

**Financial results and
social and environmental
performance**

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Regarding the pictures in this annual report

The United Nations declared 2011 as the International Year of Forests. We have a clear vision of what we aim to achieve with our investments where forests are concerned. That vision is laid down in the ASN Bank Biodiversity Issue Paper.

Not only are forests a source of inspiration and relaxation, they are also vital to our prosperity. We obtain all kinds of products and services from forests. They provide raw materials such as oxygen, wood, food and medicines. They protect the soil against erosion and hold water. They also regulate precipitation, both globally and locally. On top of all that, they provide a home to eighty percent of all plant and animal species.

Forest loss is putting increasing pressure on these products and services. That is why we take due account of the importance of forests when making our investments. We do not invest in companies or operations that threaten forests. Instead, we invest in companies and countries that apply sustainable forest management.

However, responsible forest management is also related to human rights. According to United Nations estimates, three hundred million people live in forests worldwide. A total of 1.6 billion people depend directly on forests for their survival, and for the most part these are poor people. That is why we believe forest conservation is not only an environmental issue but also a social one.

The photographs in this annual report depict many facets of the forest, from the people and animals that live there to the business activities made possible by forests. And of course the trees themselves, because - regardless of all the necessary micro-organisms, plants and animals - there can be no forests without trees.

Fifty years of sustainable banking



On 21 January 2010, it was exactly fifty years ago that the memorandum of incorporation of Stichting Algemene Spaarbank Nederland was signed. ASN was founded as the bank for the socialist workers' movement. From the very start, our bank's foundation has been its commitment to justice and solidarity. Anyone aiming for justice is looking for a fair distribution of wealth - not only in the present, among the various regions of the world, but also among our generations and future world citizens. They, too, are entitled to a safe world with sufficient food and a liveable climate.

Money as a means

We are happy that our vision and our sustainable banking services are appealing to an increasing number of people. In 2010, we passed the milestone figure of half a million customers. And we want to keep growing. The more funds our clients entrust to us, the more we can invest in the world of tomorrow. After all, money is not an end in itself, but a means. Our customers, for example, may be saving for a home of their own, their children's education or financial security. To us, that same money provides a means to create a more just and sustainable world through finance and investments. We are extraordinarily grateful that you, our customers, are making this possible.

Fifty years of collaboration

Of course, we do not achieve our vision on our own. In the past fifty years, we have collaborated with numerous parties to build the world of tomorrow, such as NGOs that share our sustainability vision. Our holding company SNS REAAL has also played a key role. ASN Bank and SNS REAAL are linked through their common origins and their wish for a sustainable, just future.

Forging ahead

In the current political climate, sustainability seems to be losing ground. However, that is not our experience. We meet a growing number of entrepreneurs - young ones, especially - who commit their inventive capabilities and energy to sustainable products and services. Large, established companies are likewise becoming more sustainable. Action websites mobilise millions of followers who speak out on issues concerning human rights and nature. It looks like sustainability is gaining momentum.

On to our centennial

Inspired by these developments, in 2011 we will commit ourselves again with confidence and enthusiasm to offer you transparent, sustainable financial services. Taking new steps on the road to a sustainable society, together with our customers and the growing number of people and organisations dedicated to increasing sustainability. You may count on our unconditional, unabated efforts to deliver on ASN Bank's sustainability mission.

*Ewoud Goudswaard
Jeroen Jansen*

1. Key figures and summary of results

In 2010, the effects of the credit crisis were still clearly felt in the banking sector. However, 2010 - the year of our fiftieth anniversary - was an excellent year for ASN Bank. Assets under management again showed solid growth. We broke through the milestone barrier of half a million customers and generated a record profit. Of course, sustainability was our major focus and we achieved several sustainability objectives. This chapter summarises our performance. Please refer to the relevant chapters for more detailed information.

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1.1 Summary of economic performance

	2010	2009	2008	2007	2006
Customer base	516.902	471.118*	419.792	363.334	317.683
Assets under management (in millions of euros)					
ASN Bank	7.992	6.346	4.966	3.632	2.665
ASN investment funds	1.375	1.193	983	1.255	1.167
Total assets under management	9.367	7.539	5.949	4.887	3.832
Sustainable savings and investments market share**					
	n.t.b.	48%	44%	36%	35%
Savings market share***	2,5%	2,2%	1,9%	1,5%	1,2%
Interest donations from customers to social organisations (in euros)					
	373.868	573.825	417.366	209.669	131.429
ASN Bank's contribution to social organisations (in euros)	729.013	621.246	387.973	257.087	224.939
Total contribution to social organisations	1.102.881	1.195.071	805.339	466.756	356.368

* At the end of 2009, the definition of 'customer' was tightened. As a result, the figure for 2009 has been adjusted.

** Source: VBDO

*** Source: CBS

Development of customer base

In our anniversary year, we welcomed our 500,000th customer. In addition, our customer base growth of 45,784 (10%) outperformed expectations by far. This growth was supported by the successful savings campaign in early 2010, the increasing number of customers with an ASN Bank Account and the introduction of the ASN Credit Card in mid-2010. We closed the year with more than 516,000 customers.

Development of funds entrusted

Savings and current account balances also posted record growth in 2010. Funds entrusted rose by € 1.6 billion (26%), driven by regular inflow as well as the successful savings campaign. In addition, we were able to retain a great deal of the savings deposits released. The ASN Ideaalsparen account (see Chapter 7) saw the largest growth. Our customers appreciate this transparent savings product, which carries no deposit or withdrawal restrictions. At the 2010 year-end, funds entrusted (balances on savings accounts and current accounts) amounted to € 8 billion.

Development of the investment funds

Nearly all investments funds managed by ASN Beleggingsinstellingen Beheer B.V. performed well, albeit slightly less than in 2009. ASN Aandelenfondsen, ASN Milieu & Waterfondsen and ASN Small

& Midcap Fondsen achieved returns of 17.9%, 18.3% and 42.4%, respectively. Due to the interest rate hike, bonds underperformed. ASN Obligatiefondsen generated a 0.5% return. Thanks to the exposure to equities, ASN Mixfondsen generated a 8.6% return. There was inflow of new money in all listed funds except for the ASN Mixfondsen, which experienced a slight outflow.

The results of the tax-based funds ASN Groenprojectenfondsen and the ASN-Novib Fund varied. The ASN-Novib Fund generated a fine return of 6.3%. Conversely, ASN Groenprojectenfondsen was affected by the higher interest rates and the revaluation of the financed projects. This revaluation was necessary when the government decided to reduce the tax credit (see Chapter 7). The fund closed the year with a 0.3% loss. On top of the return, investors in these funds benefit from a tax advantage, which was still up to 2.5% in 2010. The decision to reduce the tax credit did not deter our customers. They deposited approximately as much new money in ASN Groenprojectenfondsen as they did in 2009. The ASN-Novib Fund even grew by € 52 million of new money, a 51% growth compared to 2009, which was also a good year.

Total assets under management of the ASN investment funds increased by 15%, thanks to both new money and higher share prices.

Market share

The upward trend of our share in the broad Dutch savings market continued in 2010. Growing 0.3 percentage points (18%), our market share reached 2.6% at year-end 2010. Savings deposits were up by 26%, while the overall savings figure in the Netherlands rose by 2.1%. **Savings deposits rose by 2.1%.** The data on the Dutch sustainable savings market were not yet known at the time this annual report was written. In 2009, our share in this market rose from 44% to 48%.

Contributions to social organisations

The economic slump did not affect the generosity of ASN customers. The number of customers that donated all or part of the interest on their savings

accounts to the charities we cooperate with was up more than eight percent from 2009. However, the average donation amount fell due to the cancellation of a specific account. This resulted in total donations amounting to almost € 375,000. Cordaid Microkrediet and Oxfam Novib received the largest amount of interest donations.

ASN Jeugdsparen was a success in 2010 as well, with new accounts growing by 16%. This immediately resulted in considerably higher contributions to Cordaid Kinderstem and Cordaid Memisa of almost € 312,000 (2009: € 225,000). Just as in 2009, the ASN Foundation received a contribution of € 300,000. ASN Bank's total donations to social organisations more than 17% up from 2009.

1.2 Summary of financial results

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<i>In millions of euros</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
Investments	8.382	6.614	5.251	3.725	2.786
Funds entrusted*	7.992	6.346	4.966	3.632	2.665
Equity	103	105	139	19	39
Balance sheet total	8.542	6.662	5.302	3.773	2.811
Net interest margin	83,0	44,5	40,8	32,4	18,3
Other income	1,5	4,0	6,2	8,1	6,5
Total expenditure	26,7	35,2	24,3	17,5	15,2
Operating profit	57,8	13,3	22,7	23,0	9,6
<i>Operating profit before non-recurring expenses</i>	<i>57,8</i>	<i>24,3</i>	<i>22,7</i>	<i>23,0</i>	<i>9,6</i>
Profit after tax	43,1	9,9	16,9	17,1	6,8
<i>Profit after tax, before non-recurring expenses</i>	<i>43,1</i>	<i>18,1</i>	<i>16,9</i>	<i>17,1</i>	<i>6,8</i>

* The funds entrusted to ASN Bank comprise savings and other amounts due to customers in the form of savings held for legal entities (associations, foundations and trusts).

In 2010 ASN Bank generated the highest net profit in its history: over € 43 million. That was more than double the net profit made in 2009 before deduction of non-recurring expenses related to the bankruptcies of DSB Bank and Icesave. This growth can mainly be attributed to the improved interest margin and the strong increase of the funds entrusted. Our shareholders' equity is further bolstered by this net profit growth and allows us to step up investments in, for example, wind and solar energy projects.

Income rose by 75% to € 84.5 million. This was the result of the strong increase of funds entrusted combined with a positive development of the interest margin. Commission received also increased, as the ASN investment funds maintained their growth. The strong increase in income was not offset by rising costs, which increased by only 10% as compared to 2009 before deduction of non-recurring expenses. This cost increase can be attributed entirely to the growth of the bank.

Fixed-income investments were under pressure due to the turmoil in the financial markets. As a result, results on futures and forward contracts negatively impacted other income (see Chapter 10).

1.3 Summary of social and environmental performance

Indirect social and environmental performance

The sustainability performance objectives of ASN Bank as an organisation are derived from its mission, which is: 'ASN Bank is a company committed to promoting the sustainability of society and is guided by that commitment in its commercial conduct.' We measure these objectives on three levels: quantity, quality and long-term, because we wish to contribute to a sustainable society on all these levels.

Accordingly, we have formulated objectives on each of these three levels. We express our quantitative goals in figures and our qualitative goals in 'achieved or not achieved'. As part of our long-term goals, we aim to initiate processes that promote sustainability. We can translate these goals into quantitative and qualitative terms.

Quantitative goals

In 2010 we achieved all of our quantitative objectives for indirect social and environmental performance.

ASN Bank's customer focus is reflected by the high customer satisfaction rating it received (8 out of 10). We take every effort to involve our customers in our bank and in the development of our sustainability policy (see Chapter 5). In turn, our customers are extremely loyal to ASN Bank. This means that our situation is completely different from that experienced by many major banks, which have lost some of the public's confidence since the credit crisis.

In 2010 we exercised our voting rights at more than 98% of the shareholders' meetings of companies included in ASN Aandelenfonds and ASN Mixfonds, compared to 73% in 2009. That is well above our target of 90%. We voted at every shareholders' meeting of the companies included in ASN Milieu & Waterfonds and ASN Small & Midcap Fonds. That was likewise well above target, which was 50%. This strong increase was the result of improved procedures and electronic exercise of our voting rights. In the few cases in which we did not vote, we held non-voting shares.

92% of the bank's debtors were rescreened (see Appendix 3). That is also above our 90% target.

We exceeded our target for the consolidated CO₂ impact (carbon footprint) of our equity investment funds, thereby reducing these funds' greenhouse gas emissions for the third year in a row.

	Target for 2010	Achieved in 2010	Target for 2011
Customer satisfaction	8	8	8
Exercise of voting rights for ASN Aandelenfonds and ASN Mixfonds	90%	98%	90%
Exercise of voting rights for ASN Milieu & Waterfonds and ASN Small & Midcap Fonds	50%	100%	90%
Three-yearly sustainability rescreening of the bank's debtors at sector level	90%	92%	90%
Consolidated carbon footprint of ASN equity funds	less than or equal to 261* (2009)	250*	see long-term target

* tonnes per million euros (according to the Trucost method; see page 34)

Qualitative goals

Our qualitative goals are aimed at developing our sustainability policy.

<i>Target for 2010</i>	<i>Achieved in 2010</i>	<i>Target for 2011</i>
Human rights: measuring the performance of ASN Aandelen-fonds	Results available, to be published in 2011	Reformulating human rights policy in the Human Rights Issue Paper
Climate: creating internal ASN Aandelenfonds benchmark for climate	Done	Reformulating climate change policy in the Climate Change Issue Paper
Issue Papers: new Biodiversity and Healthcare issue papers	Ready and published on the website	Issue Papers on the sustainability issues trade, renewable energy, child labour and arms industry
Organising sustainability research	-	Setting up sustainability research at ASN Bank

Long-term goals

Apart from our quantitative and qualitative goals, we have a major, broadly worded long-term goal: as a sustainable bank, ASN Bank wants to make a clear, active contribution each year to promoting the long-term sustainability of society. ASN Bank has now included a quantitative long-term goal for the

first time. This goal has been set, but the methods we will use to monitor progress have not yet been determined. Together with independent experts, we will develop sound methods in 2011 to carefully measure that progress. We have formulated specific targets for the following subject.

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	<i>2015</i>	<i>2020</i>
Reduction of consolidated carbon footprint of the ASN equity funds compared to 1990	30%	50%

Direct social and environmental performance

	<i>Target for 2010</i>	<i>Achieved in 2010</i>	<i>Target for 2011</i>
CO ₂ emissions per FTE (tonnes per annum)	less than or equal to 2.17 (2006)	achieved: 1.75	less than or equal to 2.17 (2006)
Paper consumption (kg/client account)	less than or equal to 0.36 (2008)	achieved: 0.36	less than or equal to 0.35 (2009)
Employee satisfaction	more than or equal to 8.0	achieved: 8.6	more than or equal to 8.0
New office accommodations	-	-	Energy rating 'A' and 'Green Certificate'

Looking at our direct social and environmental performance, we note that we achieved all three objectives.

You will find more information about our environmental and social results in Chapters 5 through 8 and in the Appendices.

2. Supervision of ASN Bank

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2.1 Report of the Supervisory Board

To the General Meeting of Shareholders of ASN Bank N.V.

Preliminary advice presented by the Supervisory Board

We are presenting you with the company's financial statements for the 2010 financial year as prepared by the Management Board, as well as the report of the Management Board.

We propose that you approve these financial statements as presented, which will entail that:

- the total profit of € 43.1 million generated in 2010 will be added to the shareholders' equity;
- the Management and Supervisory Boards will be discharged from liability in respect of their managerial and supervisory work during the past financial year.

The Supervisory Board's membership was as follows during the 2010 financial year:

Mr E.J.G.V. Boers (as from 8 March 2010)

Mr H.K. Kroeze

Mr R.G.J. Langezaal (Chairman, as from 8 March 2010)

The ASN Bank Supervisory Board met three times in 2010. The issues they discussed at those meetings include the following.

The 2009 financial statements and annual report

The Supervisory Board discussed and approved ASN Bank's financial statements and annual report for 2009. ASN Bank performed well in 2009, both from a commercial and financial perspective and in the performance of its sustainability policy.

Our fiftieth anniversary

The Supervisory Board members attended the jubilee party ASN Bank had organised at Fort Voordorp on the occasion of its fiftieth anniversary. It was a beautiful day, on which ASN Bank's customers and employees took centre stage.

At the jubilee party, ASN Bank presented the 'Bank of the Future' survey it had initiated. This survey contains valuable points of departure for the bank's future, which the Supervisory Board intends to elaborate together with the Management Board.

Developments in the company's operations

The Supervisory Board followed ASN Bank's commercial and financial developments with great interest. At our meetings with the Management Board during the year, we gained clear insight into how ASN Bank achieves its results and the resources it deploys to that end.

The Supervisory Board expresses its admiration for the way in which ASN Bank has achieved strong growth whilst retaining customer satisfaction and increasing employee satisfaction.

Customer satisfaction

ASN Bank customer satisfaction was discussed at several Supervisory Board meetings. This included the way in which ASN Bank translates its customers' wishes into products and services. The Supervisory Board was informed of the combination of all instant access savings products into a single, instant-access and non-conditional savings account. When the bank made that decision, this marked a unique development in the savings market.

The acquisition of asset manager NBC Duurzaam Vermogensbeheer

At the end of April 2010, ASN acquired a majority stake in ASN Asset Management, which at the time still operated under the name Nieuwenhuys Brink Crommelin Duurzaam Vermogensbeheer. In the run-up to the acquisition, the Supervisory Board discussed this subject and consented to the acquisition of NBC.

The addition of the asset management service to ASN Bank's product range offers new opportunities to assist ASN Bank customers in all aspects of sustainable banking.

The budget

The ambitions set by ASN Bank for 2010 were continued for 2011. The Supervisory Board discussed the budget for 2011 with the Management Board and approved it. The budget is in line with ASN Bank's ambition level: to build on its leading position in the area of sustainable banking. In the Supervisory Board's view, the budget contains two major points of attention in relation to this growth: customer interests and risk policy.

The interests and wishes of its customers are major cornerstones of ASN Bank's policy and activities and have been embedded throughout the organisation. Its risk policy is being monitored, whilst the investment committee is responsible for a correct spread of risks.

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€ 100 million contribution

The Supervisory Board was informed of, and pleased with, the capital contribution made by SNS Bank, ASN Bank's shareholder. This capital will allow ASN Bank to further expand its sustainable finance lending in the years ahead.

The Supervisory Board expresses its appreciation of the efforts made by ASN Bank's employees and Management Board.

The Hague, 5 April 2011

On behalf of the Supervisory Board:

Rob Langezaal, Chairman

2.2 Report of the Advisory Council

The Advisory Council of ASN Bank was founded in 1993 when ASN Bank introduced its first investment fund. Originally the Council advised on investments, but that responsibility changed over the years. Nowadays, the Council monitors whether ASN Bank is delivering on its sustainability mission. The Management Board and the Advisory Council regularly consult about the bank's activities and results, as well as its sustainability course. The Advisory Council and the Management Board met four times in 2010. The items discussed at those meetings included the following.

Sustainability policy

ASN Aandelenfonds' climate-friendly investment policy

The Sustainability Department presented the climate-friendly investment policy of ASN Aandelenfonds. The Advisory Council's noted that it contained some weak elements related to how Trucost calculates CO₂ emissions. The Council agreed to the introduction of the new policy as at 1 July 2010, on the condition that further consultations would be held regarding the calculations. The Council believed that the climate-friendly investment policy was a major step towards more transparency in the company's CO₂ emissions.

Biodiversity Issue Paper

The Sustainability Department explained the ASN Bank Biodiversity Issue Paper. Issue Papers are 'living documents' that can be adjusted as new insights become available. This has led to biodiversity becoming a focal issue along with human rights and climate change. It comprises everything related to nature and the environment, except climate change, and bears directly on the fight against poverty. That is an important reason to protect biodiversity. A second reason is that the consequences of interfering with biodiversity are not known.

The Advisory Council pointed out that biodiversity should be advocated at companies as well as governments, including water boards. It also observed that the sustainability policy excludes many activities on account of their climate impact. According to ASN Bank, it is important to start investing now in the sectors that will determine the sustainable world of the future. This means investing in solar and wind power, not in coal-fired power plants.

Sustainability policy

The Management Board announced ASN Bank's decision to no longer outsource the full sustainability analyses of all its investments, but to conduct this activity itself. This decision was made mainly for strategic reasons. The scope and importance of sustainability analyses keep increasing. Taking that expertise on board will allow the bank to respond much more effectively to developments in the future, and to anticipate or even steer them. The Council wholeheartedly consented to this decision.

Customers and services

Marketing and communication strategy

The Council and the Management Board discussed ASN Bank's marketing and communication strategy. The Management Board observed that the bank's brand recognition still had ample room for growth. It was also important to appeal to potential customers through sub-issues, as appeals for sustainability in general are sometimes not as effective. The Council pointed out that ASN Bank should also attract other target groups if it truly wants to grow. The Management Board announced that ASN Bank would broadcast a TV commercial for the very first time in its existence. The goal is to reach a large group of potential customers, devoting special attention to young people.

Advertisement: 'These are our key profit figures'

On 4 September, ASN Bank published a full-page advertisement in all the newspapers. Under the heading 'These are our key profit figures', it pointed out that its non-financial efforts had been well-received. The advertisement did not show the 'real' profit figures, but the results of three surveys conducted among consumers regarding their satisfaction with their bank. The Council appreciated how these results were highlighted - 'tongue in cheek'.

Bank account number portability

Expanding on the previous item, discussions focused on the ASN Bank Account (the current account). Many people find it 'too much hassle' to change banks. According to the Advisory Council, one solution could be to give people the option of maintaining their account numbers when switching to a different bank. However, the large banks are reticent. Although banks offer a switching service, customers still find the switch too much 'bother'. The Council advised changing this perception by means of the right marketing methods.

Microfinance to new business owners

The Council asked whether ASN Bank could develop microfinance activities for new business owners. It would be good if ASN Bank were associated with offering opportunities to people who wish to achieve something. According to the Management Board, however, ASN Bank does not have all the desired financial services to serve an adequate number of companies. ASN Bank cannot coach new business owners, nor does it have a nationwide network of offices. For the time being, ASN Bank wants to focus on a limited number of issues. A large SME portfolio would not fit in well with the choices it has made so far. The Council appreciated the fact that ASN Bank only wants to do the things in which it can excel.

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Residential mortgages

The Management Board and the Advisory Council exchanged views on the possibility of offering sustainable residential mortgages. This element could significantly enhance ASN Bank's range of financial products. On the one hand customers expect their banks to offer such residential mortgages, but, on the other hand, banks extending mortgage loans often require their customers to deposit their salaries with these banks. This makes it difficult for customers to fully switch to a bank that does not extend mortgage loans, such as ASN Bank. In 2011, ASN Bank will investigate the possibilities. The Management Board will report on the results to the Advisory Council.

External developments

Euro crisis

The Management Board regularly informed the Council of the status regarding ASN Bank's bond portfolio against the backdrop of the euro crisis. The bank had reduced its bond portfolio in Spain, Italy and Ireland.

Basel III

On 12 September, regulators and central banks of the European Union agreed on new banking rules. The core of this package, dubbed Basel III, is that banks must retain much higher financial buffers to secure their outstanding investments than they do now. The rules will be introduced in stages as from 2013 and should be fully in force in 2019. The Advisory Council will further discuss this point in 2011.

Role and composition of the Advisory Council

The Advisory Council and the Management Board concluded that they agreed that the Advisory Council's role should be strengthened. The details are still being discussed.

Ms De Rijk resigned from the Advisory Council in April because she had accepted a position of alderwoman responsible for finance on the Municipal Council of Utrecht. The Advisory Council and the Management Board regretted her decision. They agreed to expand the Council to five members, which meant that there were two vacancies. These had not yet been filled in at the end of 2010.

The Advisory Council's membership was as follows during the financial year:

Ms Saskia Noorman-den Uyl (Chair)
Mr Hans Kamps
Ms Mirjam de Rijk (until April 2010)
Mr Jan van der Kolk

The Advisory Council would like to express its great appreciation for the manner in which the bank's Management Board and staff performed their duties in 2010.

The Hague, 5 April 2011

On behalf of the Advisory Council:

Saskia Noorman-den Uyl, Chair

3. Structure and accountability

We believe it is only obvious that we are transparent and communicate about our methods and performance. Accordingly, in this annual report we render account of ASN Bank's financial results. We also report on our performance as regards the pillars of our sustainability policy: human rights, climate change and biodiversity.

