



SNS REAAL

2011

ANNUAL REPORT

**INNOVATION
THROUGH SIMPLICITY**

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Key Figures

NET RESULT 2011

€ **87** million

Net result core activities € 335 million

DNB-SOLVENCY INSURANCE ACTIVITIES

203%

DNB-solvency insurance activities increases to 203% (2010: 195%)

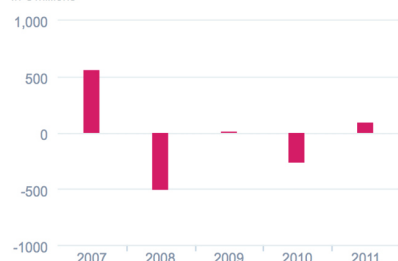
TOTAL EQUITY

€ **5,4** billion

At year-end 2011, 85% of the € 700 million capital release programme for mid-2012 has been realised

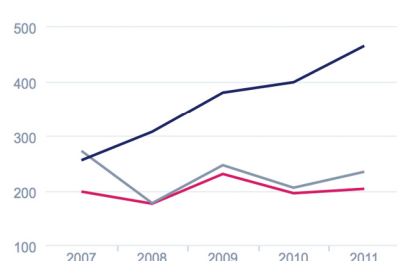
NET RESULT

In € millions



Net result

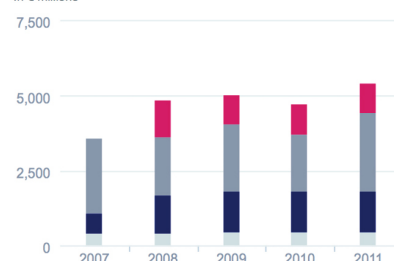
SOLVENCY INSURANCE ACTIVITIES



Regulatory solvency Insurance activities
Regulatory solvency Life
Regulatory solvency Non-Life

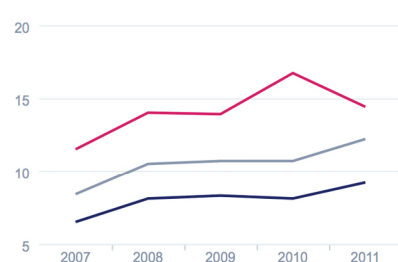
TOTAL EQUITY SNS REAAL

In € millions



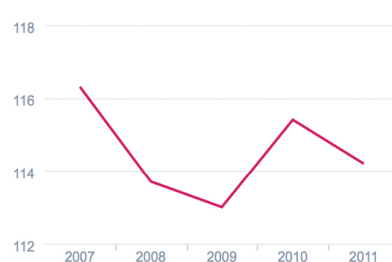
Securities capital
Reserves and retained earnings
Share premium
Issued share capital

SOLVENCY LEVELS BANKING ACTIVITIES



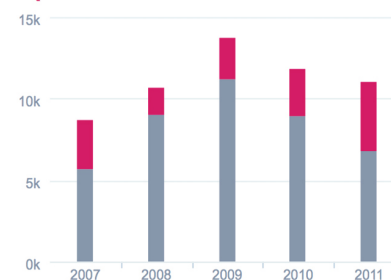
BIS-ratio
Tier 1 ratio
core Tier 1 ratio

DOUBLE LEVERAGE



Double leverage

LIQUIDITY POSITION BANKING ACTIVITIES



Cash
Liquid assets

Key figures SNS REAAL

In € millions

	2011	2010	2009	2008	2007
RESULT					
SNS Retail Bank	224	139	120	116	186
SNS SME	38	73			
SNS Bank	262	212	120	116	186
REAAL Life	223	208	49	(473)	177
REAAL Non-Life	33	16	54	26	23
REAAL Other	1	(18)	(11)	(32)	5
REAAL	257	206	92	(479)	205
Zwitserleven	(91)	36	104	(71)	
Group activities	(93)	(71)	(80)	(98)	(12)
SNS REAAL Core activities	335	383	236	(532)	379
Property Finance	(248)	(643)	(219)	28	86
SNS REAAL	87	(260)	17	(504)	465
Total income	6,119	7,068	8,497	5,137	4543
Total expenses	5,990	7,384	8,446	5,865	3974
Result before tax	129	(316)	51	(728)	569
Taxation	41	(57)	29	(208)	101
Net result discontinued operations and minority interests	1	1	5	(16)	3
Net result for the period	87	(260)	17	(504)	465
Earnings per ordinary share (EPS) (€)	0.28	-0.83	0.03	(1.93)	1.87
Diluted earnings per share (€)	0.20	-0.83	0.03	(1.93)	1.87
BALANCE SHEET					
Total assets	132,174	127,713	128,900	125,359	103,074
Investments	31,435	31,001	31,166	29,296	21,055
Investments for account of policyholders	12,420	12,637	12,038	10,724	7,235
Loans and advances to customers	67,534	69,117	70,457	68,649	63,045
Total equity	5,428	4,719	5,062	4,892	3,591
Savings	30,341	27,397	24,435	21,859	19,179
Insurance contracts	38,827	38,814	38,030	36,067	24,956
RATIOS					
Return on shareholders' equity (ROE)	1.7%	(5.3%)	0.3%	(13.3%)	13.7%
Double Leverage	114.2%	115.4%	113.1%	113.7%	116.3%
Number of internal employees (FTE)	6,928	7,113	7,520	7,535	6713
BANKING ACTIVITIES					
Efficiency ratio SNS Bank	49.1%	57.8%	57.0%	62.8%	60.3%
Core Tier 1 ratio	9.2%	8.1%	8.3%	8.1%	6.5%
Tier 1 ratio	12.2%	10.7%	10.7%	10.5%	8.4%
BIS ratio	14.4%	16.7%	13.9%	14.0%	11.5%
INSURANCE ACTIVITIES					
Operating cost/premium ratio REAAL	11.2%	12.2%	13.0%		
Operating cost/premium ratio Zwitserleven	14.9%	15.4%	14.0%		
Regulatory solvency Insurance activities	203%	195%	230%	176%	198%
Regulatory solvency Life	234%	205%	246%	177%	272%
Regulatory solvency Non-Life	464%	398%	379%	307%	255%
Number of shares outstanding at end of period	287,619,867	287,619,867	287,619,867	261,472,608	
Weighted average number of outstanding shares	287,619,867	287,619,867			

