown sovereign fixed income portfolio (geographical)

In € millions	**June 2013**	**June 2013**	December 2012	December 2012	June 2012	June 2012
Ireland	126	3%	121	3%	107	3%
Greece	-	0%	-	0%	2	0%
Italy	326	7%	320	7%	284	8%
Subtotal GIIPS	**452**	**10%**	**441**	**10%**	**393**	**11%**
Germany	1,270	28%	1,437	32%	1,113	31%
France	472	10%	402	9%	222	6%
The Netherlands	1,183	26%	1,053	24%	906	25%
Austria	304	7%	302	7%	256	7%
Belgium	374	8%	236	5%	180	5%
Other	532	12%	573	13%	534	15%
Total	**4,587**	**101%**	**4,444**	**101%**	**3,604**	**100%**

Breakdown fixed income portfolio (maturity)

In € millions		June 2013		December 2012		June 2012
< 3 Months	533	10%	820	16%	534	12%
< 1 Year	364	7%	683	13%	516	12%
< 3 Years	592	11%	659	12%	1,023	23%
< 5 Years	721	14%	455	9%	458	10%
< 10 Years	2,049	39%	1,735	33%	895	20%
< 15 Years	221	4%	99	2%	251	6%
> 15 Years	811	15%	839	16%	762	17%
Total	**5,291**	**100%**	**5,290**	**100%**	**4,439**	**100%**

Breakdown fixed income portfolio (rating)

In € millions		June 2013		December 2012		June 2012
AAA	3,134	59%	2,522	48%	2,860	64%
AA	1,544	29%	1,279	24%	737	17%
A	115	2%	807	15%	391	9%
BBB	486	9%	662	13%	437	10%
< BBB	1	0%	-	0%	2	0%
No rating	11	0%	20	0%	12	0%
Total	**5,291**	**100%**	**5,290**	**100%**	**4,439**	**100%**