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This annual report was drawn up, first and foremost, for ASN Bank's main target group: our customers. After all, it is they who trust us with their money. The report is also intended for the social organisations that partner with us, our employees and regulatory bodies. Employees are vital, as they constitute ASN Bank. At the same time, our partners enhance our effectiveness thanks to close cooperation. Finally, this report is intended for anyone interested in ASN Bank's performance in 2010 and its plans for the future.

The issues dealt with in this annual report are included in the following chapters:

- **Vision, mission and organisation**
Chapter 4, *Profile of ASN Bank*, sets out the vision and mission of ASN Bank and the strategy we pursue to achieve them. It also provides an overview of the ways in which we communicate with our customers, employees and other stakeholders. Our organisation and history can be found in Appendix 4.
- **Milestones in 2010**
An overview of the main achievements and actions in 2010, also non-financial ones, are included in Chapter 5, *Working towards a sustainable future*.
- **Sustainability performance**
We have included both our indirect and direct sustainability performance in this annual report. Indirect performance deals with the manner in which we invest your money sustainably: see Chapter 6, *Sustainable investment in practice*. Direct performance relates to the sustainability of our office organisation, which will be discussed in Chapter 8, *Sustainable operations*.
- **Products**
Making payments, saving and investing and – for corporate clients – taking out sustainable loans: it is all possible at ASN Bank. You will find the developments and results in Chapter 7, *Our sustainable products*.
- **Financial performance**
As a bank, our continued existence is based in part on our financial performance, which is set out and explained in Chapter 9, *Financial performance*.
- **Risk policy**
Our customers trust us with their money. This means we must carefully control the risks of our operations. Chapter 10, *Risk policy*, describes how we do this.

■ Corporate governance

ASN Bank's governance focuses on the optimum deployment of our operational processes for the benefit of our customers. Chapter 11, *Corporate governance*, describes how we do this and also includes information on the remuneration of our board members.

■ Assurance

KPMG Sustainability reviewed the information selected from this annual report. You will find the scope of the engagement and their conclusions in the opinion in the independent Assurance report. The accounting and sustainability specialists of this external, independent firm also audited our declaration regarding the application of the GRI Guidelines. The GRI table (Appendix 2) shows where the various GRI indicators may be found in this report.

Global Reporting Initiative

The Global Reporting Initiative (GRI) is an independent, international organisation that is engaged in standardising reports on corporate social responsibility. Guidelines have been developed for this purpose, with the current ones, GRI-G3, focusing on results. The GRI's aim is to arrive at standardised, comparable information concerning the economic, social and environmental performance of organisations. ASN Bank reports in accordance with GRI's A+ application level. In 2010, ASN Bank was among the thirteen Dutch companies that reported at A+ level.

4. Profiel of ASN Bank

For no less than fifty years ASN Bank's aim has been to invest its customers' money in a way that contributes to fair distribution of the world's wealth. Not only in the present, among the various regions of the world, but also among our generations and future world citizens. That principle appeals to an increasing number of people, which has contributed to ASN Bank's enormous growth of the past few years. We now have more than 516 thousand customers. Total funds entrusted to us by savers and investors through savings accounts, investments funds and the ASN Bank Account exceed 9 billion euros.

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ASN Bank is an independently operating, sustainable bank with its own banking licence, its own policy and its own Management Board. ASN Bank is regulated by the Dutch Central Bank and the Netherlands Authority for the Financial Markets. SNS Bank N.V., part of SNS REAAL N.V., is the sole shareholder of ASN Bank. As ASN Bank is part of SNS Bank N.V., its financial information is included in the consolidated financial statements of SNS Bank N.V. KPMG Accountants has issued an unqualified auditor's report for the financial statements of SNS Bank N.V. More information on our organisation can be found in Appendix 4.

4.1 Mission

Our economic conduct is aimed at promoting sustainability in society. We help to secure changes that are intended to put an end to processes whose harmful effects are shifted to future generations or foisted onto the environment, nature and vulnerable communities. In doing so, we do not lose sight of the necessity to yield returns in the long run that safeguard the continued existence of our bank. We manage the funds that our customers entrust to us in a manner that does justice to their expectations.

4.2 Strategy

As a financial services provider, ASN Bank wants to do its part in achieving a sustainable society. To that end, we set demands for ourselves which ensure that we keep our promises to external stakeholders, in particular our customers. How do we do this?

- We keep setting the bar higher for our activities, according to strict criteria in the areas of sustainability, fairness, transparency, expertise and reliability.
- In order to achieve our mission, we cooperate as much as possible with partners – both NGOs and sustainably operating companies – that make a positive contribution to our objectives.
- We initiate sustainable developments and support important sustainable initiatives by third parties. As the largest sustainable bank in the Netherlands, we want to be a specialist in sustainable capital growth and the leading authority in the Netherlands when it comes to the combina-

tion of sustainability and financial returns.

- ASN Bank is a direct writer, which means that we communicate with our customers directly – through the Internet, by telephone and mail.

4.3 The pillars of our sustainability policy

Sustainability is the guiding principle in all of ASN Bank's activities. We subscribe to the generally accepted definition set out in the Brundtland report¹: 'sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.

Sustainability and sustainable development are frequently only regarded as environmental objectives, but that is a misunderstanding. The aim for sustainable development is first of all inspired by a sense of justice. The purpose of sustainable actions is to arrive at a fair distribution of wealth, now and in the future. Sustainability thus includes a social aspect, which is why we build our sustainability policy on three pillars: human rights, climate change and biodiversity.

Human rights

We understand 'human rights' to mean both civil and political rights, and economic and social rights, such as employee rights. The foundations of our human rights policy are the *1948 Universal Declaration of Human Rights* and the international standards based on it. We always study the human rights situation in a country or a company before we decide to invest there.

In 2003 the United Nations released a document entitled *UN Human Rights Norms for Business*, a collection of international human rights standards jointly setting out relevant business responsibilities. In response to this document, we decided to further develop our human rights criteria in consultation with, for example, Amnesty International. As a result, we currently have strict definitions in place for child labour, employee rights and weapons, to name a few. The Global Compact of the United Nations referred to ASN Bank's human rights policy as an

¹) The report *Our Common Future*, which focused on sustainable development, was published by the United Nations in 1987. This report is also known as the Brundtland report, called after Gro Harlem Brundtland, the then chairman of the commission..

example of what a bank can do to observe human rights, which was published in the series Embedding Human Rights in Business Practice.

Thanks to John Ruggie, special UN representative of the UN Secretary-General for companies and human rights, the debate about business responsibilities in the area of human rights has taken flight since 2003. John Ruggie's assignment for 2011 is to identify the role and responsibilities that companies share with countries in respect of human rights. In 2010, he already published a draft version of his plans.

Global Compact

The Global Compact is an initiative of the United Nations that encourages companies to include and abide by ten principles in the areas of human rights, employment, the environment and corruption. As Ewoud Goudswaard, our Managing Director, puts it, 'In 2007 ASN Bank signed the Global Compact to express its long-standing involvement with the ten goals of this international UN initiative. This report shows how we implemented it in 2010.'

Appendix 2 contains a list of the pages of this annual report and elsewhere where we issue reports according to the ten principles of the Global Compact.

Climate change

Fossil fuels have been the driving force behind our economy for the past few centuries, causing increasing greenhouse gas emissions, including carbon dioxide (CO₂). Scientists say this is rapidly warming up the earth. It is absolutely vital that we limit our emissions if we are to prevent the global warming from assuming disastrous proportions. In addition, adjustments need to be made to absorb the consequences of global warming, which have now become unavoidable.

We help reduce greenhouse gases and cushion climate change by investing in:

- energy generation without carbon emissions and activities with the lowest emission of greenhouse gases possible; we invest, for example, in energy-saving measures, renewable sources of energy, low-energy buildings and energy efficiency;

- flexibility-increasing activities, such as water-related activities, microcredit and combating poverty.

We do not invest in fossil fuels, or – due to the numerous adverse effects – in nuclear energy. These principles apply to all investments in companies or institutions. When selecting government bonds, we also consider the contributions countries make to reducing carbon emissions.

Our own operations also make a contribution, because we attempt to limit carbon emissions as much as possible and compensate the remaining emissions.

Biodiversity

Biodiversity is the diversity of living organisms and the variety of their interrelationships in ecosystems. Biodiversity contributes to our prosperity, but only part of that contribution can be expressed in monetary terms. After all, many people enjoy nature. In addition, biodiversity offers valuable services through ecosystems, for example in the production of oxygen, water purification, food, fuels, raw materials, medicines, protection and recreation. Our economy could not function without these services. In the ecosystems that provide these services, there is a fragile balance between the various animals, plants and micro-organisms. It is vital that biodiversity be maintained. This is not only desirable from a moral and ethical perspective, but even necessary from an economic point of view.

As a sustainable bank, we hope to contribute to maintaining and strengthening biodiversity and ecosystems. For that reason, we specified our biodiversity investment criteria in the ASN Bank Biodiversity Issue Paper in 2010. We apply these criteria in our investment policy, for example when selecting our own investments and those of the ASN investment funds.

The publication of the ASN Bank Biodiversity Issue Paper has provided us with guidelines for the three pillars of our sustainability policy. They cover all the issues that are important to ASN Bank and its customers. Sector-specific issue papers describe how we apply these guidelines in the various sectors.

4.4 Social organisations

In order to achieve our mission, we cooperate as much as possible with social organisations; they make a positive contribution to our objectives and enhance our effectiveness. Our partners are primarily NGOs, but also sustainably operating companies. We distinguish four types of partners:

■ Strategic partners

We maintain structural, in-depth cooperation with our strategic partners to flesh out our mission. We also collaborate with these partners to achieve our communication and acquisition objectives. Some strategic partners are also product partners.

■ Interest donation partners

Our customers have the option to donate all or part of the interest they receive on certain savings accounts directly to these partners. At the end of 2010, we discontinued this option. That decision will be explained below.

■ Product partners

We support these partners with specific products, such as Waddenvereniging with the ASN Waddendeposito.

■ Marketing partners

Occasionally, we use our marketing partners' channels of communication to achieve our acquisition and communication objectives. Conversely, we also offer our marketing partners access to our communication channels.

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<i>Social organisations in 2010</i>	<i>Strategic partner</i>	<i>Interest donation partner</i>	<i>Product partner</i>	<i>Marketing partner</i>
Amnesty International	X	X		
Astma Fonds		X		
Cordaid Kinderstem	X	X	X	
Cordaid Memisa	X		X	
Cordaid Microkrediet	X		X	
Dierenbescherming		X		
FNV Mondiaal				X
Greenpeace	X	X		
Humanistisch Verbond		X		
Landelijke Vereniging van Wereldwinkels		X		X
Milieudefensie		X		
Natuur en Milieu / Zeekracht	X			
Nederlandse Kankerbestrijding/ KWF		X		
Oxfam Novib	X	X	X	
Pax Christi		X		
Plan Nederland		X	X	
Solidaridad		X		
Stichting 10:10				X
Stichting Duurzame Waardekaart				X
Stichting Vluchteling				X
Waddenvereniging			X	

New partnerships

On the occasion of our fiftieth anniversary, we gave our customers a Duurzame Waardekaart, supporting the foundation Stichting Duurzame Waardekaart. This card provides sustainable consumers with an attractive marketplace, which stimulates sustainable consumption. No fewer than 37 thousand customers activated their cards.

Reducing CO₂ emissions plays an important role in our aim for sustainability. From this perspective, the

10:10 partnership was a logical step. Originating from Great Britain, this initiative encourages everyone to cut their carbon footprints by 10% every year, beginning in 2010. More than a hundred thousand people in the Netherlands joined 10:10.

Through ASN Jeugdsparen we support projects for working children and street urchins of Cordaid Kinderaid in Cameroon, India and the Philippines. In 2010 this set of projects was supplemented with a project of Cordaid Memisa in Central African Repu-



blic. Cordaid Memisa improves children's health in Nana Mambéré, in the eastern part of the country, enhancing their chances of a good future.

Phased out in 2010

We have been a partner of Zeekracht, an initiative of Natuur en Milieu, since 2008. However, Zeekracht did not receive a government permit in 2010 to build offshore wind farms. As a result, it was unable to achieve its original goal: to create new wind energy capacity at sea. As Zeekracht is currently not focusing on the construction of new wind farms, we decided to terminate the partnership.

Greenpeace terminated its partnership with ASN Bank at the end of 2010 due to a tightening of its policy. It is important to Greenpeace that it can work unconditionally, as a fully independent organisation. For that reason, it does not accept any money from corporate parties.

As from the end of 2010, we terminated our customers' option to donate the interest they receive on their savings accounts to a charity. Instead, we offer

savings customers who have an ASN Ideaalsparen account the option of choosing one of the four sustainability issues we introduced in 2010. For more information, please refer to Chapter 5. In 2011, we expect to be able to support the projects through which we translate our sustainability issues with approximately € 1.5 million.

4.5 Dialogue with stakeholders

The opinions of customers, social organisations and employees co-determine our bank's strategy. Their input weighs heavily in our consideration of what issues are truly of the essence. We use this information to adjust our methods and strategy. That does not mean that we continuously change our approach, because stability and continuity are also key values in our policy.

Customers

One key method to gauge the opinions of our customers is through surveys. There are certain aspects that we monitor continuously, such as operational processes, our website and our magazine Spaarmotief. Occasionally, we use a survey to gauge the views of our current and potential customers regarding policy issues. In 2010, this resulted in the introduction of our four sustainability issues (see Chapter 5).

We inform our customers every day through our website, www.asnbank.nl. Five times a year they receive the customer magazine Spaarmotief, with different versions for savings customers and in-

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Collaboration with FNV Mondiaal

One of the major social organisations that partner with ASN Bank is FNV. After all, this trade union's predecessors witnessed the beginnings of our bank. Although ASN Bank now has a more broadly worded objective and a wider range of customers, its ties with the trade union remain strong. Both organisations aim for a fair world with room for solidarity to vulnerable groups of people. That aim is as topical now as it was fifty years ago. On 19 May Peter Gortzak, Chairman of FNV Mondiaal, and ASN director Jeroen Jansen sealed the partnership between the two organisations. FNV members received a premium in 2010 if they opened an account with ASN Bank through FNV Voordeel. We will continue this promotion in 2011. In addition, ASN Bank donates € 5 to FNV Mondiaal for each new account. This donation is intended for SEWA, Self Employed Women's Association. SEWA's efforts are devoted to the enormous number of self-employed women. In India, where the organisation carries out most of its activities, SEWA tries to organise these women and to help them with aspects like banking services, child care, insurance and legal assistance. Almost 1100 FNV members opened an ASN account.

vestors. The jubilee issue of June 2010 was particularly appreciated. If they so desire, our customers also receive our e-mail newsletter, which is released five times a year.

Finally, we inform our customers of our policy and activities through the bank's annual reports and the ASN investment funds. 2010 was the first year in which we published ASN Bank Jaarmagazine 2009, a digital magazine containing our key activities and results in 2009.

As we consider it very important to meet our customers in person, we regularly organise customer meetings. On Friday 16 April the General Meeting of Shareholders of the ASN investment funds took place. As always, it drew many people. A great number of customers also attended our jubilee party on 5 June.



Our Customer Contact Centre (CCC) staff are available from Monday to Friday for customers who have questions and can be reached through freephone number 0800-0380. Customers may also ask questions by e-mail or in writing.

Advisory Council

The dialogue with stakeholders has been structured in ASN Bank's Advisory Council, comprising representatives with a wide range of social backgrounds. The Council checks whether ASN Bank is living up to its sustainability mission and provides the Management Board with solicited or unsolicited advice. The Management Board and the Advisory Council regularly consult about the bank's activities and results, as well as its sustainability course. Chapter 2 includes a report of the Council's activities.

Social organisations and initiatives

We also frequently consult with social organisations in a wide range of forums and are present at events and seminars. Moreover, we support sustainable initiatives, for example through the Internet community Voor de Wereld van Morgen ('For the World of Tomorrow'), sponsorship and contributions from the ASN Foundation. The 'For the World of Tomorrow' website helps 'sustainable doers' engage in discussions, share information and make contact.

Staff

As stated, our employees are key stakeholders of ASN Banks as well. We communicate with them through department meetings, the ASN Manual, which familiarises employees with the organisation, the Intranet, e-mail newsletter Info(r)mail, and through staff meetings and other internal meetings. In addition, we assess their views through the annual SNS REAAL employee satisfaction survey. We discuss the results of that survey with our employees. Our human resources policy can be found in Chapter 8.

ASN Bank 50 year



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5. Working towards a sustainable future

In 2010 the Dutch people did not regain the confidence in banks they had lost during the credit crunch. Our own research showed that only 29% of consumers were slightly positive about banks. Under such circumstances, it is all the more heartening that many people can identify with ASN Bank's vision and appreciate our transparency. Our customer base increased by more than 45 thousand to over half a million customers: a great milestone in the year of our fiftieth anniversary.

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We celebrated that anniversary with customers, social organisations and colleagues at SNS REAAL. On Saturday 5 June 2010 - a beautiful, summery day - we received them at Fort Voordorp in Groenekan. Jeroen Jansen presented the results of our 'bank of the future' survey. Together with Ewoud Goudsward, he engaged in a discussion with the audience and some young business owners about whether ASN Bank is indeed well on its way of becoming the bank of the future - a question that was largely answered in the affirmative. Subsequently, the guests were offered a programme with different activities to choose from, including inspiring speakers, stands and workshops of sustainable organisations, discussions and performances. The event was a great success, also thanks to the efforts of our staff and the organisations behind the stands. The staff and the Management Board celebrated the jubilee during a relaxed day on Texel. One of the places they visited was Ecomare, which is undergoing sustainable renovation financed by ASN Bank and ASN Groenprojectenfonds.

5.1 Looking ahead with our customers

ASN Bank strives for transparency. This means that we are clear about our policy, but also - in our view - that we include our customers' wishes in our policy determination. In the run-up to our jubilee, we conducted two large surveys. We investigated what customers expect of the 'bank of the future' and we asked ASN customers about their wishes and expectations as regards our sustainability policy.

Bank of the future

We conducted the 'bank of the future' survey among Dutch consumers and ASN customers. Their view of the banks as they are now was far from positive. Although people are happy with easy-to-use online payment facilities, they are dissatisfied with high bonuses, lack of personal contact, large offices, obscure investment policies, complicated products and pursuit of short-term profit. In the future, Dutch consumers want banks:

- To be reliable, safe and service-driven, and to focus on customer interests rather than the bank's interests;
- To offer safe and easy-to-understand products, without small print. Online banking is also a major responsibility of banks, now and in the future;
- To handle customers' money in a sustainable and responsible manner. This means that banks may not take any risks with this money and may not finance any activities that harm society and the world. Especially the latter aspect is important to very important to almost two-thirds of the consumers. In addition, they believe that the bank of the future should finance initiatives that contribute to society or the world.

These results confirm that ASN Bank is on the right track. In the past fifty years, we have laid the foundations on which we can expand our position as a sustainable bank.

Four customer issues

Accordingly, sustainability is a major success factor for the bank of the future, but our sustainability pillars human rights, climate change and biodiversity are wide-ranging concepts. What aspects of those pillars are most important to ASN customers? We investigated that as well. Our customers proved to have a preference for four issues: they want the bank to invest their money in fair trade and renewable energy, and not in child labour or the arms industry.

We have included these four sustainability issues in our policy. In 2010, we linked these issues to the new ASN Credit Card. Together with our partnering NGOs, we translate each issue into projects. ASN Bank receives a contribution for each payment customers make with the ASN Credit Card. These contributions go directly to the projects. Customers automatically support all four issues, but may choose to focus on one or more of these issues.

Since 1 January 2011, the sustainability issues have also been linked to ASN Ideaalsparen, which has been renewed. Every ASN Ideaalsparen customer automatically supports the sustainability issues. The more money customers keep in their ASN Ideaalsparen accounts, the more money ASN Bank donates to the projects on their behalf. Customers may also indicate their preference for one or more of the four issues. We expect to donate approximately € 1.5 million to the issue projects on behalf of all ASN Ideaalsparen customers in 2011. At the end of 2010, six of the eight projects were known.

<i>Issue</i>	<i>Organisation</i>	<i>Project</i>
Fair trade	Solidaridad	sustainable textile in India and Mali
	Oxfam Novib	fair cocoa from the Ivory Coast
Renewable energy	Natuur en Milieu	sunny neighbourhoods in the Netherlands
Anti-child labour	Cordaid Kinderstem	help to Dalit children in India
	Plan Nederland	development of servant girls in Bangladesh
Anti-arms industry	War Child	protection of Congolese children

In our financing, our collaboration with partners and in other ways as well, we will intensify our focus on the four sustainability issues. At the same time we will continue to devote attention to other aspects of sustainability. Our investment policy is entirely based on our special investment criteria regarding human rights and the environment. We invest in healthcare and welfare, housing, art and culture, animal welfare, nature and the environment.

5.2 In the centre of sustainable society

2010 was a year to revisit our sustainability successes of the past fifty years, but also a year that saw the emergence of new obstacles on the way towards a sustainable society. The new cabinet seems to place less emphasis on sustainability. Our experience, however, is that business owners and private individuals are increasingly taking sustainable initiatives. In 2010, we met many enthusiastic people who are committed to sustainability, including a growing number of business owners.

Crowdsourcing

When writing the ASN Bank Biodiversity Issue Paper, we used crowdsourcing for the very first time. Crowdsourcing makes it possible to consult large groups of people, mostly through 'new media'. We published the draft text of the issue paper on the For the World of Tomorrow website. We posted messages through LinkedIn and Twitter to ask interested people to share their views. Approximately five thousand individuals viewed the text. We received almost thirty substantive reactions, which we took into account when finalising the issue paper.

De Groene Zaak

Noticeably, in 2010 we met an increasing number of business owners who had decided to actively contribute to sustainable development. Our experience is that they are passionate, practical individuals who translate sustainable ideas into viable business cases. A number of them helped set up De Groene Zaak, which started on 11 February 2010. This as-

sociation unites companies that want to create a sustainable Dutch economy at a quicker pace. ASN Bank is one of the founding partners of De Groene Zaak. We support this initiative because it approaches sustainability from a business perspective.

For the World of Tomorrow

For the World of Tomorrow, the online community for 'sustainable doers' which ASN Bank helps to make possible, also attracted more business owners in 2010. This Internet platform welcomes everyone who wants to do their bit in the fields of sustainability, human rights and other relevant issues. Although we facilitate and manage the platform, the users determine the content. They can contribute ideas, start up campaigns and find supporters. The number of members on the For the World of Tomorrow website jumped from more than 16 thousand in late 2009 to more than 27 thousand in late 2010.

In 2010, we presented the ASN Bank World Award for the third time. This € 20,000 prize is intended for a feasible, original idea that promotes sustainable development. More than two hundred ideas competed for the award, which was ultimately won by Elemetal, a project to recover metals - copper, initially - from household waste. With this project, Elemetal aims to tackle the impending shortage of copper. The jury selected this winner on account of the sound business plan and the entrepreneurial drive demonstrated by the two initiators. They will use the € 20,000 award to test their demo model on a larger scale. The award was presented at a busy,



lively meeting in Amsterdam, attended by many young entrepreneurs.

We also use the For the World of Tomorrow platform to launch campaigns that are not suitable for the service-oriented website www.asnbank.nl but that do help us flesh out our mission. Examples include the election of the ASN Jeugdsparen ambassador and discussions on sustainable dilemmas highlighted in Spaarmotief. For the first time, we also organised crowd funding. This new phenomenon allowed us to give an African artist a chance of a breakthrough, in collaboration with Africa Unsigned and the weekly Den Haag Centraal.

Sponsorship

ASN Bank sponsors special, sustainable projects that match our vision and that we want to stimulate. In doing so, we aim to bring sustainability to the attention of a broader, and if possible young, audience. That is why we sponsored two successful projects that converged at the Lowlands festival in the weekend of 20, 21 and 22 August. The Llowlab introduced a broad audience of festival goers to sustainability in an accessible way. Singer/songwriter Florian Wolff performed with his climate-friendly stage and sustainability message.

Another example of successful sponsorship was the inspiring PechaKucha Night on 'new energy' on 16 September in Utrecht. PechaKucha is a concept from Japan to give presentations in creative, effective and visual ways. The evening was organised in close collaboration with Dengt, Ode and Stichting Greenwish.