As of 1 January 2011, the business units Property Finance and SNS Bank have been regrouped. SNS Bank comprises the sub segments SNS Retail Bank and SNS SME. Comparative figures for 2010 have been adjusted accordingly. For more information see paragraph 13.2.3 Changes in principles, estimates and presentation.

SNS REAAL has implemented shadow accounting in its IFRS reporting as of 1 January 2011. 2010 figures have been restated. For more information see paragraph 13.2.3 Changes in principles, estimates and presentation.

Core Tier1 ratio, Tier1 ratio and BIS ratio are calculated based on Basel II, taking into account the 80% floor of Basel I.

1 Foreword

A sense of satisfaction at the close of a troubling year

Despite the difficulties that confronted us during financial year 2011, it was nonetheless a year which I feel we were able to conclude with a certain sense of satisfaction. It was a year of change marked by returning to profit in 2011 after the loss of 2010. We posted a net result for the whole of SNS REAAL of € 87 million, while our core activities generated € 335 million. At the same time, we retained a sharp focus on our mission and ambition. Through our mission of Simplicity in finance we aim to become the most customer-friendly financial services provider in the Netherlands.

During 2011, we made further important strides towards achieving this. Hard decisions had to be made in positioning our seven brands more clearly and consistently to better engage with our customers and ensure that they can be confident that we put their interests first. Our aim is to sell transparent and effective products at a fair price. This is not too lofty and intangible a goal - SNS REAAL is a customer-facing company. It can emulate the many other Dutch companies for whom a strong notion of customer confidence forms the basis for its earnings.

Another challenging year

Financial year 2011 initially appeared to be slightly easier than the difficult 2010. Economic forecasts were encouraging, with financial markets appearing to regain stability and show modest improvement. This optimism was quickly quenched as the Greek sovereign debt crisis flared up. Following Greece, Portugal also sought emergency assistance. Soon the continued existence of the entire European Monetary Union was under discussion. This looming threat, in addition to the natural disasters that had engulfed Japan, led to unprecedented volatility in financial markets and to a shrinking economy instead of the growth which had been anticipated in the second half of 2011.

Due to uncertainty about the continued existence of the European currency union, investors in EU bond markets retreated from the weaker Euro countries and sought security in sovereign debts in Germany and other strong member states, including the Netherlands. Bond rates declined to historically low levels. The considerable drop in prices and turnover on the stock exchanges were other negative factors. Recovery in the fourth quarter was unable to compensate for the damage sustained during the previous quarters. The housing market, too, was negatively impacted, due to lower prices and fewer transactions.

Robust financial results

In the face of these chiefly unpredictable negative developments, we managed to achieve **strong financial results**. SNS Retail Bank pushed its net profit up to € 224 million, and REAAL to € 257 million. Zwitserleven ended the year with a loss of € 91 million. Main cause of the negative result was a goodwill impairment of € 107 million. The underlying result improved to € 55 million. Property Finance, our property finance business, also ended the year in red, though much less than in 2010. Profits and losses of the various business units within the company together led to a positive result of € 87 million. Considering that SNS REAAL recorded sharp losses in 2010, this was a swing in the right direction.

Our capital position in 2011 remained solid. The bank has a core Tier 1 ratio of 9.2%, while the solvency of our Insurance activities was 203%. Based on the European Banking Authority (EBA) norm, SNS Bank had a shortfall of € 159 million in September, but that shortfall has now partly been eliminated. It is SNS Bank's ambition to raise its core Tier 1 ratio to 10%. SNS Bank's liquidity position of € 11.1 billion is strong and remains on track for meeting the future requirements of Basel III.