In the spring, we again sponsored the Movies that Matter Festival at Filmhuis Den Haag and Theater aan het Spui in The Hague. This international film and debate festival showcased some seventy feature films and documentaries about human rights. With this festival, Stichting Movies that Matter, an initiative of Amnesty International, wants to open people's eyes to human rights.

ASN Foundation

For many years, ASN Bank has been making donations to projects and organisations that contribute to our mission. We make these donations through Stichting ASN Foundation, which makes money available to organisations and projects to realise sustainable initiatives. We support projects across the globe. The organisation requesting the donation

must be based in the Netherlands. For more information, please refer to ASN Foundation's annual report.

5.3 Recognition of our efforts

It was striking that the awards and honourable mentions we received in 2010 largely dovetailed with our customers' demand for transparency, simplicity and personal banking services.

- The Dutch Consumers' Association ranked us first in the 'Bank Monitor', which reflects consumer satisfaction with their banks' online banking offering, services and costs. Our final average score was 7.9 out of 10.
- The Fair Bank Guide gave ASN Bank the green light. This site shows how banks perform in areas such as climate change, human rights, nature and animal welfare, and how they deal with these issues in various economic sectors. Out of eighteen ratings, we received fourteen 'good' ratings and four 'adequate' ratings.
- According to the financial comparison site Independer.nl, ASN Bank offered the best price-quality ratio and fast service.
- According to Marketresponse, a research agency, ASN Bank was the most customer-friendly bank in the Netherlands. This conclusion was based on a survey conducted among 2500 consumers.
- ASN Bank ranked among the top three in the battle for the title of most sustainable brand in the Netherlands.
- ASN Bank won the Gouden Stier ('Golden Bull') award as best fund manager of the year. This award was presented by belegger.nl, an independent financial site for investors. The panel particularly praised our transparency and the clarity of our range of investment funds.
- The audience of belegger.nl rewarded ASN Milieu & Waterfonds – for the fourth time in a row – with a Groene Stier ('Green Bull') award for the best sustainable investment product.
- Our two Managing Directors were mentioned in the 'sustainable 100' of newspaper Trouw, in which Jeroen Jansen ranked 23, up from 46.
- ASN Bank won the 2010 Financial Marketing Award, together with De Hypotheekshop. According to the panel, ASN Bank contributed to restoring confidence in the financial sector. It provided a blueprint of the bank of the future: a bank posting good results that is truly there for its customers. ASN Bank has grown into a



modern, fresh online bank that really involves its customers, according to the panel.

We are proud of our successes and would like to thank our customers, employees and specialists who helped achieve them.

- We will change the organisation of our sustainability research. Carrying out this research ourselves will enable us to respond more quickly to current developments and to translate our insights into investment policy.
- If our customer base grows, we have more funds to invest in a sustainable future. Practice has shown that we have certainly not yet reached everybody interested in sustainable banking. That is why we are aiming to expand our brand recognition in 2011, using television advertising for the first time ever.

5.4 2011: continuing to work towards a sustainable future

Because you, our customer, place your trust in us, we have been able to work towards a sustainable world for fifty years now. We are transparent about our activities in order to be worthy of that trust. We also want our sustainability policy and our services to be in line with your wishes. In 2011, we will achieve this in the following ways:

- We will include the four sustainability issues in our services and our policy. ASN Bank Issue Papers will be published on each issue in 2011. We will also concentrate on companies and projects that tackle one or more of those issues. The issue of renewable energy, for example, is reflected in our focus on financing wind and solar power. In the ASN investment funds, we want to focus on companies that are committed to fighting child labour and promoting fair trade. We will also underline one of the four sustainability issues every year in our sponsorship of activities and the donations made by ASN Foundation.
- We will enhance our services with a current account for young people aged 12 to 24, the ASN Jongerenrekening.

6. Sustainable investment in practice

One of the foundations of trust, transparency, is a key theme at ASN Bank. Our customers know where we have invested their money, because we think it speaks for itself that we are completely open in this respect. The financial crisis demonstrated once again how important it is that banks clearly show how they invest their money.

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We can only be fully transparent if the companies we invest in also provide full insight into their affairs. For example, all the large financial institutions, and many smaller ones, that were adversely affected by the financial crisis do not meet our transparency requirements. Since it is unclear where they invest their money, we do not invest in such institutions. Transparency is also required to determine how

companies treat their employees, the environment and their immediate surroundings. We are convinced that the future lies with companies that invest in, for example, proper working conditions and solutions to the climate change problem. We are happy to do business with companies that feel responsible for people, animals and the environment.

Carbon Footprint

When you invest in a company, you also invest in its carbon emissions – or reduction. The investments of the ASN investment funds are selected on the basis of sustainability criteria for human rights and the environment. We measure our climate policy effectiveness by calculating the carbon emissions of our equity funds. To do so, we have engaged Trucost, an English research organisation specialising in determining the impact that business operations have on the environment.

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In 2010, the ASN investment funds improved their climate performance for the third time in a row. While, at year-end 2009, they were still responsible for 261 tonnes of CO₂ emissions per million euros, that figure had dropped to 250 tonnes as at year-end 2010. Only the carbon emissions of ASN Milieu & Waterfondos showed a slight increase. This fund invests in companies in the waste processing, water purification and renewable energy sectors. The operations of the first two types of companies entail relatively large CO₂ emissions.

In mid-2010, ASN Aandelenfondos' investment policy was adjusted. The fund manager now actively considers companies' climate performance and their efforts to improve it. On 16 July 2010 the fund manager adjusted its portfolio accordingly, lowering carbon emissions caused by the fund's portfolio by almost 28%, from 195 to 140 tonnes of carbon emissions per million euros.

In the second half of 2010, the fund manager put more emphasis on investing in cyclical companies. However, such companies use more energy than companies in many other economic sectors. The larger stake in cyclical companies thus caused an increase of ASN Aandelenfondos' CO₂ emissions. Emissions rose to 191 tonnes per million euros as at year-end 2010, which is still significantly less than the 213 tonnes of year-end 2009.

What do these tonnes of CO₂ emissions actually entail? One hectare of North European forest can absorb 300 tonnes of CO₂ in fifty years. In 2010, the ASN investment funds were responsible for 250 tonnes of CO₂ emissions per million euros. Accordingly, we can compensate for that CO₂ impact of 2010 by planting 0.83 hectares of forest (approximately 1.3 football fields) per million euros. However, the forest must then stay there for fifty years. The MSCI All World Index requires the addition of 1.70 hectares of forest (2.6 football fields) per million euros to offset its impact of 2010.

CO₂ emission in tonnes per million euros

<i>Fund</i>	<i>% above the MSCI*</i>	<i>Improvement from 2009</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
ASN Aandelenfondos	62,6%	10,4%	191	213	239	293
ASN Small & Midcap Fondos	36,1%	4,9%	326	343	403	473
ASN Milieu & Waterfondos	33,4%	-0,6%	340	338	344	639
Geconsolideerd	51,1%	4,4%	250	261	277	392
MSCI All World Index*		0,8%	511	515	555	491

* MSCI All World Index is the benchmark

6.1 ASN Bank and ASN investment funds

Regardless of whether you save or invest with ASN Bank, you can rely on us to invest your money on the basis of our special, sustainable investment criteria.

ASN Bank's investments

ASN Bank exists by the grace of its customers and their trust. They must be able to depend on us to invest their savings in a careful, risk-averse manner. Accordingly, we invest mainly in loans to public authorities (central, regional and local) and, in the context of home mortgages, to financial institutions. Other major asset categories are water boards, energy companies, healthcare institutions, housing corporations, education, culture and leisure, renewable energy and microfinance institutions (MFIs). This spread creates a good balance between the various sectors. Appendix 3 to this report shows where we invest your money. A brief explanation of our investments can be found in Chapter 9.

The ASN investment funds

Our customers have entrusted € 9.4 billion to us, approximately € 1.4 billion of which has been invested in the ASN investment funds. The remaining € 8 billion comprises (savings) balances managed by ASN Bank. Our funds were established with the dual purpose of generating good returns for investors while providing a material contribution to a sustainable world. Our investment funds spread their capital among a larger number of investments than most private investors would be able to do, thereby reducing the risks compared to a private investment portfolio. The funds invest in a wide range of companies, from microcredit institutions to multinational companies. The risk varies according to the nature of the investments. We offer funds that invest in equities (a higher-risk asset category), as well as a lower-risk bond fund and mixed fund. The risk of each fund depends mainly on its specific nature. A brief explanation of each fund can be found in Chapter 7.

6.2 Selecting investments

We describe our sustainability policy in the ASN Bank Issue Papers, which direct and support ASN Bank's sustainability policy. In 2010 we fleshed out our existing policy, laying down the details of the biodiversity sustainability pillar in the Biodiversity

Issue Paper and writing issue papers for the transport and healthcare sectors. We publish all our policy guidelines on our website after having obtained approval from the ASN Bank Management Board.

Companies, government bonds and institutions that meet our special investment criteria (see Appendix 1) have been included in our 'investment universe'. When structuring their portfolios, the managers of the ASN investment funds and of the ASN Bank savings make a selection from all companies and institutions that have been included in this investment universe. It depends on the financial performance of a company or institution whether it is indeed selected.

Each investment fund has its own specific investment universe. In all, there are almost three hundred and twenty listed companies that meet the special investment criteria. The managers of ASN Aandelenfonds, ASN Mixfonds, ASN Small & Midcap Fonds and ASN Milieu & Waterfonds can compile their fund portfolios by making a selection from this list. The investments of ASN Obligatiefonds and ASN Bank in government bonds and housing corporations were again tested against our sustainable investment criteria.

6.3 Sustainable investment in practice

We implement the concept of sustainable investing at ASN Bank and the ASN investment funds using three tools:

- special investment criteria in selecting investments,
- dialogue with the companies or institutions in which we invest,
- exercising the voting rights associated with equity investments.

Each of these activities is performed according to a standard procedure, ultimately leading to a specific result, i.e. approval or rejection of a company, bond or institution, the casting of a vote at a meeting of shareholders, or completion of engagement with a company. We will explain these procedures below.

The first tool: selection

The selection process is one of the key procedures that we use to implement ASN Bank's mission for our customers. Our sustainability is, first and foremost, expressed in the selection of investments on

the basis of criteria in the areas of human rights, the environment and biodiversity. Accordingly, it is key that we can be certain that the selection occurs in accordance with our special investment criteria.

The selection of sustainable investments is a complicated and thorough process that takes place according to a standard procedure. A dedicated research team is continuously active for ASN Bank, assessing whether investments meet our investment criteria. In performing their research, the analysts use information from the relevant company itself, but also information provided by specialised research agencies, the media, NGOs such as Amnesty International, and trade unions. Completed research is discussed in the ASN Selection Committee, which is comprised of the Management Board of ASN Bank and the boards of the ASN investment funds. The Committee takes its decisions on the basis of recommendations from the Sustainability Department and the analysts involved. It met five times in 2010.

The ASN Selection Committee is the only body that has the power to approve or reject an investment for the investment universe. If the Committee decides positively on an investment in a company, government or institution, we include it in our universe. All companies and countries in the universe are reviewed and discussed within three years. If new information shows that the review should be performed earlier, we will do so.

The second tool: engagement with companies

We regularly contact the companies and institutions that we or our funds invest in, with a question or a request. We do this in order to make them increasingly aware of their performance in the areas of the environment and human rights and to improve this performance. We engage in this dialogue:

1. With small and medium-sized European companies in which ASN Small & Midcap Fonds invests. If they do not yet fully meet our criteria, we keep in close contact in order to encourage them to

The ASN investment universe: always in flux

Rejected in 2010: Roche

Roche, a pharmaceutical company, employs approximately eighty thousand people worldwide and has production facilities in various high-risk countries, including China. In principle, Roche has an extensive sustainability policy with clear views on major industry issues such as animal testing, clinical trials and stem cell research. Moreover, it makes an active contribution to making medicines available against diseases such as HIV/AIDS in developing countries. However, last year Roche proved unable to guarantee that it does not use organs from executed Chinese prisoners in testing its medicines. Roche states that all test centres have been approved by the authorities and satisfy the standards set by the World Health Organisation (WHO). Nevertheless, we have removed the company from the universe.

Approved in 2010: Manpower

US-based Manpower is an international recruitment agency that recruits staff on a permanent, temporary or contract basis and provides services in the areas of assessment and selection, training, reassignment, secondment and advice. Manpower has rules of conduct on corporate social responsibility that apply throughout the company. It works actively on improving international environmental and safety standards. Manpower supports the fight against human trafficking, child labour, illegally low wages and hazardous working conditions, and expects the same of its suppliers. Its aim for diversity is remarkable: through special programmes, Manpower offers opportunities to people who have difficulties finding work, such as minorities, disabled people and refugees. Manpower's own workforce is also diverse: currently 40% of management and 40% of country officers are women. Manpower is taking measures to reduce its impact on the environment, particularly with regard to waste volumes and energy consumption.

The entire ASN investment universe can be found on www.asnbank.nl.

pursue a business strategy of maximum sustainability. These companies receive a provisional status during this period. If a company fails to show any improvements within two years, it is removed from the universe.

2. If a company in the investment universe possibly no longer meets our investment criteria. Such a suspicion may arise from the three-yearly review or if new information is released about a company. We will ask the company to explain the situation, adjust its policy, or improve the implementation of its policy. Depending on the answers we receive, we will contact the company

again. If the desired response is not obtained, the ASN Selection Committee decides whether the company should be removed from the universe.

3. By way of encouragement. Companies, institutions and projects appreciate it greatly if they are selected for our universe. This is why we inform them of their admission where possible. If we regularly contact the companies and institutions we invest in, they will understand more clearly what we expect of them in the field of human rights, environmental and biodiversity performance.

Principles for Responsible Investment

In 2010, we signed the United Nations Principles for Responsible Investment (PRI). These principles were introduced in 2006 as a set of voluntary best practice standards for wealthy individuals and asset managers who want to consider the environment, society and good governance in their investment procedures. The PRI provide investors with a platform to jointly engage with companies, giving them more power to make a difference. They can also jointly submit agenda items, or shareholder resolutions, to shareholders' meetings. Many agenda items have been submitted, mainly on issues concerning climate change and human rights. The PRI members are committed to providing insight into their engagement with companies and their voting conduct.

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The third tool: exercising voting rights

The ASN investment funds are entitled to vote at shareholders' meetings of the companies in which they invest, which enables them to influence the policies and management of those companies. The funds cast their votes according to the mission and sustainability criteria of ASN Bank and ASN Beleggingsfondsen N.V. In recent years, we have been exercising our voting rights in an increasing number of companies. In 2010 we voted according to this

sustainable voting policy at 240 shareholders' meetings worldwide: a record for ASN Bank.

In 2010 we changed the way in which we report about our voting conduct. Formerly we reported every three months; now we continuously update our voting conduct. At www.asnbank.nl, you will find details of how we voted at each shareholders' meeting and on each agenda item.

Voting for a sustainable world

Here are a few examples of the votes we cast at shareholders' meetings in 2010:

22 July 2010: British Telecom

We voted against the company's repurchase of its own shares. If the company has financial leeway, we prefer that it invests in sustainable production processes rather than its share price.

Vervolg op pagina 38

Vervolg van Stemmen voor een duurzame wereld

6 May 2010: Reckitt Benckiser

We voted against this British company's board remuneration policy, which included a bonus for the CEO in excess of fifteen times his salary. Sixteen percent of the participating shareholders voted against.

29 June 2010: WPP

Media, marketing and communications firm WPP was one of the first British companies to ask its shareholders for consent regarding its report on corporate social responsibility. We voted in favour, because we consider it a positive sign that WPP acknowledges the importance of human rights and the environment, also to retain financial value.

23 June 2010: Zumtobel

This Austrian LED lamp manufacturer only proposed male new Management Board members. We voted against, because we advocate a diversity policy.

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6.4 Sustainable dilemmas

ASN Bank regularly faces dilemmas in its sustainability policy, because the choice for sustainability or ethics is not always an unequivocal one. Do we invest in a wind turbine manufacturer without a human rights policy? How do we act if a company is accused of corruption that is not proven? By formulating our sustainability policy as clearly as possible, we attempt to obviate such dilemmas. For example, we lay down in the policy that we do not invest in

nuclear energy on account of the safety hazards and the resulting waste. Accordingly, we assign more weight to safety and the waste problem than to the contribution that nuclear energy can make towards reducing the greenhouse effect. That is a clear choice in this dilemma. However, policy can never solve all dilemmas. If a specific dilemma so requires, we will look for an answer that is in line with our mission and our customers' wishes. We do so on the basis of our own research, consulting our stakeholders as well as specialists.

Sustainable dilemma: including the CO₂ emissions of paper?

Each office has three major sources of CO₂ emissions: electricity, heating and transport. However, paper is also a major environmental indicator. Should we therefore calculate the CO₂ impact for which our paper consumption is responsible? This will raise questions to which we do not yet have the answer. For example: is the carbon footprint of paper consumption more important than the impact of the production of our lease cars or the office building? Are there any clear standards for calculating the CO₂ impact of paper consumption? There are several methods to calculate the CO₂ impact of paper. The question is which one would be the best to use. Moreover, these methods only apply to paper type FSC mixed sources, whereas we mostly use 100% recycled paper. We will solve this dilemma in 2011.

Sustainable dilemma: how far does supply chain responsibility go?

Corporate responsibility extends increasingly further into its supply chain, for example in countries in which governments care very little about human rights. But how far does supply chain responsibility go? Are companies responsible for the energy consumption of consumers who use their products? We believe that companies have a great, but not an unlimited, responsibility. We now place the limit at the 'scope of influence' that companies have, but is that fair? Does a company's responsibility stop where it can no longer exert any influence? We will discuss this issue again during our review of the ASN Bank Human Rights Issue Paper in 2011.

Sustainable dilemma: yes or no to investment in roads?

In 2010, we published the ASN Bank Transport and Mobility Issue Paper as a guide to investing in this sector. One of the dilemmas identified in this Issue Paper was: should ASN Bank invest in roads, or not? The use, construction and maintenance of roads place a great burden on the environment and the health of local residents. However, roads are also needed in a sustainable society where only electric cars are used. In addition, poorer countries cannot develop well without roads. Where do we draw the line? Not investing in roads does not fit in well with our vision of a sustainable society, but making such investments could conflict with other interests. We have decided to allow investment in roads under certain conditions. For example, in rich countries we invest in the maintenance of existing roads, but not in the construction of new roads. In developing countries we invest both in new roads and in maintenance, provided the relevant project meets the conditions laid down in the ASN Bank Biodiversity Issue Paper.

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7. Sustainable products and services

In 2010, ASN Bank's product range was enhanced with the ASN Credit Card and ASN Asset Management. In addition, we made steps towards simplifying our savings offering in 2010. Our various instant access savings products were gradually combined into one, revamped and non-conditional savings account: ASN Ideaalsparen. This chapter provides an overview of the main developments regarding our sustainable savings, investment, payment and finance services.

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7.1 Savings

Dutch bank consumers do not like complicated products. The demand for clear, simple products and the four sustainability issues (see Chapter 5) culminated in a major product innovation. In the autumn of 2010, we informed our customers of the new product ASN Ideaalsparen for the first time. It was launched on 1 January 2011.

The new ASN Ideaalsparen product

What was the reason for introducing this simplification? Sustainable, transparent services entail that we regularly verify whether we could introduce any improvements for our customers. We launched various new savings accounts in the past few years, which resulted in several instant access accounts that were subject to different deposit conditions. Due to developments on the interest rate market, the savings interest rates on these accounts showed very little variety in 2010, creating some confusion for our customers.

We were one of the first banks in the Netherlands to decide to simplify our savings range and make it more attractive. We combined the positive features of the various savings products to create one new

savings account: ASN Ideaalsparen. This account offers full freedom of deposit and access. In addition, the four sustainability issues have been linked to this account.

We introduced this simplification in stages, carefully communicating with our customers. They received the first announcement in our customer magazine Spaarmotief in September, followed by a personal letter and a reminder in Spaarmotief in December. The table below provides a concise overview of the changes.

One new feature included in ASN Ideaalsparen is that we are joining efforts with our customers to actively support sustainable issues: for fair trade and renewable energy and against child labour and the arms industry. For more information on these issues, please refer to Chapter 5.

Savings growth

In the 2010 jubilee year, the total amount of savings customers entrusted to ASN Bank rose by an unprecedented € 1.6 billion, from € 6.3 billion as at year-end 2009 to almost € 8 billion as at year-end 2010. At the same time, new accounts did not keep step with the growth seen in previous years. This

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PRODUCT IMPROVEMENT OVERVIEW		STEP 1		STEP 2	
Current savings accounts	Interest as at 18 August 2010	Situation on 2 October 2010	Interest as at 2 October 2010	Situation on 1 January 2011	Interest as at 1 January 2011
ASN Ideaalsparen Saving via Internet or by post and telephone. Obligatory monthly direct debit savings deposits from €50 to €500. Unlimited additional savings deposits. Full and instant access to savings balance.	2.30%	ASN Ideaalsparen Saving via Internet or by post and telephone. Option of direct debit savings deposits. Unlimited savings deposits. Full and instant access to savings balance.	2.30%	ASN Ideaalsparen 2.30% Saving via Internet or by post and telephone. Option of direct debit savings deposits. Unlimited savings deposits. Full and instant access to savings balance. New Support to themed projects of your choice. ■ For fair trade ■ For renewable energy ■ Against child labour ■ Against the arms industry <i>Please note we do not automatically join accounts. If you currently have more than one of the savings accounts listed on the left, as of 1 January 2011 you will have multiple ASN Ideaalsparen accounts. If desired, these can be joined at a later date.</i>	
ASN Méérsparen Saving via Internet or by post and telephone. High interest on savings balance of at least €10,000. Full and instant access to savings balance. Support to anti-child labour projects.	1.50 - 2.30%	ASN Méérsparen Saving via Internet or by post and telephone. High interest regardless of savings balance. Unlimited savings deposits. Full and instant access to savings balance. Support to anti-child labour projects.	2.30%		
ASN Wereldsp@ren Saving only possible via Internet. High interest only on savings deposits kept in the account for six months. Full and instant access to savings balance.	1.50% - 2.30%	ASN Wereldsp@ren Saving only possible via Internet. High interest regardless of term of deposits. Unlimited savings deposits. Full and instant access to savings balance.	2.30%		
ASN Internetsp@ren Saving only possible via Internet. Unlimited savings deposits. Full and instant access to savings balance.	2.00%	ASN Internetsp@ren Saving only possible via Internet. Unlimited savings deposits. Full and instant access to savings balance.	2.30%		
ASN Sparen/Milieusparen (Additional) Saving via Internet or by post and telephone. Old savings products without (1.80%) and with limiting conditions (Additional, up to 2.00%). Full and instant access to savings balance.	1.80% - 2.00%	ASN Sparen/Milieusparen (Additional) Saving via Internet or by post and telephone. Unlimited savings deposits. Full and instant access to savings balance.	2.30%		

* Interest rates as at 18 August 2010, or our intended interest rates as at 2 October 2010 if the market conditions stay the same. Interest rates explicitly subject to change.

Anne Leenstra, ASN Jeugdsparen Ambassador

In early 2010, Anne Leenstra became our ASN Jeugdsparen Ambassador after winning our photography contest with her photograph *The world through a bubble*. She enthusiastically dedicated herself to Cordaid's street urchin projects throughout 2010. She immediately launched the campaign 'From paperclip to one million': at marktplaats.nl, she sold items to raise money for street urchins. At ASN Bank's jubilee party, she made more than 2000 euros selling home-made bags and other gifts. She told her story and raised money through interviews and at events. She kept a blog on For the World of Tomorrow to keep people who were interested in her activities up to date. At the end of 2010, she was the face of the campaign aimed at finding a new ASN Jeugdsparen Ambassador. On www.jeugdambassadeur.nl, candidates could post video-clips to present themselves as candidates for the title of ASN Jeugdsparen Ambassador 2011.



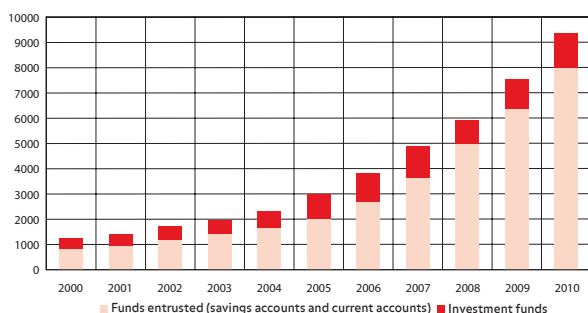
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was in part due to the simplification of our savings range, which resulted in accounts being combined. In addition, many deposit accounts were released. Customers often decided not to open new deposit accounts in view of the low deposit interest rate. Although this caused a sharp drop in the number of deposit accounts, our customers remained loyal to ASN Bank. They generally transferred the savings released to ASN savings accounts not subject to deposit or access restrictions. In addition, the continuous influx of new customers and the successful savings campaign brought about an unprecedented increase in total savings.

Interest donations

In 2010, ASN customers could automatically donate all or part of their interest on savings to NGOs. This was an option with several ASN savings accounts. Savers with an ASN Waddendeposito or ASN Vrouwenspaardeposito donated all of their interest. Due to the cancellation of a specific account, less interest was donated in 2010 than in 2009: almost € 375,000, compared to almost € 575,000 in 2009. Customers could make a selection from seventeen charities for their interest donation (see section 4.4). As of 1 January 2011, the support to the four sustainability issues replaces the option of interest donation available to individual account holders.

Assets under management (in millions of euros)



7.2 Investments

Since the financial crisis, investing has lost ground to saving. Sustainable investment at ASN Bank is no exception. Nevertheless, the ASN investment funds grew by € 182 million in 2010 (+ 15%). One part of this growth was achieved through the influx of cash, the other was brought about by price gains. This alone indicates that our investors were able to achieve significant profits, from both a social and a

financial perspective. ASN Small & Midcap Fonds, for example, was the outperformer among Dutch sustainable equity funds in 2010, with annual returns of no less than 42.4%. By way of comparison: the AEX index rose by less than 6% in 2010. ASN Milieu & Waterfondsen and ASN Aandelenfondsen also achieved fine returns of 18.3% and 17.9%, respectively. This success was reflected in the Gouden and Groene Stier awards we won at the end of 2010 (see Chapter 5).

Tax funds

The ASN-Novib Fund, which extends microcredit

to small business owners in developing countries, was very popular in 2010, enjoying a cash inflow of no less than € 52 million. This was remarkable, as it became known at the end of September that the government wanted to limit the tax benefit on socio-ethical, green and cultural investments. The lack of clarity about the new rules even forced us to close the ASN-Novib Fund for the sale and purchase of participating units for some time. The same applied to ASN Groenprojectenfonds for a longer period of time. Nonetheless, these funds were not confronted with an outflow of investors.

Growth of ASN investment funds

(amounts x 1,000/€ 1,000)	2010		2009	
	Number of shares	Net assets	Number of shares	Net assets
ASN Aandelenfondsen	5.454	318.869	5.359	270.068
ASN Obligatiefondsen	4.416	119.733	3.739	102.946
ASN Mixfondsen	2.156	136.550	2.170	131.102
ASN Milieu & Waterfondsen	12.024	213.703	11.762	177.052
ASN Small & Midcap Fonds	1.997	54.766	1.787	34.887
ASN Groenprojectenfonds	13.657	353.186	13.406	354.514
ASN-Novib Fund	3.236	178.059	2.274	122.621
Total net assets of investment funds		1.374.866		1.193.190

List of ASN investment funds

Fund	Invests in:	Return* in %		
		2010	past three years**	past five years**
ASN Aandelenfondsen	Global listed companies	17,9	-1,3	1,4
ASN Obligatiefondsen	Government and corporate bonds	0,5	4,3	2,4
ASN Mixfondsen	Bonds and equities	8,6	2,3	2,5
ASN Milieu & Waterfondsen	Duurzame energie, water en milieu	18,3	0,3	6,0
ASN Small & Midcap Fonds	Renewable energy, water and the environment	42,4	2,5	3,6
ASN Groenprojectenfonds	Green projects	-0,3	2,4	1,6
ASN-Novib Fund	Microfinance institutions	6,3	5,0	4,1

* Return based on share prices, including reinvestment

** Average per year

More information about the results and investments of the individual funds can be found in the ASN Investment Funds Annual Report, the ASN-Novib Fund Annual Report and the ASN Groenprojectenfonds Annual Report, which we publish as separate documents.

ASN Asset Management

We were only able to provide limited fitting services to high net worth individuals, foundations and institutions. However, their interest in sustainable investment is on the rise. After all, sustainable development can be positively affected through investment in companies, governments and projects that

practise corporate social responsibility. This is an appealing aspect to a growing number of investors.

In order to expand our services in this area, we set up a partnership with NBC Duurzaam Vermogensbeheer B.V. in Weesp, acquiring a majority stake in this company. NBC Duurzaam Vermogensbeheer provides ASN Asset Management, meaning asset management on the basis of ASN Bank's special investment criteria. Target groups are private individuals, foundations, associations and social institutions with investable assets of € 250,000 or more. Our asset managers compose tailor-made portfolios on the basis of ASN Bank's special investment criteria. Early in 2011, the name of NBC Duurzaam Vermogensbeheer was changed to ASN Asset Management.

7.3 Payments

Since the introduction of the ASN Bank Account at the end of 2008, many customers have opted to 'pay with ideals'. To many customers, we have grown from a savings bank to their main or even only bank. The ASN Bank Account is a competitive, fully online current account that offers everything customers need to easily take care of their banking affairs, such as the bank card/smart card ASN Wereldpas, online payment including through iDEAL, ASN Digipas and switch support. The account bears interest on a positive balance, which is a unique feature in the Netherlands.

ASN Credit Card

In July 2010, we introduced the ASN Credit Card, a payment facility that was in high demand. As with the new product ASN Ideaalsparen, ASN Credit Card holders have a choice of supporting the sustainability issues that ASN Bank is aiming to advance



(see Chapter 5). ASN Bank receives a contribution for each payment customers make with the ASN Credit Card. These contributions go directly to the projects. The popularity of the ASN Credit Card, also in combination with the ASN Bank Account, has exceeded all expectations.

7.4 Lending

The business sector is increasingly interested in practising corporate social responsibility. We consider it important that helpful innovative technologies and products get the opportunity to develop and spread. To this end, we provide business loans based on the knowledge of the market of our Sustainable Loans Department. This department provides and manages business loans for ASN Bank, ASN Groenprojectenfonds and ASN Groenbank (see the organisational chart including notes in Chapter 11). ASN Bank and ASN Groenprojectenfonds funded new projects totalling more than € 140 million in the aggregate in 2010. Several examples are presented on pages 47 and 48.

Finance by ASN Bank

ASN Bank finances major renewable energy projects, as well as cultural, environmental and public housing initiatives. These projects do not qualify for a green certificate but nevertheless satisfy our investment criteria. ASN Bank provides loans to these projects at its own expense and risk. In 2010, we provided loans and guarantees totalling € 97 million.

Financing renewable energy projects is one of the methods we use to achieve our ambition of stimulating sustainable forms of energy generation. We expanded these lending activities in 2010. Joining efforts with other banks, we financed Gabardan 2, a large solar farm in the south of France. However, we have been particularly active in the area of wind energy, cofunding C-Power, a major wind farm off the Belgian coast. Our first finance in Germany was

Successes for Belwind

In 2009, Belwind, a Belgian wind farm, was the first offshore wind farm to receive funding from us. This farm was connected to the grid at the end of 2010, after a construction period of only fifteen months. The farm's finance – a project finance in which many parties had teamed up – received two prestigious awards: Project Finance International (PFI) of Thompson Reuters presented Belwind with the title of Power Deal of the Year 2009, while the project was voted European Offshore Wind Deal of the Year 2009 by Euromoney magazine Project Finance and Infrastructure Finance.

Equator Principles

ASN Bank has adopted the Equator Principles, which apply to major project loans. These Principles require the projects to meet the social and environmental criteria set by the International Finance Corporation (IFC). The adoption of the Equator Principles reaffirms our policy to provide loans only to projects that are developed in a socially responsible manner and are in line with the requirements for sound sustainability policies. In addition to our own sustainability criteria, we apply the Equator Principles to all the projects we finance whose total value exceed \$ 10 million (we apply a limit of € 8 million). The Equator Principles distinguishes three project categories, ranging from a high possible adverse effect on the environment and human rights (category A) to a low effect (C). As we apply our own sustainability criteria, we do not finance any projects from category A. We did finance four projects from the B category, including large-scale offshore wind energy projects. Gabardan 2, a major solar energy project in France, belongs to category C. The table below shows how many projects from each category we assessed and approved in 2010.

Project category	Assessed	Approved
A	0	0
B	4	4
C	1	1

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the Trianel wind farm, which is being constructed north of the East Frisian island of Borkum. Financing renewable energy projects outside the Netherlands makes us less dependent on Dutch government policies. We only select projects in politically stable countries, such as Belgium, France and Germany.

Finance through ASN Groenprojectenfonds

ASN Groenprojectenfonds provides loans in the fields of sustainable construction and renewable energy, e.g. energy generated by wind turbines and decentralised energy supplies (heat and cold storage, cogeneration and solar energy). We have acquired considerable expertise in these fields, particularly in respect of heat and cold storage. In 2010, ASN Groenprojectenfonds provided new loans in the amount of € 45 million.

These loans are subject to the Green Project Regulations [Regeling Groenprojecten]. The review of these Regulations in March 2010 enhanced the criteria for green loans. In the last six months of the year, however, this positive news was followed by a government measure that adversely impacts green projects. The new Cabinet held the view that the tax credit resulted in excessive encouragement, which is why it decided to phase out the tax credit for investors of green funds and other investors. Due to the gradual reduction of the tax credit to nil, the tax benefit will fall from up to 2.5% in 2010 to up

to 1.2% in 2014. Some of the major banks decided to stop raising new capital under the Green Project Regulations. They believe that investors will leave. We, on the other hand, hold the view that ASN Groenprojectenfonds has a future. The investors of this fund kept their shares after reports emerged that the tax benefit would be reduced.

ASN Bank is represented at the Green Funds Council [Beraad Groenfondsen], which explicitly continues to be a discussion partner of the government. The Council urged the government to carefully monitor the impact of phasing out the tax credit. In order to support the Green Project Regulations, we are also member of the Renewable Energy Organisation [Duurzame Energie Koepel]. We have joined these bodies to establish the highest level of harmonisation between the government and interested parties



in the area of renewable energy.

Renewable energy projects

Gabardan

In July 2010, ASN Bank provided € 17.5 million of finance to a French solar energy project. The finance concerns part of the Gabardan solar farm currently being constructed by EDF Energies Nouvelles in the south-west of France, between Bordeaux and Toulouse. The capacity of the entire Gabardan plant will be 74.6 megawatt peak (MWp). The Gabardan 2 project, cofinanced by ASN Bank, will supply 11.7 MWp of electricity, enough to power approximately five thousand households per year.

C-Power

At the end of 2010 ASN Bank financed C-Power, a wind energy park off the Belgian coast. The initial amount of finance was almost € 22 million. In addition to ASN Bank, another six financial institutions, two export credit insurers and the European Investment Bank provided finance totalling € 869 million. This finance enables the construction of the second and third stages of the wind farm, which last from 2011 up to and including 2013. This is the largest finance ever provided to offshore wind power. When C-Power is completed, it will provide energy to approximately 295,000 households and avoid an emission of 450,000 tonnes of CO₂. C-Power will provide one-tenth of the capacity that Belgium requires to meet the EU target of 13% of renewable energy by 2020.

Trianel

In December, the finance agreement for Trianel Borkum West II was concluded. This will be the largest wind turbine project at the German North Sea, comprising the design, construction and operation of the wind farm. Loans totalling € 550 million have been made available to finance the project. Eleven banks are involved in this finance, including ASN Bank.

As from the summer of 2011, the foundations for the first forty wind turbines will be laid off Borkum at a depth of thirty metres. These turbines will provide approximately two hundred thousand households with environmentally friendly energy. Almost 150 metres in height, the wind turbines will be definitively connected to the grid around 1 January 2013.

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Sustainable construction

Ecomare

ASN Bank donated € 1,850,000 to the renovation of Ecomare, which gives the largely concrete 1970s building a facelift. New pools have been built for the seals in the form of artificial lakes with small beaches, forming one natural whole with the surrounding dunes. ASN Groenprojectenfonds gave € 350,000 of finance for Ecomare's renewable energy supply: a heat and cold storage system. This renovation not only gave the seals a more comfortable home, but will also enable Ecomare to make visitors more enthusiastic about Wadden Sea nature.

Intervolve

Intervolve Credit B.V. received finance to build more than two hundred sustainable, affordable rented homes in South Africa. These are homes of Own Haven Housing Association, a housing association operating in a township in East London. The Amsterdam housing trust Eigen Haard supports Own Haven with knowledge, experience and training. The ASN Bank finance is extended on the basis of a guarantee from Eigen Haard. In a country in which there is such a high demand for affordable homes, home development is of paramount importance. However, Intervolve has also made the homes sustainable, by using pressed mud bricks and other materials. The construction work offers unemployed township dwellers education and sustainable employment opportunities.

Other sustainable investments

Chizone

In collaboration with Fonds 1818 of The Hague, ASN Bank extended a loan of € 165,000 for the conversion of the former Lourdes church in Scheveningen into a spiritual centre, Chizone. This centre has now been made suitable for conferences and symposiums, as well as training and, for example, Tai Chi classes. Stichting Chizone also lets studios. This monumental building has been given a new purpose with the renovation.

8. Sustainable operations

In our office in The Hague we have some ninety people working with a passion to achieve a sustainable, liveable world. We are also faithful to our mission as an office organisation, which drives us to improve our direct sustainability performance in many ways. Since energy and paper consumption account for by far most of the burden on the environment, we will discuss these aspects in more detail in this chapter.

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8.1 The environment

In 2010 we continued working on the main environmental effects of the ASN Bank offices, which are paper consumption and the emission of the greenhouse gas CO₂. Because of their volume, they continue to be a spearhead in 2011 as well. In the

past we shared our building with third parties, but we have occupied the entire building since early 2008. This resulted in higher energy, gas and water consumption figures.

	2010	2009	2008	2007	2006
CO₂ emissions¹					
CO ₂ emissions: tonnes	143	141	144	114	109
CO ₂ emissions: tonnes per FTE ²	1,75	1,82	2,22	1,98	2,17
Energy consumption					
Electricity: kWh	181.101	199.744	180.711	139.051	125.657
Electricity: kWh per FTE	2.217	2.584	2.782	2.421	2.500
Gas: m ³ Gas	29.434	24.167	26.743	19.760	19.038
Gas: m ³ per m ²	15	12	13	13	12
Paper consumption					
Paper consumption in kilograms	258.919	211.103	214.538	179.113	162.910
Kg of paper consumption per client account	0,36	0,35	0,36	0,37	0,40
Water					
Water consumption: m ³	637	604	585	458	395
Water consumption: m ³ per FTE	7,8	7,8	9,0	8,0	7,9
Waste					
Paper waste: tonnes	14,8	17,7	18,4	15,4	18,2

1 This figure comprises all transport (commuting and business mileage) and heating.

2 FTE (full-time equivalent): converted to the number of full-time staff.

Carbon neutral

Our office activities lead to carbon emissions due to the use of fossil fuels for transporting employees and gas used for heating and electricity consumption. We are reducing the net emission levels of greenhouse gases in various ways. Firstly, all our electricity is generated in sustainable ways. Secondly, we are continuously working on a reduction of energy consumption, both in the office and in the transport of employees. For example, the stricter environmental guidelines adopted in 2008 resulted in lower carbon emissions levels in 2009 and 2010. Effective 2011, we have again tightened the criteria of our lease cars. Our restrained use of airlines also translates into a reduction of carbon emissions per FTE.

Our investments in a solar cooking projects further reduces our carbon emissions, with due observance of social goals. The Solar Cooking foundation has demonstrated that these investments offset our

remaining CO₂ emissions. The project does not yet include a certified carbon offsetting process. Nevertheless, we prefer to support this project as it is still

Solar Cooking

Solar cooking is cooking with sun power. We invest in a project in Uganda where the local population uses a simple parabolic mirror to heat a pan in the focus of that mirror. This approach is a huge success. Stichting Solar Cooking Nederland has distributed thousands of these mirrors by now, saving carbon dioxide emissions and forest by strongly reducing wood burning. The women involved spend much less time on collecting wood and improve their health to boot, by inhaling far less smoke.

in its start-up phase and has climate-related as well as social goals.

At the same time, we also wanted to reduce the actual carbon emissions per FTE in 2010 to the level of 2006. Achieving a 19% reduction compared to 2006, we have amply succeeded in reaching this goal, mainly by making more efficient use of the office building.

Reduction of paper consumption

It takes a lot of paper to inform all of ASN Bank's customers (over half a million) through, for example, bank statements, letters and our customer magazine Spaarmotief. Our strategy is to reduce paper and envelope consumption by further developing an Internet bank. The target for 2010 was to keep the

paper consumption at the same level as 2009 or to reduce it. Ultimately, paper consumption per client account dropped by 2.9% compared to 2009 and 10% compared to our reference year 2006. Absolute paper consumption rose sharply compared to 2009 as a result of the strong growth of our customer base.

Other measures

The third important way to accomplish our mission at the office is our purchasing policy. We assess all suppliers in terms of our supplier policy. The social and environmental impact of the hundreds of products we purchase are highly varied, which is why we divided all products into three categories.

Category	Comprises	Policy
A: high priority	Products that we purchase in large quantities, such as bank cards	We examine these products ourselves in order to determine whether they meet our criteria.
B: average priority	Products that have a large purchasing volume, such as IT services	Signing the SNS REAAL sustainability declaration
C: low priority	Products that represent low volume, low value or low risk	Compliance with SNS REAAL's sustainability policy.

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8.2 Business accommodation

ASN Bank has experienced tremendous growth in the past few years, also in terms of its workforce. Our current building still provides sufficient room to everyone. However, we expect to grow so strongly in the near future that the building will be too small, which is why we require new business accommodations. We have decided to look for an existing office building rather than move into a newly constructed office. After all, it is in line with our sustainable vision not to keep empty buildings vacant, but to give them a new, sustainable purpose. This way, we contribute to a reduction of the number of voids among older offices and maintenance of undeveloped space.

We are achieving this through the purchase of a 1970s office building on 153 Bezuidenhoutseweg, which has been unoccupied for some time. In 2011, the building will undergo the requisite renovations – within reasonable financial limits – to obtain an 'A' energy rating, as well as a green certificate. We will also create an enjoyable working environment for our staff, and move into our new office in the beginning of 2012.

8.3 Human resources policy

ASN Bank's human resources policy is grafted onto that of SNS REAAL. The SNS REAAL Collective Labour Agreement, which contains good primary and secondary benefits that comply with the market standard, also apply to our bank.

Objectives, competencies and development

The human resources policy is based on mature labour relations: on principles of mutual responsibility, equality and due care. This is expressed, for example, in the performance and competency assessment cycle. Supervisors will use the annual planning meeting to provide specific targets for their employees that reflect their expectations of the employees for the year ahead. They will also focus on the development of competencies in view of the employee's current position and ambitions for the future.

In 2010, SNS REAAL introduced a new core value: CARE! The purpose of this new core value is to achieve SNS REAAL's mission, 'Simplicity in Finance'. The core value has four components: CARE!

for the client, for each other, for society and for results. It is in close harmony with how ASN Bank treats its customers and staff. We have included the CARE! values in our performance and competency assessment cycle. Furthermore, ASN Bank has a business-specific competency: cooperation. We can deliver better performance if we cooperate, both within departments and between the bank's various departments.

The personal development plan (PDP) is an important tool that empowers employees to control their own development. The PDP lays down in what direction an employee wants to improve and contains arrangements about the way in which he or she can reach that goal. We make internal and external training available for the further development of our employees.

Representation

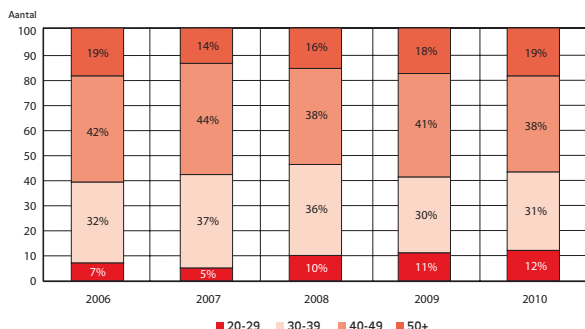
Since the works council elections of May 2010, the SNS REAAL works council also represents the ASN Bank employees. Two members of the works council have ASN Bank as their area of attention, which made the ASN Bank Subcommittee (SC) superfluous. However, the ASN Bank Management Board and the Subcommittee members found it useful to continue their consultations in the form of a workgroup. In 2010, they consulted several times about the developments and ASN Bank's plans for the future.

Workforce developments

The number of staff remained practically the same. Absenteeism was very low in 2010: 2.9%. In 2009, this figure was higher on account of the long-term illness of one employee. Absenteeism meetings and, where necessary, proper support from the occupational physician take centre stage in our sick leave policy.

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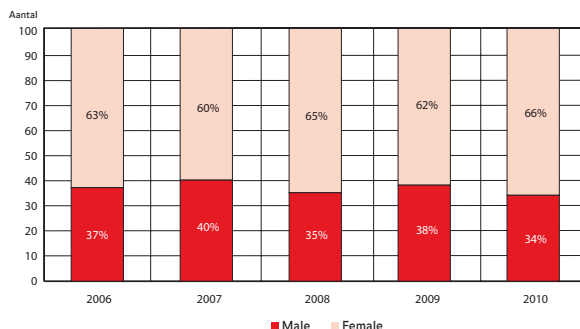
Composition of personnel (age)



Employee satisfaction

SNS REAAL conducts an employee satisfaction survey every year. In 2010, ASN Bank received a score of 8.6 out of 10, which exceeded the already high figure of 8.1 of 2009. Accordingly, ASN Bank achieved the Management Board's permanent target, i.e. a score of at least 8 out of 10. The employees are proud to be working at ASN Bank and enjoy their work. The management team and the employees have discussed the results of the survey. The action items revealed by the survey relate to career opportunities and career guidance.

Composition of personnel (gender)



Commitment

The Management Board finds it important to involve employees in the further development of ASN Bank in various ways, for example in regular staff meetings. In these meetings we inform the employees about a range of issues, such as the bank's sustainable course and results. We also strive to further increase our employees' commitment to sustainability in various ways. For example, we visited Ecomare on the occasion of our fiftieth anniversary.

Employment rights training

In the first six months of 2010, over forty ASN Bank employees attended a training organised by FNV Mondiaal about employment rights. ASN Bank has strict criteria on employment rights. We require companies to protect these rights. If a company operates in a country that insufficiently protects employment rights or has a production facility in such a country, we expect companies to go the extra mile. Practice can prove resilient sometimes. We are regularly faced with dilemmas during our investigations into employment rights compliance. The training dealt with questions such as: What is 'decent work'? What does the International Labour Organization do? How did employment rights come into being? We extensively discussed the implementation of these rights and all related aspects. The training and discussion with specialists made the ASN people more aware of the importance of employment rights, which is also beneficial for the quality of our investigations.

9. Financial results

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Notes to the financial results

Our objective is to contribute to sustainable economic development as a bank. This means that we act within the parameters imposed on us as a bank. We base our actions on two key principles. First, we invest our customers' money only in ways acceptable to them. Second, we must satisfy the requirements set by regulatory bodies.

The capital requirements set by regulators determine our investment policy to a great extent. We ourselves can mainly determine the levels of risk and liquidity. The more liquid the investments, the faster your savings are available if you wish to withdraw them. The level of risk is a more complicated issue. It is related to the risks associated with a particular investment and the amount of capital we must have to hedge those risks. We opt for investments with a low risk profile that meet our sustainability criteria.

As shown by the list of our investments, over the past few years our investments have shifted from government bonds towards mortgages. This is because we invest in mortgage-backed loans that are linked to our sustainability criteria (see the ASN Bank Banks and Insurers Issue Paper). By investing in such mortgages, we ensure – as with investments in the social housing sector – that people can still buy a home of their own. The money we invest in loans to the relevant banks allows them to provide new mortgages.

In addition, we particularly focus on investing in the renewable energy sector. Taking account of our low risk profile, we can finance projects in this sector every year. If we want to step up our investments in

this sector, we need more shareholders' equity. To that end, we add the annual profit to our shareholders' equity. This allows us to maintain our moderate risk profile while having more capital available for investing in renewable energy projects. The capital contribution of € 100 million made by our shareholder, SNS Bank, at the end of 2010 also constituted a major contribution. Our current capital level enables us to achieve further growth.

This chapter discusses ASN Bank's balance sheet and income statement for 2010, as compared to 2009. The comparison is distorted as regards expenditure in particular, due to the non-recurring expenses we incurred in 2009 as a result of the bankruptcies of DSB Bank and Icesave.

9.1 Balance sheet

<i>In thousands of euros before profit distribution</i>	<i>31-12-2010</i>	<i>31-12-2009</i>
Assets		
Cash and cash equivalents	36.987	1.380
Loans and advances to banks	3.576.283	1.748.188
Loans and advances to customers	1.639.755	1.582.819
Derivatives	12.618	6.938
Investments	3.166.359	3.282.935
Tangible fixed assets	6.565	362
Intangible fixed assets	525	-
Deferred tax assets	21.010	15.706
Other assets	82.191	23.570
Total assets	8.542.293	6.661.898
Liabilities		
Funds entrusted	7.991.567	6.346.029
Other amounts due to customers	27.874	11.585
Derivatives	42.486	6.295
Deferred tax liabilities	271	20.953
Other liabilities	377.209	171.837
Share capital	11.350	11.350
Other reserves	48.432	83.965
Profit for the year	43.098	9.884
Minority interests	6	
Equity	102.886	105.199
Total liabilities	8.542.293	6.661.898

9.2 Income statement

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Income		
Interest income	281.196	244.875
Interest expenses	198.227	200.351
Net interest margin	82.969	44.524
Commission and management fees	17.829	13.990
Commission and management fees due	9.801	7.880
Net commission and management fees	8.028	6.110
Result on investments	- 6.536	- 2.183
Total income	84.461	48.452
Expenditure		
Impairments	24	21
Staff costs	8.190	7.212
Depreciation of tangible fixed assets	121	147
Other operating expenses	18.345	27.804
Total expenditure	26.680	35.184
Profit before tax	57.781	13.267
Tax	14.824	3.383
Net profit	42.957	9.884
Minority interests	141	0
Net profit attributable to shareholders	43.098	9.884

9.3 Cash flow statement

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Cash flow from operating activities		
Net profit for the period	43.098	9.884
Adjusted for:		
- Depreciation and amortisation of fixed assetsa	121	147
- Changes in deferred taxes	-25.986	-15.173
Cash flow from operating activities	17.233	-5.142
Changes in loans and advances to customers	-40.647	-344.921
Changes in loans and advances to banks	-1.828.095	-310.795
Changes in funds entrusted	1.645.538	1.380.076
Revaluations and exchange rate differences in investments	80.033	64.629
Changes in other operating activities	31.846	-18.111
Net cash flow from operating activities	-111.325	770.878
Cash flow from investing activities		
Purchase of investments	873.207	2.515.708
Purchase of investments and derivatives	-836.664	-3.280.029
Purchase of intangible fixed assets	-525	-
Purchase of tangible fixed assets	-6.324	-85
Net cash flow from investing activities	29.694	-764.406
Cash flow from financing activities		
Dividend paid	-	-
Share premium paid in by holding company	100.000	-
Minority interests	6	-
Net cash flow from financing activities	100.006	-
Cash and cash equivalents on 1 January	1.380	50
Net increase of cash and cash equivalents	35.607	1.330
Cash and cash equivalents on 31 December	36.987	1.380

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9.4 Notes to the annual figures

General

Since 5 January 1998, ASN Bank N.V. has been a wholly-owned subsidiary of SNS Bank N.V., whose financial statements are filed with the Trade Register in 's-Hertogenbosch.

The company's figures have been incorporated in the consolidated financial statements of SNS Bank N.V. Based on a guarantee issued by SNS Bank N.V. in accordance with Book 2, Section 403 of the Dutch Civil Code, the company financial statements of ASN Bank N.V. have not been audited.

Unless otherwise indicated, all amounts are stated in thousands of euros.

Valuation principles

Investments

All investments are stated at their market value. The market value of private loans and mortgages is equal to their amortised cost. Bonds are stated at their fair value. Any gains and losses ensuing from changes in their fair value are accounted for in shareholders' equity if unrealised, and as part of the result on investments in the income statement if sold.

Fixed assets

This item only consists of business equipment and real estate, which are stated at their historical cost less straight-line depreciation based on their estimated useful life. Real estate under construction is not depreciated during the renovation period.

Provisions

The provision for deferred tax liabilities pertains to taxes that are due and payable in the future in connection with taxable temporary discrepancies. These deferred taxes are stated at face value.

Income and expenditure

Income and expenditure are allocated to the period to which they relate. Losses are accounted for when they become known, while income is only accounted for when realised.

Tax

Corporate tax is levied on taxable profits. ASN Bank N.V. and its subsidiaries ASN Beleggingsinstellingen Beheer B.V. and ASN Groenbank B.V. constitute part of the SNS Bank N.V. tax unit and pay the relevant corporate tax thus calculated each year.

Cash flow

The cash flow statement outlines the changes affecting the funds held by ASN Bank, broken down by operations, investments and lending. These funds consist of cash and cash equivalents. The cash flow statement has been prepared using the indirect method.

Financial instruments

Interest rate risk

The company is exposed to interest rate risks. The interest rate risk on our investments in government bonds is partly hedged through fair value hedge accounting (see Chapter 10 for more information). The other interest risk is hedged for SNS Bank as a whole.

Credit risk

Disregarding any security obtained, the maximum credit risks involved in the financial assets on the balance sheet date consist of the nominal value of the debtors accounted for in the balance sheet. Given the nature and term of the debtors and/or the security that has been obtained, these credit risks are limited. There are no major concentrations of credit risks.

Currency risks

There were no assets stated in a foreign currency as at the balance sheet date. Consequently, there are no currency risks.

9.5 Notes to the balance sheet

Investments

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Loans and advances to banks	3.576.283	1.748.188
Loans and advances to customers	1.639.755	1.582.819
Investments	3.166.359	3.282.935
Total investments	8.382.397	6.613.942

ASN Bank uses the funds entrusted to it for investments and loans to banks and customers, which are

divided into the following categories:

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Government bonds	2.881.800	2.948.594
Municipal and provincial councils	639.130	654.704
Banks	537.803	336.667
Residential construction	158.356	154.265
Health and old-age care	340.227	308.911
Education, culture and leisure	25.426	24.876
Water boards and power companies	292.324	300.830
Renewable energy	111.681	54.868
Mortgages	3.262.273	1.675.583
Shares	485	348
Other	132.897	155.147
Total investments	8.382.402	6.614.150
Provision for impairments	-5	-208
Total	8.382.397	6.613.942

See Appendix 3 for a breakdown of investments and loans.

Our investments

ASN Bank's mission is to help create a society in which people are free to make their own choices, without this being at the expense of others. A society without poverty, in which everyone has access to education, good housing and medical care. In practice, this means that the investments ASN Bank makes today reflect the sustainable society of tomorrow. In addition to investments in wind turbines and energy reduction, these include investments in housing, healthcare, water boards, etc., provided they meet ASN Bank's sustainability criteria.

1. Government bonds

We invest in bonds of countries that are not high-risk countries, that issue euro bonds and that deliver the best performance in the areas of the environment and human rights. We measure that perfor-

mance on the basis of nine human rights indicators and seven environmental indicators.

2. Municipal and provincial councils

National and regional governments play an important role in society's performance. If we have approved a country's government bonds based on the criteria laid down in the ASN Bank Government Bonds Issue Paper, the local governments have also automatically been approved.

3. Banks

ASN Bank does not invest in the financial sector, because it is often not clear where a particular bank or insurer invests its funds. We can invest if there is sufficient information available about the investment opportunity offered by a financial institution and it satisfies our special investment criteria. That includes our mortgage investments. Our liquid assets at our holding company SNS Bank are recognised under 'Banks'.

4. Health and old-age care

Healthcare institutions play a major social role as they provide responsible healthcare with due attention to quality and safety for patients and staff. We verify whether the healthcare is affordable and the organisation of the healthcare institutions is such that they contribute to good healthcare, now and in the future.

5. Water boards and power companies

In the Netherlands, water management is very important indeed. Water plays a key role in the development of our living environment, for example with regard to housing, working and leisure. As the water boards' activities are highly harmonised, we assess the sector as a whole in terms of human rights and the environment.

6. Mortgages

People will also take out mortgages in a sustainable society. If these mortgages meet the criteria as laid down in the ASN Bank Banks and Insurers Issue Paper, they may be approved for investment. The mortgages concerned have the features of mortgages extended under the National Mortgage Guarantee scheme ('NHG mortgages').

At the end of 2010 there were no outstanding loans or advances which had been provided to members of the Management Board or Supervisory Board (2009: 0).

Verloop vorderingen op banken

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Balance as at 1 January	1.748.188	1.437.393
Investments	1.600.000	950.000
Disposals/redemptions	-1.263	-56.035
Amortisation	-	-
Other	229.358	-583.170
Balance as at 31 December	3.576.283	1.748.188

Verloop vorderingen op klanten

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Balance as at 1 January	1.582.819	1.230.328
Investments	141.286	458.650
Disposals/redemptions	-84.685	-106.310
Amortisation	251	574
Other	84	-423
Balance as at 31 December	1.639.755	1.582.819

Investments

Investment listings

<i>In thousands of euros</i>	<i>Shares</i>		<i>Fixed income investments</i>		<i>Total</i>	
	2010	2009	2010	2009	2010	2009
Listed	-	-	3.158.070	3.277.622	3.158.070	3.277.622
Unlisted	8.289	5.313	-	-	8.289	5.313
Total	8.289	5.313	3.158.070	3.277.622	3.166.359	3.282.935

Valuation of investments

<i>In thousands of euros</i>	<i>Shares</i>		<i>Fixed income investments</i>		<i>Total</i>	
	2010	2009	2010	2009	2010	2009
Amortised cost	7.255	4.802	3.148.377	3.196.942	3.155.632	3.201.744
Revaluation	1.034	511	-55.782	18.351	-54.748	18.862
Accrued interest	-	-	65.475	62.329	65.475	62.329
Total	8.289	5.313	3.158.070	3.277.622	3.166.359	3.282.935

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Movements in investments

<i>In thousands of euros</i>	<i>Shares</i>		<i>Fixed income investments</i>		<i>Total</i>	
	2010	2009	2010	2009	2010	2009
Balance as at 1 January	5.313	13.069	3.277.622	2.570.817	3.282.935	2.583.886
Investments	2.453	1.123	834.211	3.278.906	836.664	3.280.029
Disposals	-	-8.768	-873.208	-2.506.940	-873.208	-2.515.708
Revaluations	523	-111	-74.133	-63.716	-73.610	-63.827
Amortisation	-	-	-9.568	-5.925	-9.568	-5.925
Other	-	-	3.146	4.480	3.146	4.480
Balance as at 31 December	8.289	5.313	3.158.070	3.277.622	3.166.359	3.282.935

Derivatives

<i>In duizenden euro's</i>	<i>Positive fair value</i>		<i>Negative fair value</i>		<i>Balance</i>	
	2010	2009	2010	2009	2010	2009
Derivatives	12.618	6.938	42.486	6.295	-29.868	643

ASN Bank uses derivatives to hedge undesired interest rate risks on an economic basis. We use futures and swaps, for instance, to hedge our interest rate

risk in part of the bond portfolio. For more information, see section 10.3 of the chapter 'Risk policy'.

Tangible fixed assets

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Buildings under construction	6.263	-
IT equipment	29	10
Other tangible fixed assets	273	352
	6.565	362

Movements in tangible fixed assets

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Accumulated acquisition costs	7.044	965
Accumulated depreciation	-479	-603
	6.565	362

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Balance as at 1 January	362	424
Investments	6.624	85
Divestments	-	-
Depreciation	-121	-147
Balance as at 31 December	6.565	362

At the end of 2010, ASN Bank purchased an existing office building in The Hague to accommodate the company's continued growth. In 2011 the building will undergo far-reaching renovation and will be

made more sustainable. In this way, we do our bit to reduce office building vacancy and continue to put our sustainable operations into practice.

Intangible fixed assets

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Goodwill	525	-

In 2010, ASN Bank acquired a majority stake of 62.99% in NBC Vermogensbeheer B.V. (now called

ASN Asset Management). ASN Bank paid goodwill of € 525,000 for this acquisition.

Deferred tax asset

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Deferred tax asset	21.010	15.706

The 2010 figures for deferred tax payable have been broken down into an active and a passive component. Interest-bearing financial instruments are stated at their market value. The revaluation of the

interest-bearing financial instruments has produced an unrealised result. The result has been used to establish a provision for deferred tax liabilities equivalent to the applicable corporate tax rate.

Other assets

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Interest receivable	59.513	44.197
Prepayments and accrued income	22.678	-20.627
Total other assets	82.191	23.570

Funds entrusted

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Private customer savings	7.548.383	6.041.002
Other amounts due to customers	443.184	305.026
Total funds entrusted	7.991.567	6.346.028

Amounts due to customers

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Mortgage account	24.798	8.599
Private borrowings	2.871	825
Due on demand	205	2.161
Total amounts due to customers	27.874	11.585

The increase in the mortgage account is attributable to the loan of almost € 22 million we extended to wind energy park C-Power N.V. at the end of 2010.

The value of the loan has been transferred to a building deposit account, from which payments will be made for the construction of the wind energy park.

Deferred tax liability

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Deferred tax liability	271	20.953

Interest-bearing financial instruments are stated at their market value. The revaluation of the interest-bearing financial instruments has produced an unrealised result. The result has been used to establish

a provision for deferred tax liabilities equivalent to the applicable corporate tax rate. This pertains to a passive deferred tax liability.

Other liabilities

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Other debts	211.333	8.639
Accrued interest	162.555	167.558
Other accrued liabilities	3.321	12.918
Total other liabilities	377.342	171.837

The increase in 'other debts' is due to a setoff with the holding company of the futures that were con-

cluded to hedge the interest rate risk on ASN Bank's bond portfolio.

Shareholders' equity

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Share capital	11.350	11.350
Share premium reserve	115.886	15.886
General reserve	60.629	50.745
Revaluation of shares and bonds	-128.083	17.334
Minority interests	6	0
Profit	43.098	9.884
Total shareholders' equity	102.886	105.199

A revaluation reserve for shares and bonds constitutes part of the shareholders' equity. This revaluation reserve reveals the effect that an immediate sale of ASN Bank's share and bond portfolios would have on its result. The retention of the bonds until the end of their term has no effect on ASN Bank's shareholders' equity or result. In 2010, the financial markets were concerned about the stability of the government finances of Mediterranean EU Member

States in particular. Combined with the rising long-term interest rates, this had a considerable impact on the revaluation reserve.

Excluding the revaluation reserve on the bond portfolio, shareholders' equity was € 232 million as at year-end 2010 and € 88 million as at year-end 2009.

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Shareholders' equity excluding revaluation reserve on bond portfolio	231.740	88.246

Breakdown of movements in shareholders' equity

<i>In thousands of euros</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Revaluation reserve</i>	<i>Other reserves</i>	<i>Profit for the year</i>	<i>Minority interests</i>	<i>Total</i>
Balance as at 1 January 2009	11.350	15.886	61.604	33.832	16.913		139.585
Profit for the previous financial year				16.913	-16.913		
Movements in revaluation reserve			-44.270				-44.270
Share capital movements							
Movements in share premium							
Movements in other reserves							
Profit for the year					9.884	0	9.884
Balance as at 31 December 2009	11.350	15.886	17.334	50.745	9.884		105.199
Balance as at 1 January 2010	11.350	15.886	17.334	50.745	9.884		105.199
Profit for the previous financial year							
Movements in revaluation reserve			-145.417				-145.417
Share capital movements							
Movements in share premium		100.000					100.000
Movements in other reserves				9.884	-9.884		0
Profit for the year					43.098		43.098
Movements in minority interests						6	6
Balance as at 31 December 2010	11.350	115.886	-128.083	60.629	43.098	6	102.886

The € 100 million share premium paid in by SNS Bank enables ASN Bank to step up its investments in

projects that contribute to a sustainable world, such as major wind and solar energy projects.

Off-balance sheet liabilities

<i>In thousands of euros</i>	<i>2010</i>
Liabilities from pledges and guarantees given	32.841
Liabilities from committed and uncommitted facilities	7.898

ASN Bank offers products such as pledges and guarantees in order to meet its finance customers' wishes. We do not recognise the underlying values of these products as either assets or liabilities in the balance sheet. The aforementioned amount is ASN Bank's maximum potential credit risk for these

products, assuming that all parties to contracts with ASN Bank cease to comply with their contractual obligations and all existing securities have no value. The committed facilities consist primarily of credit facilities promised to customers but not yet claimed.

9.6 Notes to the income statement

Net interest margin

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Interest revenue from investments	281.196	244.832
Interest paid to customers	198.227	200.308
Total net interest margin	82.969	44.524

Interest rate risks are partly hedged at group level, to which end ASN Bank pays its parent company a fee. Any capital gains realised on investment portfolio sales are accounted for directly in the result and

are set off against this fee. The increase in interest income can be attributed to the strong growth of savings combined with the positive development of the interest rate margin.

Other income

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Commission income	17.829	13.990
Commission expense	9.801	7.880
Result on investments	-6.536	-2.183
Total	1.492	3.927

Other income largely consists of commission which ASN Bank receives from its investment clients for managing its investment funds and the commission that it pays to SNS Asset Management for the management of its assets. An increase in the assets of ASN Bank resulted in a rise in commission paid in 2010.

The result on investments is negative due to results on futures and forward contracts. These are only partly set off by the capital gains realised on our investment portfolio.

Impairment

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Impairment	24	21

Impairments in 2010 largely concern amortisation of debit balances on private current accounts. Only

0.03% of total balances on the ASN Bank Account are involved.

Staff costs

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Salaries	4.843	4.175
Pension costs	948	831
Social security	641	522
Other staff costs	1.758	1.684
Total staff costs	8.190	7.212

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The average number of employees amounted to 81.7 in 2010 (2009: 77.3), all of whom work in the Netherlands. Staff costs rose, not only due to the increase of the average number of staff, but also as a

result of the consolidation of NBC Duurzaam Vermogensbeheer. The highest gross salary at ASN Bank is five times higher than the lowest gross salary.

Other operating expenses

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Office and general expenditure	11.541	21.881
Marketing costs	6.804	5.923
Total other operating expenses	18.345	27.804

In 2009 office and general expenditure was adversely affected by the bankruptcies of Icesave and DSB Bank. Customers of these banks were compensated for positive balances up to € 100,000 under the deposit guarantee scheme. These guaranteed amounts are paid by the Dutch banks. They are charged under

the scheme in proportion to their share in the savings market. As a result, we had to recognise a one-off charge of € 11 million. Excluding this one-off charge in 2009, other operating expenses remained virtually unchanged. Marketing costs increased due to further investments in our brand recognition.

Tax

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Taxable profit	57.781	13.267
Tax rate of 25.5%	14.824	3.383
Net profit	42.957	9.884
Minority interests	-141	0
Net profit attributable to shareholders	43.098	9.884

Provisions in the Articles of Association regarding profit appropriation

Profit appropriation is provided for in Article 34 of the Articles of Association.

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This article reads as follows:

1. Any profit is at the disposal of the general meeting.
2. Distributions can only be made to the extent that shareholders' equity exceeds the amount of the issued capital plus the reserves to be kept pursuant to the law.

Appropriation of profit

It is proposed that the profit of € 43,097,957 generated in 2009 be added to the shareholders' equity.

The Hague, 5 April 2011

Management board:

E. Ph. Goudswaard
J.E. Jansen

Supervisory Board:

H.K. Kroeze
E.J.G.V. Boers
R.G.J. Langezaal (Chairman)

10. Risk policy

The Controlling Department is responsible for controlling the risks to which ASN Bank is exposed. It controls ASN Bank's risks in close cooperation with SNS REAAL's risk committees and departments. You will find a description of the entire risk management organisation of SNS REAAL in the SNS REAAL annual report.

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ASN Bank maintained its moderate risk profile in 2010 despite continuing turmoil in the financial markets.

Concerns about the adequacy of the government finances of Greece and Ireland were a topic of discussion. In the wake of these countries, the government bonds of Spain, Portugal and Italy also came under pressure. The hedge construction we set up in 2009 protects our government bond portfolio against rising interest rates. However, it does not hedge the value fluctuations resulting from country risks. As a result, growing uncertainty impacted the value of this portfolio. The revaluation reserve fell by € 145 million in 2010.

To further reinforce ASN Bank's shareholders' equity and enable future growth, ASN Bank received a paid-in share premium from SNS Bank of € 100 million in the autumn of 2010. This reinforcement of our shareholders' equity allows us to continue our growth in the extension of sustainable loans.

Key figures

Balance sheet total	€ 8,5 miljard
Risk weighted assets	€ 953 miljoen
Shareholders' equity	€ 232 miljoen
Tier 1 ratio	24%

10.1 Risk management organisation

Various risk committees prepare SNS REAAL's risk policy and advise the Executive Board on it, which then adopts the policy and gives mandates to the committees working out the policy. More explicitly than in the past, the committees are responsible for developing and enforcing group policy. The primary committees that support ASN Bank in fleshing out policy are the Asset Liability Committee and the Product Market Pricing Committee.

Acting as common service centres and bearing responsibility for modelling, measuring, monitoring, reporting and advising on risks, the risk management departments advise ASN Bank through the ASN Investment Committee on risk management and report on the risk profile. They are not responsible for formulating definitions or making policy. The

ASN Bank Controlling & Compliance Department is in contact with various SNS REAAL risk management departments, including:

Group Risk Management (GRM)

GRM supports ASN Bank in

- identifying changing market conditions and rules that are of interest to strategy and policy;
- pricing products;
- setting up and performing asset & liability management;
- coordinating strategic projects related to financial risk management (Basel III).

Compliance, Security & Operational Risk Management

ASN Bank has its own compliance officer, who is managed by the Director of Compliance, Security & Operational Risk Management. This department advises the Executive Board and the Management Boards of the business units on controlling non-financial risks, i.e. the risks related to employee behaviour and the structuring of business processes. The local compliance officer's main duties are formulating policy, advising on ethical, controlled operations, coordinating and stimulating operational risk and integrity risk control, and permanent supervision of process execution.

Legal Affairs

The Legal Affairs Department prepares risk management policy and supports the operational aspects. This Department's main duties in this area are the following:

- identifying and advising on current and future laws and regulations;
- advising on integrity and the duty of care.

Credit Risk Management

Credit Risk Management prepares policy on credit risk management and supports the operational aspects. This department's duties in support of ASN Bank are the following:

- Credit Risk Management gives binding advice on general lending policy and on the credit risks of individual loans exceeding € 3.5 million;

In the context of credit risk management, ASN Bank's Sustainable Loans Department revises all loans extended by ASN Bank.

Internal Control

The Internal Control Department regularly tests the effects of the control measures included in the pro-

cedures. The department weighs its findings based on a predetermined standard to create adequate management information related to the organisation and process objectives.

Group Audit

Group Audit comes under the Chairman of the SNS REAAL Executive Board and also reports to the Supervisory Board audit committee. This allows the department to perform its work independently of the business units. Group Audit performs studies for the Management Board starting from a predetermined risk analysis. The department studies the internal risk management and control system, the related processing system, management information and the reliability of this information.

In addition, Group Audit regularly tests the effects of the control measures included in the procedures. The department weighs its findings based on a predetermined standard to create adequate management information related to the organisation and process objectives.

10.2.1 Credit risks

Credit risk is the risk of a debtor defaulting in whole or in part, or of its rating deteriorating to such an extent that it has a negative impact on ASN Bank's results or financial position.

ASN Bank's credit risk profile

The risk of our loan portfolio remained stable in 2010. This portfolio is formed based on sustainable objectives. The increase of funds entrusted led to a further growth of the portfolio to € 7,992 million in 2010. We extended more loans to renewable energy projects (+€ 95 million) in 2010 as well, such as wind farms C-Power and Belfuture and solar energy project Gabardan. Due to our investments in BLG, RegioBank and SNS Bank mortgages, our exposure to credit institutions was 105% up. The fixed-income investment portfolio decreased to € 3,179 million at year-end 2010 (-3%).

The credit risk to which ASN Bank is exposed is divided as follows:

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10.2 Risk management at ASN Bank

The risks to which ASN Bank is exposed can basically be divided into five categories: credit risk, market risk, liquidity risk, operational risk and reputation risk.

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Investments	3.166.359	3.282.935
Loans and advances to customers	1.639.755	1.591.819
Loans and advances to credit institutions	3.576.283	1.748.188
Total investments	8.382.397	6.622.942
Cash and cash equivalents	36.987	1.380
Total	8.419.384	6.624.322

Credit risk profile of investments

A considerable part of our investments (34%) are fixed-income investments, mainly government bonds. A minor part of the investment portfolio is held in other bonds, and shares.

The credit rating of investments is an indication

of the credit risk of the relevant investment. The investment portfolio predominantly (65%) comprises investments with an AAA rating. The table below shows the division of the investment portfolio into rating classes:

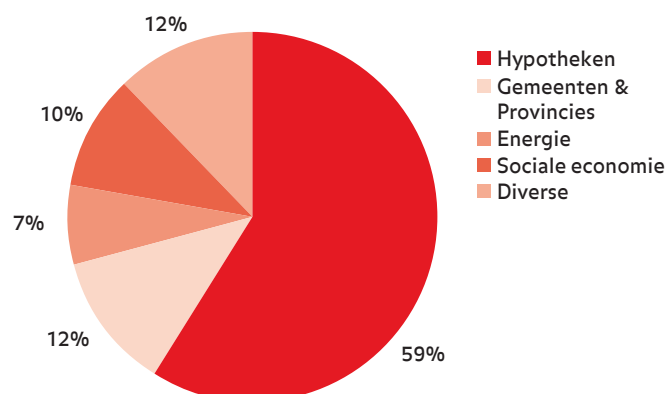
<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
AAA	2.080.897	1.871.121
AA	221.118	525.179
A	850.741	875.381
BBB	1.452	1.450
BB	3.862	4.491
Unrated*	8.289	5.313
Total	3.166.359	3.282.935

* Shares

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Credit risk profile of loans and advances to customers and credit institutions

ASN Bank's lending to companies, municipalities, water boards and healthcare institutions supports our mission, as explained under 'Investments' (section 9.5). The loan portfolio comprised 65% of the total investments at year-end 2010. Our stringent sustainability criteria exclude many sectors from our lending operations in advance, resulting in concentration risks. These concentration risks are limited thanks to our knowledge of the relevant sectors and because we provide sufficient security to be able to absorb any defaults. The chart shows the division of the loan portfolio into sectors.



<i>Category:</i>	<i>Investment category:</i>	
Mortgages	Mortgages	59%
Municipal & provincial councils	Municipal & provincial councils	12%
Energy	Water boards and energy companies, renewable energy	7%
Social economy	Healthcare and care of the elderly, housing sector, education, culture and leisure	10%
Miscellaneous	Shares, miscellaneous and liquid assets	12%

Special Credits

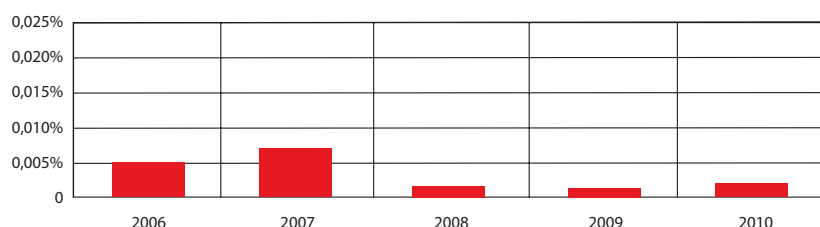
An essential element of risk policy is the timely deployment of the SNS Bank Special Credits Department, which is part of Credit Risk Management. This department supports ASN Bank in managing

payment arrears. A uniform procedure has been implemented to identify high-risk items. Payment arrears are controlled in close consultation with ASN Bank. The Special Credits Department reports to ASN Bank every month.

In 2010, arrears on a corporate loan were resolved; the provision built up to this end was written off. On balance, this results in a decrease of practically the

entire provision. At year-end 2010, the provision for loans and advances to customers was € 25 thousand, of a total provision of € 1.6 billion (0.002%).

Voorzieningen in % van vorderingen op klanten



10.2.2 Market risks

Market risk is the risk that changes in market prices will adversely affect ASN Bank's results and financial position. Market prices include interest rates, share prices and exchange rates.

In ASN Bank's moderate risk profile, the interest rate risk is an important component. Interest rate risks arise due to differences in the interest rate sensitivity of assets and liabilities on the bank's balance sheet. The duration of investments on the bank's balance sheet is generally longer than that of the funding, for example, including savings deposits. Because of this balance sheet structure, we will normally benefit from a drop in interest rates. SNS Bank's ALM Committee manages our market risks. When managing SNS Bank's interest rate position, assessments are made to establish whether the risks fall within the pre-set limits. Risks are controlled within these limits by weighing returns and risks in conjunction with short and medium-term interest rate forecasts.

The market risks of our investments in government bonds comprise interest rate risks and country risks. Both factors influence the market price of the underlying government bonds. In 2010, the developments of, in particular, Mediterranean government finances took central stage in the financial markets. Both at the beginning and the end of the year, investors got doubts about the eurozone's stability, mainly about the solvency of the Greek, Portuguese, Spanish and Irish government finances. Those doubts caused strong fluctuations in the market value of those countries' government bonds. We phased out our position in these government bonds in the course of the year to limit further exposure to

this country risk. Currently, 60% of our investments in government bonds comprises government bonds issued by countries that were hardly affected by the debate on the eurozone's stability in 2010. The table below shows our exposure to the relevant eurozone countries, stating the nominal value of the underlying government bonds. Exposure was reduced by more than 23% in 2010.

<i>In thousands of euros</i>	<i>2010</i>	<i>2009</i>
Portugal	0	0
Ierland	198.000	246.000
Italy	691.600	895.600
Greece	0	0
Spain	60.000	100.000
Total	949.600	1.241.600

We use hedge accounting to limit the interest rate risks, reducing the impact of interest rate fluctuations on our capital position. An explanation of hedge arrangements made for ASN Bank can be found in section 10.3.

10.2.3 Liquidity risks

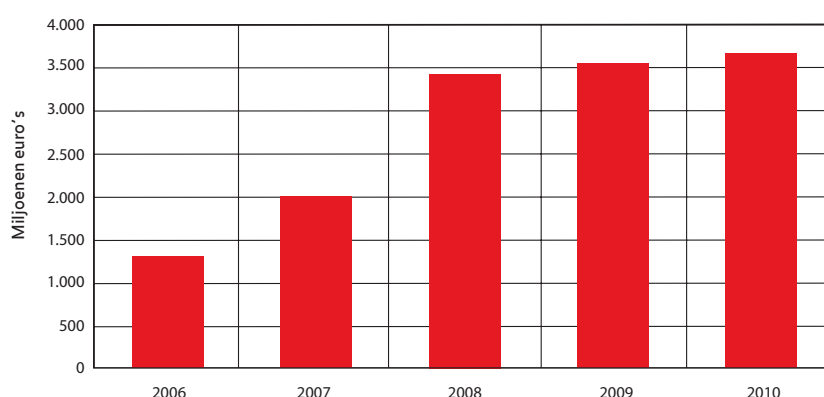
Liquidity risk is the risk that the bank cannot release sufficient cash to satisfy its immediate payment obligations. We raise entrusted funds among private individuals, associations and foundations for the provision of loans and investments in government bonds and (private) loans.

Our funding is therefore fully comprised of savings deposited by private and corporate clients, making us independent of the money and capital markets.

The funds entrusted grew by 26% to € 7,992 million in 2010. This increase was largely invested in business loans, mainly in mortgages.

Although only a minor part of the funding has been secured for a longer period of time (time deposits), our liquidity risk is limited. After all, the investments in liquid assets are substantial, as shown in the chart, and amount to 45% of funds entrusted.

Liquide activa



10.2.4 Operational risks

Operational risk is the risk that we do not achieve (strategic) objectives or targets due to the unpredictability of performances, unreliable information or unanticipated losses, caused by fraud, inadequate or failing internal processes, external events, systems or security.

ASN Bank is supported by the SNS REAAL departments stated in section 10.1, such as Group Audit and Compliance, Security & Operational Risk Management, in controlling its operational risks. This support includes staff screening, system information security and support in cases of fraud. Group Audit monitors the procedures embedded in the organisation and performs periodic checks. ASN Bank also has a remote backup facility that allows it to continue its activities under all circumstances.

The Management Board declares that the internal risk management and control systems provide a reasonable degree of certainty that ASN Bank properly controlled its operational risks during the financial year.

10.2.5 Reputation risks

Reputation risk is the risk that losses arise due to a negative image among stakeholders, and customers in particular. For ASN Bank, this risk mainly concerns the manner in which customers believe we implement our sustainability policy and provide services to them.

We present ourselves as a bank with a sustainability mission, which is one of the main reasons for customers to choose our bank. They will not so much question the actions of a sustainable bank, because sustainability is not a clearly defined concept, but rather whether we keep our promises when selecting our investments. In order to help control this risk, we have laid down our sustainability policy in, for example, our special investment criteria and thirteen issue papers. These papers, which are all publicly available, give a detailed description of our interpretation of sustainable banking. Furthermore, we have recorded our internal processes and Group Audit regularly assesses the structure and effectiveness of those processes. All this guarantees that we keep the promises laid down in our sustainability policy.

10.3 Hedging and hedge accounting

ASN Bank uses derivatives to hedge undesired market risks on an economic basis. We use futures and swaps, for instance, to hedge our market value risk in part of the bond portfolio.

Under IFRS (International Financial Reporting Standards), derivatives must be valued at market value and market value changes must be recognised through profit and loss. If changes in the market value of the hedged risk are not recognised through profit and loss, there is a mismatch in profit accounting, making the results more volatile. In these cases, hedge accounting is applied as much as possible to mitigate accounting mismatching and volatility.

10.3.2 Fair value hedge accounting

In fair value hedge accounting, the developments in fair value of the hedged risk are recognised through profit and loss in order to counterbalance the market value movements of the related derivatives. The par value hedged against undesired market value fluctuations at year-end 2010 totalled approximately € 2,319 million. In 2010, the hedged position was extended to 80% of the face value, which almost hedges ASN Bank completely against the adverse impact of any increases in long-term interest rates.

10.3.1 Hedging at ASN Bank

Under IFRS, we value our fixed-income investment portfolio in the category 'available-for-sale', which means that valuation is at fair value and that value changes are recognised in equity. This carries undesired market value risks.

Consequently, we have been hedging the value of part of the fixed-income investment portfolio against this undesired interest rate risk since 2009. Fixed-income investments with a market value exceeding par value have been hedged by means of futures and swaps. The development of their market value is diametrically opposite to that of the underlying fixed-income investments. As a result, negative market value fluctuations are offset by positive value changes in derivatives, and vice versa.

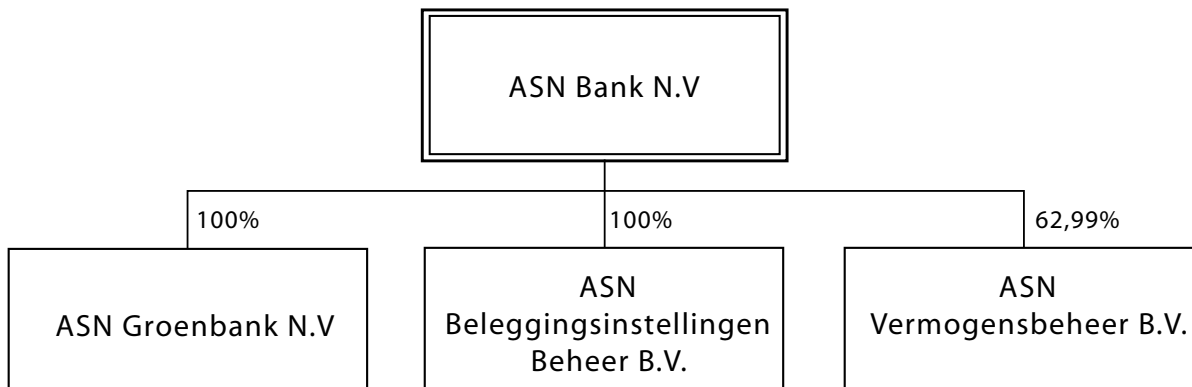
11. Corporate governance

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11.1 Capital structure

ASN Bank N.V. (ASN Bank) is an independent subsidiary of SNS REAAL N.V. All ASN Bank shares are held by SNS Bank N.V.



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ASN Groenbank N.V. is a wholly-owned subsidiary of ASN Bank, established to attract 'green' savings deposits with tax benefits from private individuals and to offer 'green' sustainable loans.

ASN Beleggingsinstellingen Beheer B.V. is the fund manager of the investments funds offered by ASN Bank.

ASN Vermogensbeheer N.V. is a subsidiary of ASN Bank N.V., which holds 62.99% of the shares. ASN Vermogensbeheer N.V. provides asset management services to ASN Bank customers.

shareholder. In November 2010, the decision was made to have Mr Kroeze retire and to appoint Mr De Ruigh as Supervisory Board member. This change will be effected in the beginning of 2011. This composition of the Supervisory Board aligns better with the bank's governance structure.

11.2.2 Dutch Corporate Governance Code / Banking Code

The Dutch Corporate Governance Code (the Code) applies to all companies listed on the Dutch stock exchange. ASN Bank endorses the principles of the Corporate Governance Code and, in general, complies with them. Our aim is to abide by the principles and best practice provisions of the Code to the extent possible.

The Banking Code contains principles that are in line with those of the Dutch Corporate Governance Code. The Banking Code applies to ASN Bank and we comply with it. For example, the ASN Bank Management Board signed the morals and ethics statement in February 2010. ASN Bank puts the customer focus required by the Banking Code into practice in its open, transparent communication with customers about its mission and investment policy. Customer focus is part of the ASN Bank culture. We promote this, for example, through individual employee targets and on the basis of the product development process, which is structured in accordance with the Banking Code.

11.2 Corporate governance

ASN Bank's governance (its management) focuses on the optimum deployment of our operational processes for the benefit of our customers. This is done in collaboration with several supporting SNS REAAL business units.

11.2.1 Governance highlights

ASN Bank has a Management Board and a Supervisory Board carrying all powers assigned to supervisory boards by law.

In 2010, a majority of the members of the ASN Bank Supervisory Board comprised members of the Management Board of SNS Bank N.V. Mr Kroeze is a member of the ASN Bank Supervisory Board as well as a Managing Director of SNS Bank, ASN Bank's

ASN Bank is an SNS REAAL company, meaning that compliance with the Banking Code - e.g. as regards the internal audit and the remuneration policy - is organised at group level. The entire SNS REAAL Group also has a risk management structure that is compliant with the Banking Code. SNS REAAL applies the Code. Please refer to the SNS REAAL annual report for SNS REAAL's application of the Code.

In 2011, ASN Bank will add improvements on some points of the Banking Code. The members of the Supervisory Board and the Management Board of ASN Bank are encouraged to keep their expertise up to date and, if necessary, improve it by participating in internal and external training programmes. This recommendation is amply carried out. A programme as prescribed by the Banking Code was being set up in 2010 and will be optimised in 2011. SNS REAAL is responsible for assessing the performance of the Supervisory Board, but this assessment will be given a formal and structural nature at ASN Bank.

In view of the introduction of CRD III and related regulations, ASN Bank's remuneration policy, which is set at the level of SNS REAAL, will be adjusted. Please refer to the SNS REAAL annual report for more details on compliance with the Banking Code.

11.2.3 ASN Bank Advisory Council

ASN Bank has an Advisory Council that provides requested and unrequested advice to its Manage-

ment Board on its policy in relation to the bank's mission and the investment criteria derived from this mission. The name of the Council is 'Raad van Advies ASN Bank'.

The Council advises solely on policy in the interests of ASN Bank and with due observance of ASN Bank's vision and mission. The Advisory Council's function and position indirectly contribute to the principle of diversity of the Supervisory Board and the Management Board. The composition, (re)appointment and methods of the Council are laid down in rules.

11.3 Remuneration report

The remuneration report deals with the remuneration of the ASN Bank Management Board and Supervisory Board, the way the remuneration policy was put into practice in 2010 and remuneration policy developments in 2010.

In connection with the new European Directive CRD III, the remuneration policy needs to be adjusted. Proposals will be presented at an Extraordinary General Meeting of Shareholders of SNS REAAL in 2011. SNS REAAL is committed to a sustainable and restrained remuneration policy. The policy came into effect on 1 January 2010, after having been adopted by the Extraordinary General Meeting of Shareholders of SNS REAAL on 3 December 2009. The remuneration of ASN Bank Managing Directors is in line with this policy.

11.3.1 Remuneration of the ASN Bank Management Board

In thousands of euros	Fixed salary (1)		Pension		Variable remuneration						Total	
					Short-term		Long-term (2)					
							Amortisation of previously granted					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Ewoud Goudswaard	146	137	30	32	24	0	3	0	2	1	205	169
Jeroen Jansen	130	123	27	28	21	0	2	0	2	1	182	152
Totaal	276	260	57	60	45	0	5	0	4	2	387	321

1) Fixed salary including holiday allowance and thirteenth month's salary, social security charges, expense allowance and contribution to health insurance.

2) During the performance period (three years), the fair value of the shares conditionally granted is recognised as an expense under staff costs.

In 2010, the remuneration policy was revised as follows:

- Regular increase of fixed salary: more than 6%. This increase is correlated with a revaluation and job weighting.
- Payment of a short-term bonus for performance in 2009: 16% of the fixed salary.
- Payment of a long-term bonus for performance period 2007-2010: 2% of the fixed salary.

As a result, the total remuneration of the ASN Bank Management Board is more than 19% higher than in 2009.

Other remuneration components

The members of the ASN Bank Management Board received a net expense allowance until 1 July 2010. This allowance has been cancelled as from that date. For business travel (including commuting), the Managing Directors are allocated a company car, for which they pay a personal contribution where applicable.

The members of the ASN Bank Management Board receive a health insurance contribution.

Pension

The Management Board of ASN Bank participates in the pension scheme included in the SNS REAAL Collective Labour Agreement and the current pension scheme rules-I. The member's contribution to the pension premium, which is charged on the pensionable earnings, is 4.5%.

Short-term variable remuneration

The Supervisory Board determines the short-term bonus based on the performance of the ASN Bank

Managing Directors in three areas:

- financial, operational and sustainability performance,
- contribution to achieving the strategic objectives,
- individual performance based on individual competencies.

If a Managing Director achieves pre-set objectives, he receives the variable remuneration. When selecting performance measures, the various stakeholders are borne in mind. The performance measures are aimed at long-term success for ASN Bank, with due regard to the desired risk profile. The standards for sustainability performance are related to the qualitative sustainability objectives described in Chapter 1. They also include objectives with regard to customer satisfaction and employee satisfaction.

Long-term variable remuneration

The long-term variable remuneration scheme introduced in 2007 was cancelled in 2010 with the introduction of the new remuneration policy. Consequently, no new rights were granted in 2010. The existing benefits for the members of the Management Board of ASN Bank were calculated annually in accordance with the old scheme in the form of a claim entitling the holder to payment in cash (SAR). Three years after the conditional granting, the actual bonus is calculated based on the extent to which the Managing Directors have satisfied the performance criteria. This long-term bonus as definitively granted is paid in cash. In 2010, a first payment was made for the 2007-2010 performance period.

Overview of the number of rights still outstanding for the ASN Bank Management Board:

	Number of rights granted in		Fair value at the end of
	2008	2009	2010
Ewoud Goudswaard	1.859	5.968	€ 1.670
Jeroen Jansen	1.651	5.300	€ 1.482

The increase of the number of rights in 2009 compared to 2008 ensues from the calculation method: the number of rights is divided by the share price. The number of rights increased on the back of the falling share price.

11.3.2 Remuneration of the Supervisory Board for 2010

The members of ASN Bank's Supervisory Board perform their duties as members by virtue of their position at SNS Bank. They do not receive a separate fee for these duties.

Independent Assurance Report

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To the readers of the Annual Report of ASN Bank

Introduction

We were engaged by the Management Board of ASN Bank to provide assurance on selected information in the Annual Report 2010 (hereinafter: the Report). The ASN Bank Management Board is responsible for drawing up the Report, including the identification of material issues to be reported. It is our responsibility to issue an assurance report on the selected information.

Our engagement was designed to provide limited assurance as to whether the information in Chapters 1.3 and 3 through 8 of the Report (hereinafter: the Selected Information) is fairly stated. The information, including the financial data, as presented in Chapters 1.1, 1.2, 2, 9, 10 and 11 of the Report was not included in our investigation. ASN Bank's financial data form part of the financial statements of SNS REAAL N.V., of which ASN Bank is a subsidiary. To obtain a thorough understanding of the financial results and financial position of SNS REAAL, the reader should consult the audited financial statements of SNS REAAL N.V. for the year ended 31 December 2010.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance. We do not provide assurance concerning the feasibility of the objectives, expectations and ambitions of ASN Bank.

Which reporting criteria did ASN Bank use?

ASN Bank applies the 'Sustainability Reporting Guidelines' (G3) of the Global Reporting Initiative for drawing up the Report, as detailed in Appendix 2 of the Report.

Which assurance standard did we use?

We carried out our engagement in accordance with Standard 3410N 'Assurance engagements relating to sustainability reports' of the Royal Netherlands Institute of Chartered Accountants (NIVRA). This Standard requires, among other things, that the members of the assurance team possess the specific knowledge, skills and professional competencies needed to understand and review the Selected Information, and that they comply with the requirements of the IFAC Code of Ethics for Professional Accountants, including independence.

What did we do?

We have performed the following procedures:

- performed a media and Internet analysis of social issues for ASN Bank in order to deepen our understanding of relevant sustainability topics and issues during the period under review;
- reviewed the setup and implementation of systems and processes for the gathering and processing of information, and internal control with regard to the Selected Information;
- interviewed relevant staff in relation to policy and the application of the special investment criteria for the investment and lending activities;
- assessed internal and external documentation to determine whether the Selected Information is supported by sufficient evidence.

During our investigation we discussed the necessary changes to the Selected Information with ASN Bank and determined that these changes have been included in the final version.

What are our conclusions?

Based on our work no evidence was found to indicate that the Selected Information (Chapters 1.3 and 3 through 8) – in all aspects of material interest – is unfairly stated based on the G3 Guidelines of the Global Reporting Initiative.

Amstelveen, 5 April 2011

KPMG Sustainability
Drs W.J. Bartels RA (partner)

Appendix 1 Special investment criteria

The Special Investment Criteria and the approach that is to be adopted in relation to these represent an elaboration of ASN Bank's mission and business principles. They apply in full to ASN Aandelenfonds, ASN Obligatiefonds, ASN Mixfonds, ASN Small & Midcap Fonds and ASN Bank's investments, with the exception of commercial loans. Given their nature, ASN Milieu & Waterfonds and ASN Bank's commercial loans are subject to the exclusion criteria as a minimum. The Green Project Regulations [Regeling Groenprojecten] apply to ASN Groenprojectenfonds. The 2005 Socio-Ethical Project Regulations [Regeling Sociaal-Ethische Projecten] apply to the ASN-Novib Fund.

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ASN Bank's special investment criteria consist of exclusion and acceptance criteria. The exclusion criteria are absolute conditions that investments¹ must satisfy. Investments also have to meet the acceptance criteria, but the latter are relative: only those investments that are among the best in their category or industry are included based on the acceptance criteria. A distinction is also made between exclusion and acceptance criteria for countries² and companies, and between human rights and environmental criteria.

ASN Bank does not believe it is possible to draw up a comprehensive list of ethical and sustainable criteria which investments must meet. As well as specific criteria, which yield a factual and quantitative assessment as part of the analysis, a qualitative judgement will also always be made in relation to ethics and whether a contribution is made towards sustainable development.

1. Exclusion criteria

As the case arises, the ASN Selection Committee³ will decide in favour of a temporary or permanent exclusion if, in its opinion, there is no compliance with ASN Bank's mission and business principles.

¹ 'Investments' is used as a collective term which includes shares, bonds (including government bonds), business and non-business loans, and all other debts owed to ASN Bank.

² In the case of countries 'investments' refers mainly to government bonds. Consequently, the term does not refer to investments in companies that may operate in those countries.

³ The ASN Selection Committee consists at any rate of the Management Board of ASN Bank N.V. and the Management Board of ASN Beleggingsfondsen N.V.

⁴ A company's operations and sphere of influence refer to the company itself, the parts of the supply chain in which it operates, and wherever it is capable of exerting any influence.

⁵ Here ASN Bank is referring to the criteria set out in 'The Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights' of 2003.

1.1 Human rights

In its activities and area of influence, ASN Bank will ensure that human rights as set out in national and international law are respected, protected and promoted. To this end we apply exclusion and acceptance criteria in relation to both countries and companies.

1.1.1 Underlying principle for countries

In the case of countries the underlying principle is that they will be excluded if they are responsible for serious violations of human rights based on the Universal Declaration of Human Rights and the international human rights standards derived from it.

Consequently, any countries that are responsible for the following serious violations of international law will be excluded:

- torture;
- genocide;
- crimes against humanity;
- war crimes.

1.1.2 Underlying principle for companies

In the case of companies the underlying principle is that they will be excluded if they do not respect human rights in all of the countries in which they are active⁴ based on the Universal Declaration of Human Rights and any human rights standards derived from it which relate to the relevant company's operations and sphere of influence⁵.

Consequently, those companies which are systematically guilty of the following violations of human rights will be excluded:

Equality of opportunity:

- Companies that do not guarantee equal opportunity and non-discrimination.

Arms and security:

- Companies engaged in or benefiting from war crimes, or the manufacture of or trade in arms. Consequently, this also means that ASN Bank will refrain from in any way providing funding for or investing in companies that are active in the development, manufacture, distribution of or trade in arms. 'Arms' refers to all types of conventional weapons, ammunition, parts, supporting technologies and related expertise. For a precise definition of the term 'arms', ASN Bank uses the Common Military List of the European Union. This list contains a wide-ranging summary of arms, parts and chemicals, as well as IT products and services. ASN Bank also excludes companies that manufacture products which are primarily used in armaments in addition to their civilian application⁶.
- Companies whose corporate security practices do not respect human rights.

Children:

Companies that do not offer safeguards against the exploitation of children.

Employees:

- Companies using forced labour.
- Companies that do not provide safe, healthy working conditions or are involved in sexual exploitation and/or the commercial exploitation of pornography.
- Companies that do not pay fair and proper wages.
- Companies that do not respect trade union freedom.

National sovereignty and human rights:

- Companies that do not respect national sovereignty and human rights in that they fail to comply with legislation.
- Companies involved in corruption.
- Companies whose business operations have a deleterious effect on health or living conditions, or increase poverty.
- Companies that violate social, cultural and economic rights.

Consumers:

- Companies that supply products that are unsafe, of inferior quality or harmful, such as tobacco, gambling or games of chance.

Environmental protection:

- Companies that do not protect the environment in that they fail to act in accordance with national and international guidelines and laws.

1.2 The environment

1.2.1 Underlying principle for countries

Countries are excluded if they do not actively help to protect the environment in that they rate poorly in reputable environmental indices.

1.2.2 Underlying principle for companies

Nuclear energy:

- Companies that generate nuclear energy, operate nuclear power stations, or distribute or trade in nuclear products.
- Companies that focus specifically on supplying this industry.

Genetic engineering:

- Companies that apply genetic engineering to plants or animals in the food or non-food sector are excluded.
- Companies that apply genetic engineering to plants or animals for medicinal and pharmaceutical purposes are excluded, unless a medical problem can only be remedied at the time of screening by using genetically modified plants and/or animals. This exception will only apply if genetic engineering is used in controlled conditions that limit the risks for people and the environment as far as possible.

Fur, whaling, exotic and/or protected animal species:

- Companies that are directly involved in hunting and/or trading in:
 - fur;
 - whales;
 - exotic and/or protected animal species.

⁶ The term 'dual-use' is used to describe these products.

Tropical hardwood:

- Companies active in felling and/or trading in non-sustainable tropical hardwoods.

Palm oil:

- Companies setting up or running non-sustainable palm oil plantations.

Factory farming:

- Companies engaged in animal-unfriendly factory-farming operations.
- Companies that focus on developing and maintaining an animal-unfriendly factory farm in their capacity as suppliers.

Animal testing:

- Companies that use animal testing to develop non-medical products. Companies that are required to use animal testing by law for medicinal production, but which do not have a transparent policy on this and are not developing alternatives.

Supply chain responsibility:

- Companies that do not acknowledge any supply chain responsibility for the environment.
- Companies that are not transparent or do not show a willingness to be accountable for their supply chain responsibility.

2. Acceptance criteria

Companies' operations are assessed in relation to sustainable development on the basis of dozens of economic, social and environmental indicators which are specific to the company and their industry as far as possible. These specific environmental and social indicators are regularly updated in response to experience and new insights. Depending on the nature of the business or industry, at least the following criteria serve as conditions for deciding whether or not a business or other debtor should be admitted to the bank's investment universe.

2.1 Human rights

2.1.1 Underlying principle for countries

Countries need to make an active contribution towards respecting, protecting and promoting human

rights as defined in the Universal Declaration of Human Rights by ranking high in recognised human rights indices.

2.1.2 Underlying principle for companies

Companies will earn a positive evaluation if they make an active contribution towards protecting and promoting human rights as defined in the Universal Declaration of Human Rights insofar as the contribution relates to their activities and sphere of influence, by:

- implementing standards in internal policies, codes of conduct and contracts;
- arranging for the internal and external monitoring and verification of compliance with standards;
- ensuring the presence of a policy and mechanism to compensate victims whose human rights may have been violated.

2.2 The environment

2.2.1 Underlying principle for countries

Countries need to make an active contribution towards protecting the environment by ranking high in recognised environmental indices.

2.2.2 Underlying principle for companies

Environment:

- Companies must demonstrate that they pursue an active, comprehensive environmental policy. In concrete terms the following factors will be assessed: the nature of the raw materials used and of their end products, energy consumption, use of clean water, the nature of the emissions they release, the solid waste resulting from production, the scope for recycling their end products and the extent to which this occurs. When assessing a company, consideration is given not only to the prevailing environmental conditions, but also to the approach adopted by and within the company to bring about change and improvement in this respect.

Genetic engineering:

- Companies must declare whether they apply genetic engineering and, if so, how. Those businesses that use this technology must be able to show that they have a transparent policy on genetic engineering. The application of genetic engineering to micro-organisms is considered acceptable, provided that it is done under controlled conditions which limit the risks for people and the environment as far as possible and a demonstrable contribution is made towards sustainable development or business operations.

3. Investment analysis methodology

3.1 Business analysis

A business' sustainability performance is analysed by specialists. This analysis is conducted at the industry level and by region as far as possible. In principle, only companies that are among the best performers in their industry are eligible for selection. Companies that are not included in these sector studies may be eligible on the basis of individual performance and the example they set in relation to corporate social responsibility. Sector studies and individual business profiles are submitted to the ASN Selection Committee for assessment.

3.2 Country analysis

A country's sustainability performance is analysed by specialists. In principle, only countries that perform well are eligible for selection. The availability of reliable data and debt instruments also play a role in the selection. Country studies and individual country profiles are submitted to the ASN Selection Committee for assessment.

3.3 Analysis of other investments

All other investments are at least assessed against the bank's exclusion criteria and business principles.

3.4 Investment universe

Changes in the bank's investment universe⁷ are made by the ASN Selection Committee.

- In addition to their relative performance on the industry level, the ASN Selection Committee assesses companies mainly in relation to ASN Bank's exclusion and acceptance criteria. In practice, this means that the company that performs best in each sector is not automatically considered good enough to be included in the bank's investment universe. Its absolute performance must at least satisfy the above-mentioned criteria. In all cases the ASN Selection Committee will also assess whether the activities of the company or other debtor contribute towards ASN Bank's mission.
- Those companies and countries that make up the bank's investment universe are reanalysed at least once every 36 months, or more often, if necessary.
- Without requiring a sector analysis, the ASN Selection Committee may include individual companies and other debtors that demonstrate exceptional performance on environmental and social policies, human rights, animal welfare or child labour (and thus serve as an example to others) in the bank's investment universe.

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⁷ The ASN Investment Universe concerns companies, countries and other debtors that are eligible for investment on the basis of their sustainability performance.

Appendix 2 GRI Guidelines and accountability

GRI Guidelines (G3) for the financial services sector, including the Application Levels, Financial Service Sector Supplement (FSSS) and reference to the ten principles of the Global Compact.

Theme G3 and the directly relevant Global Compact

Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

1) Strategy and Analysis	1.1	Statement from the CEO	Page 3
	1.2	Description of key impacts, risks and opportunities	Chapter 1, page 5 et seq. Chapter 5, page 27 et seq.
2) Organisational Profile	2.1	Name of the organisation	Cover
	2.2	Primary brands and products	Chapter 7, page 41 et seq.
	2.3	Structure of the organisation	Chapter 4, page 103 et seq.
	2.4	Location of headquarters	The Hague city centre
	2.5	Number of countries where the organisation operates	In the Netherlands only
	2.6	Legal form	Public limited company (N.V.)
	2.7	Markets served	Savings, investment, payment products and asset management: in the Netherlands only; sustainable finance and loans: globally
	2.8	Scale of the enterprise (several key figures)	Sections 1.1 and 1.2, pages 6, 7 and 8
	2.9	Significant changes	Chapter 1, page 5 et seq. Chapter 5, page 25 et seq. Chapter 7, page 41 et seq.
	2.10	Awards received	Section 5.3, page 30
3) Report Parameters	3.1	Reporting period	2010
	3.2	Date of most recent previous report (if any)	16 March 2010
	3.3	Reporting cycle	Annual
	3.4	Contact point for questions	Back of the report
	3.5	Process for defining content	Chapter 3, page 17 et seq.
	3.6	Boundary of the report	Chapter 3, page 17 et seq.
	3.7	Limitations on scope of report	Chapter 3, page 17 et seq.
	3.8	Basis for reporting	Chapter 3, page 17 et seq.
	3.9	Assumptions applied to indicators (protocols)	GRI, WBCSD protocols
	3.10	Explanation of reporting changes	There were no reporting changes.
	3.11	Reporting changes	See item 3.10
	3.12	GRI table	Page 90
	3.13	Assurance	Page 83
4) Governance, Commitments and Engagement	4.1	Governance structure	Page 20 and Appendix 4
	4.2	Chair of Supervisory Board	R.G.J. Langezaal
	4.3	Independent directors	ASN Bank is a wholly-owned subsidiary of SNS REAAL
	4.4	Shareholders' control	ASN Bank is a wholly-owned subsidiary of SNS REAAL
	4.5	Linkage between compensation for Board members and organisation's performance	Section 11.3, page 81

Theme G3 and the directly relevant Global Compact Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

	4.6	Monitoring of conflicts of interest	SNS REAAL Annual Report for 2010, page 85 et seq.
	4.7	Qualifications of Board members	Qualifications of Board members are determined by the parent company. See also http://www.asnbank.nl/index.asp?nid=9857 .
	4.8	Codes and standards	Appendix 1 Special investment criteria; ASN Bank issue papers; mission and vision at www.asnbank.nl ; sustainability declaration of SNS REAAL at www.snsreaal.nl ; general banking terms and conditions at www.asnbank.nl .
	4.9	Procedures in place for 4.8	SNS REAAL Annual Report for 2010, page 96
	4.10	Evaluation of performance of Executive Board	SNS REAAL Annual Report for 2010, page 76 et seq.
GC-PR7	4.11	Precautionary principle	See mission and business principles at www.asnbank.nl
	4.12	Charters subscribed to or endorsed	Global Compact; CDP; Unep FI; Unep PRI; Eurosif Transparency Guidelines; Coalitie Biodiversiteit; Equator Principles; Een fair & green deal; Investor Statement on Climate Change
	4.13	Memberships	Unep FI; Unep PRI; VBDO; CDP; Global Compact; GRI-OS; De Groene Zaak
	4.14	List of stakeholders	Section 4.5 on the dialogue with stakeholders. The relevant table can be found at the end of this Appendix, on page 97.
	4.15	Selection of stakeholders	Section 4.5, page 23
	4.16	Frequency and type of stakeholder engagement	Section 4.5, page 23
	4.17	Outcomes of stakeholder engagement	Section 4.5, page 23 Section 5.1, page 28
5) Management Approach and Performance Indicators	<i>Specific management approach and transparency for the financial sector</i>		
	FS1	Policies with specific environmental and social components applied to business lines	Appendix 1 Special investment criteria on page 86 et seq.; Issue Papers on Human Rights, Climate Change, Biodiversity, Waste Processing, Banks and Insurers, Microfinance, High-Risk Countries, Government Bonds, Supranationals, Transport and Mobility, Water Boards, Housing Corporations, and Healthcare on page 20 and, following adoption, at www.asnbank.nl

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Theme G3 and the directly relevant Global Compact Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

	FS2	Procedures for assessing and screening environmental and social risks in business lines	Chapter 6, page 33 et seq., and Appendix 1 Special investment criteria, on page 86 et seq.
	FS3	Processes for monitoring clients' implementation of environmental and social requirements included in agreements or transactions	Rescreening takes place at least once every three years
	FS4	Processes for improving staff competency to implement the environmental and social policies and procedures	Training, communication with employees
	FS5	Interactions with clients and/or business partners regarding environmental and social risks and opportunities	Sections 4.5 and 6.3, page 35 et seq.
	FS6	Division of the portfolio by region, size and sector	See Chapter 10, Appendix 3 and the annual and interim reports of the ASN Investment Funds at www.asnbank.nl
	FS7-8	Volume of products and services designed to deliver a specific social and environmental benefit broken down by purpose	All of ASN Bank's products and services are designed to promote the sustainability of society
	FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	All investments are tested against the special investment criteria of ASN Bank and the underlying policy at least once every three years
	FS10	Percentage of companies held in the portfolio with which interaction has taken place on environmental or social issues	28% of the companies (89 out of 318) in our investment universe have been contacted. We have also spoken to companies not included in our universe.
	FS11	Percentage of assets subject to positive and negative environmental or social screening	100%
	FS12	Voting policy applied to sustainability	ASN Bank applies its own sustainable voting policy for its investment funds. See page 37 and www.asnbank.nl .
<i>Economic performance</i>			
	Management approach		Chapter 1
	EC1	Economic value generated for society (see also the commentary in FSSS)	Page 6 (ASN Bank) and page 7 (ASN Foundation)
	EC2	Financial risks due to climate change	See ASN Bank Climate Change and Biodiversity Issue Papers at www.asnbank.nl
	EC3	Coverage of defined benefit plans	N/A

Theme G3 and the directly relevant Global Compact Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

	EC4	Financial assistance received from government	Page 18: ASN Bank profile; loans provided under the green scheme on page 46
	EC5	Ratio of standard entry level wage compared to local minimum wage	See Section 9.6 on page 68. ASN Bank reports on the highest-lowest wage ratio, which is more relevant for the bank.
	EC6	Policy, practices and spending on suppliers	Section 8.1, page 50 et seq.
	EC7	Procedures for local hiring	ASN Bank does not have any procedures in place for this, because it has only one office.
	EC8	Infrastructure investments	See issue papers on Climate Change, Human Rights, Biodiversity, and Transport and Mobility.
	EC9	Significant indirect economic impacts	Chapter 5.4, Chapter 6
	<i>Office's environmental performance (internal)</i>		
		Management approach	Page 50
	EN1:	Materials used	Page 50
GC-PR8	EN2:	Recycled materials	Printed matter is recycled paper with FSC certification to the greatest extent possible
	EN3:	Direct energy consumption	Page 50
	EN4:	Indirect energy consumption	Page 50
GC-PR8+PR9	EN5:	Energy saved	Page 50
GC-PR8+PR9	EN6:	Renewable energy based products	Page 45
GC-PR8+PR9	EN7:	Reduction of indirect energy consumption	Page 50
	EN8:	Water withdrawal	Page 50
	EN9:	Water sources	N/A
GC-PR8+PR9	EN10:	Water reused	N/A
	EN11:	Biodiversity and location	N/A
	EN12:	Biodiversity in relation to products	Appendix 1 Special investment criteria on page 86 et seq.
GC-PR8	EN13:	Protected habitats	N/A
GC-PR8	EN14:	Biodiversity	N/A
	EN15:	Red List species	N/A
	EN16:	Total direct and indirect greenhouse gas emissions by weight plus greenhouse gas emissions related to the portfolio (see also commentary in FSSS)	Page 34 (carbon footprint of investment funds); and section 8.1 on page 50
	EN17:	Other relevant greenhouse gas emissions	Other than CO ₂ , ASN Bank does not emit greenhouse gases
GC-PR8+PR9	EN18:	Initiatives to reduce greenhouse gas emissions	Page 34 et seq., section 8.1 on page 50 et seq., Appendix 1 Special investment criteria on page 86 et seq.

Theme G3 and the directly relevant Global Compact Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

	EN19: Ozone-depleting substances	Any emissions of ozone-depleting substances (in particular by cooling) are not relevant to ASN Bank
	EN20: Other air emissions	ASN Bank does not emit any other relevant gases into the air
GC-PR8	EN21: Water discharge	ASN Bank only pumps sewage water to the treatment plant
GC-PR8	EN22: Total weight of waste by type and disposal method, in particular paper and IT waste products (see commentary in FSSS)	Paper waste for recycling: page 50; IT waste products are mostly returned to suppliers
	EN23: Significant spills	N/A
	EN24: Trade in hazardous waste	N/A
	EN25: Biodiversity of water sources	N/A
GC-PR8+PR9	EN26: Mitigation of environmental impacts of products	Chapter 6 on page 33 et seq.; Appendix 1 Special investment criteria on page 86 et seq.; ASN Bank issue papers on Climate Change and Biodiversity at www.asnbank.nl
GC-PR8+PR9	EN27: Packaging	ASN Bank separates paper packaging waste for recycling. The bank only uses 100% recycled FSC paper or biodegradable foil for its packaging.
	EN28: Environmental fines	No environmental fines
	EN29: Staff transport	Section 8.1 on page 50
	EN30: Environmental protection investments	Section 8.1 on pages 50 and 51; Appendix 1 Special investment criteria on page 86 et seq.; ASN Bank issue papers at www.asnbank.nl
<i>Social performance (internal)</i>		
	Management approach	Section 8.2
	LA1: Total workforce by employment type, employment contract and region	Section 8.3 Division by employment type is not available. All employment contracts fall under the banking collective labour agreement. ASN Bank has only one office, in The Hague.
GC-PR6	LA2: Employee turnover	Page 52
	LA3: Differences between permanent and temporary contracts	Not reported
GC-PR3	LA4: Percentage of employees covered by a collective labour agreement	100% (both permanent and temporary employees)
GC-PR3	LA5: Minimum notice period	Laid down in the collective labour agreement
	LA6: Percentage of workforce in health and safety committees	100% in FTEs, see SNS REAAL Annual Report 2010, pages 72-75
	LA7: Absenteeism rates	Section 8.3 on page 52
	LA8: Safety training and prevention	Section 8.3 on page 52

Theme G3 and the directly relevant Global Compact Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

	LA9: Formal agreements on health and safety	Not reported
	LA10: Hours of training per year per employee	Section 8.3 on page 52
	LA11: Programmes for skills management	Section 8.3 on page 51; see also SNS REAAL Annual Report on training and career development, pages 72-75
	LA12: Percentage of employees receiving career development reviews	100%; see also SNS REAAL Annual Report on employee evaluation, pages 72-75 and 162-163
GC-PR6	LA13: Diversity of governance bodies and employees	Section 8.3 on page 52
GC-PR6	LA14: Ratio of basic salary of men to women by category	Not reported
<i>Human rights performance indicators</i>		
	Management approach	Having its office in The Hague, ASN Bank is governed by Dutch and European law and therefore believes it respects human rights
GC-PR1+PR2	HR1: Percentage of investments that have undergone human rights screening	100%
GC-PR1+PR2	HR2: Screening of suppliers	Section 8.1 on page 51
GC-PR1	HR3: Employee training on human rights	Page 53
GC-PR1+PR6	HR4: Number of incidents of discrimination	No risk
GC-PR1+PR3	HR5: Risk that there is no right to exercise freedom of trade association	No risk
GC-PR1+PR5	HR6: Risk of child labour	No risk
GC-PR1+PR4	HR7: Risk of forced labour	No risk
GC-PR1+PR2	HR8: Human rights risk in security	No risk
GC-PR1	HR9: Risk that rights of local cultures are violated	No risk
<i>Social performance indicators (internal)</i>		
	Management approach	Section 8.3 on page 51
	SO1: Impact on local communities	N/A
	FS13: Financial services in low-populated or economically disadvantaged areas	All products are fully available in the Netherlands through the Internet. By providing microcredit, ASN Bank enables the poor in poor regions to take out loans.
	FS14: Initiatives to improve access to financial services for disadvantaged people	All products can be requested and managed through the Internet. The ASN Bank website offers a text-to-speech function for the visually impaired.
GC-PR10	SO2: Analysis of risks related to corruption	See SNS REAAL at http://www.sns-reaal/verantwoord-onder nemen/verantwoord-besturen.html

Theme G3 and the directly relevant Global Compact Principle numbers (GC-PR#)

Indicators (with G3 or FSSS numbering)

Can be found:

GC-PR10	SO3: Employees trained in anti-corruption	Staff are governed by an integrity policy, which also addresses the prevention of conflicts of interest and corruption
GC-PR10	SO4: Actions taken in response to incidents of corruption	No corruption incidents
	SO5: Involvement in public lobbying	Where relevant ASN Bank lobbies for a sustainable society
	SO6: Political donations	None
	SO7: Anti-competitive behaviour	See SNS REAAL's code of conduct and regulations at http://www.snsreaal.nl/werken-bij/corporate-governance-1/statuten-en-reglementen.html
	SO8: Fines	None
	<i>Product responsibility</i>	
	Management approach	General Banking Terms and Conditions at http://www.asnbank.nl/index.asp?nid=9471
	FS15: Policies for the fair design and sale of financial products and services	See, for example, the General Banking Terms and Conditions at http://www.asnbank.nl/index.asp?nid=9471
	PR1: Studies of health and safety of products	N/A
	PR2: Violations of product health and safety requirements	N/A
	PR3: Required product information	See, for example, the financial information leaflets at https://www.asnbank.nl/asnappl/scripts/documentaanvragen/documenten.asp?Cat=0001
	PR4: Incidents concerning product information	None
	PR5: Customer satisfaction	Customer satisfaction is monitored closely. In 2010, ASN Bank received recognition for its services from various organisations; see section 5.3 on pages 30 and 31.
	FS16: Initiatives to enhance financial literacy by type of beneficiary	All products are labelled in accordance with the requirements of supervisory bodies
	PR6: Integrity in relation to marketing	See SNS REAAL's code of conduct at http://www.snsreaal.nl
	PR7: Incidents concerning integrity in relation to marketing	See PR4
	PR8: Complaints regarding privacy	None
	PR9: Fines for violating product legislation	None

Table accompanying item 4.14 List of stakeholders

<i>Stakeholder</i>	<i>Sustainability issue</i>	<i>Report</i>
Advisory Council	ASN Bank's policy in the areas of sustainability and services	Section 2.2 on page 14 et seq.
The initiators of the Fair Bank Guide (Amnesty International, Milieufensie, Oxfam Novib, FNV Mondiaal, Dierenbescherming)	Sustainable banking policy	Section 5.3 on page 30
Partners for sustainability issues	Projects supported by ASN Bank	Section 5.1, page 29
FNV Mondiaal	ASN staff training on human rights and employment rights; product partnership	Section 5.3, page 53; section 4.5, page 23
Customer base	Wishes for the 'bank of the future' and ASN Bank's sustainability issues	Section 5.1 on page 28 et seq.
ASN Bank staff	Organisation of ASN Bank's sustainability research; CO ₂ policy of the ASN equity funds; employment rights training	Section 6.3
Dutch public	Biodiversity policy	Section 5.2, page 29
Sustainable businesses	Sustainable business operations	Section 5.2, page 29: De Groene Zaak, For the World of Tomorrow

Appendix 3 Investments by ASN Bank

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Government bonds	2,881,800
Italy	684,102
The Netherlands	601,097
Germany	552,258
Austria	388,640
France	308,902
Ireland	156,289
Belgium	133,567
Spain	56,944
Banks	537,803
SNS Bank	507,617
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden	15,000
Bank Nederlandse Gemeenten	9,691
Nederlandse Waterschapsbank	3,666
Nederlandse Investeringsbank Ontwikkelingslanden	1,829
Mortgages and other loans and advances to customers	3,262,273
ASN Bank Particulier	62,967
ASN Bank Zakelijk	1,674
ASN Bank: private customer debit balances	692
Mortgage-backed loan portfolios:	3,196,940
- SNS Bank	2,000,000
- BLG	550,000
- RegioBank	500,000
- Arena	31,408
- Storm BV	28,540
- Colonnade	26,971
- Candide Financing	26,321
- Delphinus	24,720
- Eleven Cities	8,981
Municipal and provincial councils	639,130
Gemeente Rotterdam	50,000
Gemeente Enschede	45,000
Gemeente Venlo	42,260
Gemeente Zwolle	35,500
Gemeente Kampen	31,167
Gemeente Middelburg	29,500
Gemeente Nieuwegein	26,000
Gemeente Apeldoorn	25,000
Gemeente Zaanstad	20,613
Gemeente Bergen op Zoom	20,000
Gemeente Groningen	17,500
Gemeente Leeuwarden	17,500
Gemeente Veldhoven	17,143
Gemeente Almere	15,000
Gemeente Zevenaar	15,000
Gemeente Pijnacker	14,000
Gemeente Haaksbergen	13,000

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Gemeente Diemen	12,000
Gemeente Hengelo	12,000
Gemeente De Ronde Venen	10,800
Gemeente Alphen aan den Rijn	10,000
Gemeente Heusden	10,000
Gemeente Kaas & Braassem	10,000
Gemeente Weststellingwerf	9,500
Gemeente Papendrecht	8,750
Gemeente Maassluis	8,500
Gemeente Culemborg	8,000
Gemeente Leiden	8,000
Gemeente Utrechtse Heuvelrug	8,000
Gemeente Oldenzaal	8,000
Gemeente Sluis	7,467
Gemeente Schijndel	6,834
Gemeente Boxmeer	6,800
Gemeente Montfoort	6,000
Gemeente Bunschoten	5,280
Gemeente Renkum	5,100
Gemeente Gorinchem	5,000
Gemeente Tilburg	5,000
Gemeente Vlaardingen	5,000
Gemeente Vlissingen	5,000
Gemeente Wijchen	5,000
Gemeente Krimpen	4,667
Gemeente Nijkerk	4,400
Gemeente Elburg	4,200
Gemeente Hellendoorn	3,250
Gemeente Hoogezand	2,400
Water boards and water companies	292,324
Waterschap Rivierenland	30,000
Hoogheemraadschap Hollands Noorderkwartier	29,533
Waterschap Hollandse Delta	27,000
Waterschap Brabantse Delta	26,400
Waterschap Aa en Maas	21,250
Waterschap Rijn en IJssel	20,000
Waterschap Schieland & Krim	18,800
Wetterskip Fryslân	15,000
Waterschap De Dommel	15,000
Waterleiding Maatschappij Limburg	13,626
Brabant Water	13,617
Waterschap Zeeuwse Eilanden	13,000
PWN Waterleidingbedrijf Noord-Holland	10,570
Waterschap Roer en Overmaas	9,600
Waterschap Noorderzijlvest	8,500
Hoogheemraadschap van Rijnland	6,000
Hoogheemraadschap De Stichtse Rijnlanden	5,333
Waterschap Veluwe	4,250
Waterleidingmaatschappij Drenthe	1,713
Stichting D.A.G. Friesland	1,357
Vitens, formerly Hydron Midden-Nederland	892
Vitens, formerly Hydron Flevoland	454

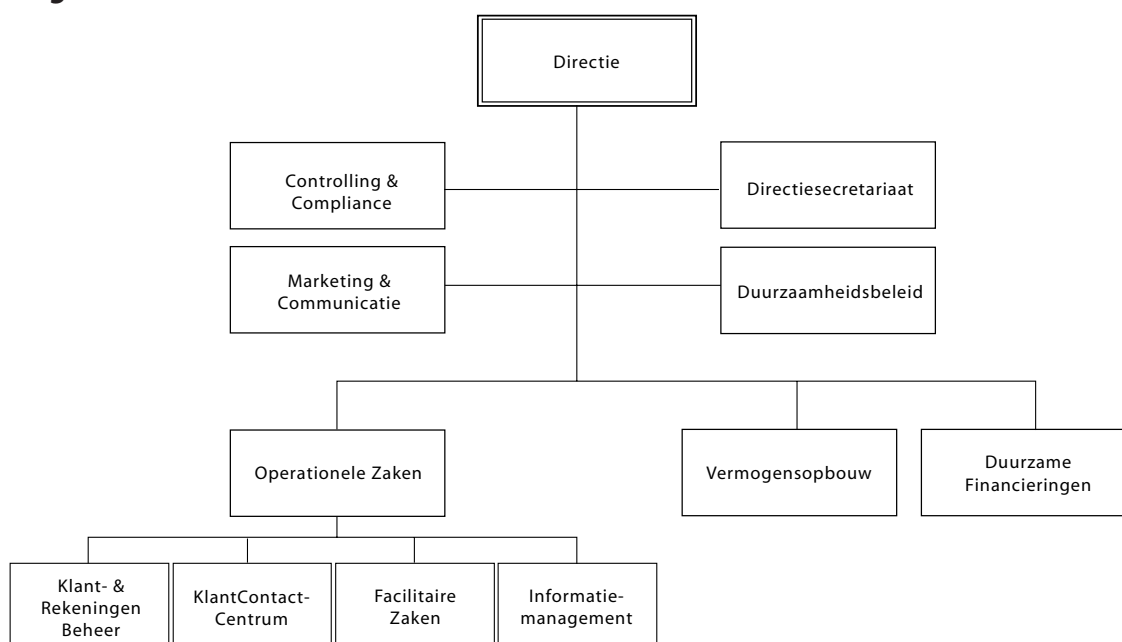
<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
PR Air Manado	429
Healthcare / care of the elderly	340,227
Academisch Ziekenhuis Maastricht	38,128
Academisch Medisch Centrum	20,000
Stichting Antonius Ziekenhuis	19,553
Stichting Volkaert SBO	18,425
Stichting Arduin	15,577
Vincent van Gogh voor geestelijke gezondheidszorg	15,000
Stichting Zorgzaam Zeeuws-Vlaanderen	14,000
Stichting Sint Elisabeth Ziekenhuis	13,500
Stichting Zeevesta	12,100
Stichting Dimence, formerly Adhesie GGZ Midden-Overijssel	11,398
Stichting Magenta Zorg	11,106
Stichting Protestants Christelijk Ziekenhuis Ikazia	10,400
VieCuri Medisch Centrum	9,500
Catharina Ziekenhuis	9,333
Stichting Dimence	9,200
Stichting Verbeeten Fonds	9,104
Stichting Tragel	9,075
Christelijke Zorgcombinatie Zwolle	9,000
Stichting Parnassia Bavo Groep	8,801
Regionale Stichting Zorgcentra De Kempen	8,090
Stichting De Blink	6,240
Stichting Geestelijke Gezondheidszorg Oost Brabant	6,000
Maastricht Clinic	5,251
Stichting Amphia	5,250
Stichting Revalidatiecentrum De Hoogstraat	5,105
Stichting De Stroom	4,765
Stichting Saxenburgh Groep	3,999
Stichting Medisch Spectrum Twente	3,850
Stichting Reinaerde	3,680
Stichting Rode Kruis Ziekenhuis	3,000
Zorggroep Noorderbreedte	2,500
Zeeuws Radio-Therapeutisch Instituut	2,356
Stichting Woon- en Leefcentra Lichamelijk Gehandicapten West-Brabant	1,998
Stichting De Vlasborch	1,678
Stichting De Leite	1,621
Stichting Het GORS	1,449
Stichting Interakt	1,369
Stichting Odion	1,328
Stichting Woon & Zorgcentrum 'Herfstzon'	1,106
Stichting Gelre Ziekenhuizen	703
Stichting Mondriaan Zorggroep	689
Stichting Zorgverlening 's Heeren Loo	672
Stichting Radar	658
Stichting Blixembosch	590
Stichting Evean Zorg	555
Stichting Frion	489
Stichting Heliomare	450
Stichting Aveleijn/SDT	374
Stichting De Driestroom	294
Stichting Dichterbij	278
Stichting Humanitas	244

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Stichting Revalidatiecentrum Het Roessingh	139
Stichting Groenhuysen	93
Stichting Wende	91
Brabantzorg	63
Stichting Pameijer Keerkring	11
Residential construction	158,356
Woningstichting Rochdale	16,023
Woningcorporatie de Alliantie, formerly SCW	14,952
Stichting Woongroep Holland	13,000
Stichting Woonzorg Nederland	11,067
Stichting Waterweg Wonen	11,000
Woningbouwvereniging St. Laurentius	10,000
Stichting Portaal	10,000
Stichting Sociale Woningbouw en Beheer	8,000
Woningstichting Haag Wonen	7,941
Woningbouwvereniging Het Oosten	6,000
Intervolve Credit B.V.	5,700
Stichting Woonzorg West Zeeuws-Vlaanderen	5,200
Woningstichting Weststellingwerf	5,000
Woningcorporatie Staedion	4,538
Woonstichting Domesta	4,538
Woningcorporatie Weller	4,538
Stichting Woonpunt	4,538
Woonstichting Vaals	4,000
Stichting Wonen Wierden	3,500
Woningcorporatie de Alliantie, formerly Atrium	3,420
Woningbouwvereniging Ons Doel	2,113
Vieya, formerly DWV Woningcorporatie	2,057
Stichting Habion	733
Stichting Mooiland Vitalis	342
Stichting Wonen Leerdam	100
Stichting Volkshuisvestingsgroep Wooncompagnie	35
Stichting Woonvormen Bommelerwaard	15
Woningcorporatie Lefier, formerly Wooncom	7
Education, culture and leisure	25,426
Erasmusacademie	13,650
Nationaal Groenfonds	5,171
Stichting Texels Museum	1,911
Bibliotheek Vlissingen	1,694
Stichting Kinderopvang	1,645
Stichting Vrijburg	1,275
Den Haag Centraal B.V.	80
Shares	485
Triple Jump	405
Oikocredit	80
Renewable energy	111,681
Wind energy	78,767
- Belwind N.V.	27,102
- C-Power N.V.	21,896

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
- Trianel Windkraftwerk Borkum GmbH und Co KG	3,838
- Belfuture CVBA	10,659
- Windpark Rijnwoude	8,053
- Windpark Logistiekweg	5,594
- Offshore Windpowercentre Nederland	1,400
- Vaanster Services B.V.	192
- Kriekewind B.V.	33
Solar energy	25,110
- NPG Willebroek N.V.	7,610
- Centrale Photovoltaïque Du Gabardan	17,500
Other	7,804
- Dif Renewable Energy Fund	5,358
- Dif Infrastructure Fund	2,446
Other	132,897
- Foreign public and semi-public institutions	58,886
- Land Nordrhein-Westfalen	30,607
- Caisse d'Amortissement de la Dette Sociale (CADES)	28,278
Public transport	43,866
- ÖBB Infrastruktur BAU AG	16,791
- Réseau Ferré de France (RFF)	16,726
- Infrastrutture	10,349
Microfinance	10,314
- BlueOrchard Loans for Development	5,314
- Developing World Markets	5,000
Other	19,831
- CAIW	18,786
- Wereldwinkels	262
- Groen Vervoer	212
- Stichting Chizone	165
- Basic Water Needs B.V.	150
- Algemeen Verbond van Volkstuinders Verenigingen in Nederland (AVVN)	135
- Nuon energiebesparende investeringen in het MKB	93
- Almeerse Reddings Brigade	23
- Stichting Shri Sanatan Dharm Maha Sabha	6

Appendix 4 Organisation and history

Organisation



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Explanation of the organisational chart

- **Controlling & Compliance** is responsible for all financial flows, including information, financial reporting and analyses, the annual and interim reports of the investment funds and the annual report of the bank. Controlling also supervises compliance with regulations, risk management, accounting procedures and internal control.
- **Marketing & Communication** is responsible for communicating ASN Bank's policy and sustainable values, and for customer acquisition and retention through campaigns. The department develops and creates distribution channels for the ASN products and maintains relations with our partners.
- **Sustainability** is responsible for fleshing out ASN Bank-wide policies concerning sustainable investment, sustainable voting and dialogue with companies.
- **Operations** comprises several components. Information Management's activities include ensuring that all systems and resources, such as telephone and Internet access, are available in the various workspaces. Customer & Account Management processes customer and account details and sends out requests for information. The Customer Contact Centre provides services to customers by telephone, e-mail and correspondence.

Finally, Facilities Management makes sure that all ASN staff have the space and resources they need for their work.

- **Capital Management** is responsible for the development and sale of savings and investment products. In addition, this department is responsible for implementing legislation and regulations to the extent they relate to customers and products. It manages the day-to-day affairs of the ASN investment funds and also represents ASN Bank and the ASN investment funds at meetings for intermediaries and interested parties.
- **Sustainable Loans** lends money on behalf of ASN Groenprojectenfonds, ASN Bank and ASN Groenbank, and manages those loans.

Triple Jump

ASN Bank holds 25% of the shares of Triple Jump, which is responsible for the investments of the ASN-Novib Fund in its capacity as project manager. Oxfam Novib, NOTS Foundation and Stichting Doen are the other shareholders. The aim of Triple Jump is to invest capital in developing countries through microfinance institutions (MFIs) to facilitate the fight against poverty. Triple Jump:

- supports MFI start-ups by providing expertise and equity;

- provides high-risk loan capital to MFIs that are growing from start-up to maturity;
- provides low-risk loan capital to mature, stable MFIs.

In addition to the loans provided by the ASN-Novib Fund, Triple Jump manages the loan portfolios of Oxfam Novib, Calvert Social Investment Foundation and SNS Institutional Microfinance Fund. At present Triple Jump manages an equity and loan portfolio of approximately € 200 million.

The ASN Foundation

Our involvement goes beyond sustainable banking. Every year, ASN Bank donates part of its earnings to projects and organisations that contribute to its mission. The ASN Foundation was established in 2004 in order to standardise our donation policy. The Foundation publishes its own annual report.

In 1996, ASN changed its name to ASN Bank. The closer collaboration with the financial institutions affiliated with the trade union movement had resulted in the REAAL Group in 1990, in which ASN held an independent position. In 1997, the REAAL Group merged with SNS Group and ASN Bank became a subsidiary of SNS Bank.

ASN Bank increased the number of investment funds to seven, including a green fund and a socio-ethical fund. However, the main emphasis was still on saving, and the bank introduced several successful savings accounts. It also developed considerable expertise in financing sustainable construction and renewable energy production. In 2009, it introduced a current account (ASN Bank Account), followed by the ASN Credit Card in 2010. As a result, ASN Bank has positioned itself as a comprehensive financial services provider for customers who look for simplicity, transparency and ideals.

History

On 21 January 1960, ASN was established as the bank of the socialist workers' movement. Its main object was to provide socially responsible employee savings schemes. However, from the outset the inflow of private savings exceeded the inflow of savings schemes. In order to absorb that inflow, ASN - as the first savings bank in the Netherlands - introduced saving by funds transfer in 1960.

From the very start, the bank invested the savings deposits in accordance with trade union principles as much as possible, for example in the public sector and in the socio-cultural field. Nevertheless, it never became the 'bank for the trade union movement' envisaged by its founders. That is why in the 1970s ASN shifted its focus to a new target group: people involved in issues such as war and peace, human rights and discrimination, international economic relationships and the environment.

ASN grew to become a truly idealistic bank in the 1980s and 1990s, with regard to both its products and its office setup. It introduced sustainable investment funds, the first one being ASN Aandelenfonds in 1993. ASN's 'special investment criteria' in the areas of human rights and the environment were formulated as a point of departure in the selection of the funds' investments as well as the investment of savings deposits.

Appendix 5 The ASN Bank Supervisory Board, Advisory Council and Management Board

Supervisory Board

Mr Ernst-Jan Boers
Mr Henk Kroeze
Mr Rob Langezaal (Chairman)

Advisory Council

Ms Saskia Noorman-den Uyl (Chair)
Mr Hans Kamps
Ms Mirjam de Rijk (until April 2010)
Mr Jan van der Kolk

Management Board of ASN Bank

Mr Ewoud Goudswaard
Mr Jeroen Jansen

ASN Beleggingsinstellingen Beheer B.V.

Mr Bas-Jan Blom
and
Management Board of ASN Bank:
Mr Ewoud Goudswaard
Mr Jeroen Jansen

Personal details

Supervisory Board

Mr Ernst-Jan Boers

Ernst-Jan Boers (1966) has been the CFO of SNS Retail Bank since 2009. He started working at SNS REAAL in 2007 as the Group Finance Director. He worked for Ernst & Young during the first seven years of his career, and then joined REAAL Verzekeringen, where he worked six years. Subsequently, he held the position of Managing Director of ABN AMRO Hypotheken Groep and its legal predecessors. Ernst-Jan Boers is also Chairman of the Supervisory Board of ASN Groenbank.

Mr Henk Kroeze

Henk Kroeze (1958) has been CEO of SNS Retail Bank since 2008. He started his career at SNS Bank as CFO in 2005. For the past twenty years, he has held a variety of management positions at Credit Lyonnais Bank Nederland, Generale Bank Nederland, Fortis Bank and NIB Capital. He is a member of the Investing and Bunel Personnel Services Supervisory Boards.

Mr Rob Langezaal

Rob Langezaal (1958) has been a member of the SNS Retail Bank Management Board since November 2007. He is responsible for the marketing, sales and product management portfolio and the labels ASN Bank and SNS Fundcoach. Rob Langezaal has more than twenty years' management experience as CEO, division manager and general manager in various positions in the retail and business markets. He is a member of the Advisory Council of XS4ALL Internet B.V. and Chairman of the Supervisory Board of Kasteel Oud Poelgeest. He is also a member of the Supervisory Board of ASN Groenbank.

Advisory Council

Ms Saskia Noorman-den Uyl

Saskia Noorman-den Uyl (1946) joined the Heemstede town council in 1978 and became alderwoman for welfare, culture, social affairs, employment and staff in 1985. She was appointed Director of Social Services in Leiden in 1990 and Director of the city's Economic and Social Affairs department in 1992. She was a member of the Dutch Lower House for the labour party Partij van de Arbeid from 1994 to 2006, with Social Affairs as her focus area. She was also Chairman of the standing committee for the Ministry of the Interior and Kingdom Relations. Saskia Noorman-den Uyl was appointed Chairman of the Supervisory Council of Koninklijke Visio effective 1 January 2008. She also holds various other positions: Chairman of Landelijke Organisatie Sociaal Raadslieden, Chairman of the Board of feminist monthly Opzij, Chairman of Stichting Lorentz Mobiel, and Secretary of the Board of Stichting Dr. J. M. den Uyl-lezing.

Mr Hans Kamps

Hans Kamps (1952) combines numerous positions. He is Chairman of Algemene Bond Uitzendondernemingen (ABU) and Crown member of the Social and Economic Council of the Netherlands (SER). Apart from this, he is also a publicist and writes columns for financial newspaper Financieele Dagblad. His other positions focus on – but are not limited to – youth, the labour market and business acumen. For example, he is Chairman of MO-groep Jeugdzorg. He is a member of several supervisory boards and a member of the Advisory Council or Supervisory Council of different companies, including KPC Groep, Eurindustrial, FD Mediagroep, Staatsloterij and SITA. He is personally active as an entrepreneur, too, as co-owner of Governance Support, Verzekerd

Wonen Nederland and Thoeis Uitgeverij.

Mr Jan van der Kolk

Jan van der Kolk (1953) studied environmental science and management consultancy at university. Over a period of twenty years, he held various positions at KMPG, including member of the KPMG Consulting Board of Directors and managing partner of KPMG Sustainability. He is currently an independent consultant, executing many projects for major companies in the area of sustainability strategy and reporting, management systems and sustainable investing by financial institutions. He holds several other positions, including Chairman of the investment advisory committee for church social welfare work of the Protestant church in The Hague and Chairman of the jury for the Verantwoord Keten-beheer Award of the Vereniging van Beleggers in Duurzame Ondernemingen (VBDO).

services and sustainability research for institutional investors, social institutions and ASN Bank. He took up his position as manager of Social Strategy at SNS REAAL Corporate Communications in 2000. He was also part of the ASN Bank Management Board's support staff. He was appointed deputy Director of ASN Bank in 2001. Among other positions, Jeroen Jansen is treasurer of Stichting Avondster and a member of the programme council of CSR Netherlands.

Mr Bas-Jan Blom

As Director of ASN Beleggingsinstellingen Beheer B.V., Bas-Jan Blom (1962) is in charge of the ASN Bank savings business and investment funds. He is also a Director of ASN Groenbank. Previously, he worked for Schretlen & Co for eight years, where he held various management positions in financial planning, relationship management and investment advice. He came there after being employed by ABN AMRO for fifteen years. Bas-Jan Blom is a member of the Board of Stichting de Putsche Ruiters.

Management Boards of ASN Bank and ASN Beleggingsinstellingen Beheer B.V.

Mr Ewoud Goudswaard

Ewoud Goudswaard (1958) has been ASN Bank's Managing Director since 2001. He started his career at NMB Bank, later ING Bank, in credit risk management for (large) corporate clients. He held management positions in Haarlemmermeer, Amsterdam and Rotterdam starting in 1992 and became Chairman of the Management Board of the Midden-Holland district in 1997. Ewoud Goudswaard is treasurer of Nationaal Comité 4 en 5 mei and Nationaal Fonds 4 en 5 mei, and member of the Advisory Council for the Dutch Association of the Club of Rome and the Advisory Council of Plan Nederland. He is also Chairman of the Supervisory Board of ASN Vermogensbeheer B.V. and member of the Supervisory Board of ASN Groenbank N.V.

Mr Jeroen Jansen

Jeroen Jansen (1962) has been Director of ASN Bank since 2005, primarily focusing on marketing, communication, public relations, asset management, sustainability policy and research. He is also a member of the Management Board of ASN Beleggingsinstellingen Beheer B.V. Jeroen Jansen started his banking career at Triodos Bank. He joined Hollandse Koopmansbank (currently SNS Asset Management) in 1995, where he developed asset management

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ASN  BANK
FOR THE WORLD OF TOMORROW