Further reinforcing the foundations

Reinforcing our financial foundations continues to be a priority. Strategically, our priorities are to repay the capital support we received from the State and to phase-out the property finance portfolio of Property Finance. The target for 2011 was to reduce the commitments of the core and non-core portfolio of the property finance business by € 2 billion. This ambitious goal was surpassed by € 1 billion. In 2011 the international loan portfolio was reduced by 30% to € 2.2 billion. Phase-out of the property finance portfolio is a process which will involve several years.

Aside from its loan portfolio, Property Finance has also reduced its impairment charges on loans considerably. In 2010, Property Finance reported a loss of € 643 million. In the year under review, this was reduced to € 248 million.

International and Dutch real estate markets remain in a turbulent situation which is expected to continue during 2012. Unfortunately, too many new buildings are still being constructed; offices for the most part. A wiser choice would be to make existing office buildings sustainable.

To repay the capital support provided by the state, € 595 million of the € 700 million targeted for mid-2012 has already been released. This does not, however, mean that falling interest rates and widening risk spreads on bonds did not partly reduce the capital available to this end. The European debt crisis is a significant complicating factor in the intended repayment at year-end 2013. We therefore look forward to an effective resolution of Europe's sovereign debt crisis.

Building for the future

Despite the many challenges, we continued to build for the future during 2011. We are devoting strong attention to corporate responsibility through our mission of [Simplicity in finance](#), our core value CARE! and engagement with the client. We continued to develop new products that made financial affairs simpler and more understandable. This annual report therefore boasts the title *Innovation through simplicity*.

By way of example, SNS Bank was the first major bank in the Netherlands to introduce an interest-bearing current account. Moreover, our Insurance activities introduced REAAL Customer Service, which has led to a much-improved level of service. SNS Bank and RegioBank have made great progress in making the complaints procedure more efficient and effective. REAAL initiated the Lijfwacht (body guard) service to help clients avoid work-related disability. Zwitserleven made improvements to, what by nature, is a complex process for Uniform Pension Statements so that 199 out of every 200 clients now receive their statements on time. Zwitserleven also held pension sessions for clients during the evening, as a way of better meeting their clients' need for information.

Frequent customer satisfaction surveys showed an upward trend in 2011, proving that we are heading in the right direction in meeting our clients' needs. The Net Promotor Score also rose for all brands. This instrument measures how many clients recommend us to their family and friends. With the rise of social media, personal recommendations have also become a crucial factor in restoring consumer trust.

Many new customers

We succeeded in attracting considerable numbers of new clients and achieving a high customer retention level. SNS Bank welcomed more than 100,000 new clients. Savings deposits entrusted to us increased by € 2.9 billion. Our bank savings product also succeeded in meeting the client's need with SNS REAAL maintaining a leading position in this market. REAAL concluded more than 70,000 term life insurance policies and sold a record number of 3,000 disability insurance policies. Intermediaries voted Zwitserleven as Best Pension Provider in the Netherlands for the fourth time in a row.

The explicit choice for a multi-brand strategy was an important strategic milestone in 2011. Many of our competitors invest in one strong brand, preferably with an international appeal, and often supported by large budgets for media campaigns and sponsorship. The disadvantage is that these brands are a 'one size fits all' in which individual customers are lost within a broad group with which they cannot identify.

Global brands for financial products have lost a great deal of prestige in this crisis. Nationally and locally, it is clearly defined brands which will inspire confidence. Our own ASN Bank, with its tremendous expansion in its number of clients is a perfect example of this. The success of RegioBank, our community bank, shows that it is crucial to engage closely with one's customers. Zwitserleven is also a classic example of brand power. The customer experience - the Zwitserleven Feeling - has become a well-known household expression in the Dutch language.

Seven strong brands

SNS REAAL has seven strong brands: SNS Bank, ASN Bank, RegioBank, REAAL, Zwitserleven, BLG and Proteq. Through sharper brand positioning, we remain closer to different customer groups and reach a greater proportion of Dutch consumers. This is also a good fit with the multiform society of the Netherlands. By sharing as many systems and processes as possible, we can achieve considerable cost-savings and increase economies of scale in the back office, while shortening new product introduction times. An example is the joint production facility for bank savings and the

number two market position we worked hard on in 2011.

Looking to the future of our company, our capacity to operate cost-effectively is absolutely essential. Only then can we offer good-quality products at a fair price. The company as a whole is participating in a programme to structurally reduce its cost base by € 200 million. We have now realised € 160 million, i.e. 80%, of annual savings.

Sustainable and responsible

Today's customers not only demand transparent and effective products at a fair price; they also want responsible customer service from an organisation which is part of a sustainable chain. Corporate responsibility is part and parcel of SNS REAAL. Our mission of Simplicity in finance focuses on responsible service provision and our core value CARE! means that our concern is not only with financial results but also the care we exercise with respect to each other, the customer and society. CARE! is the vehicle by which [corporate responsibility](#) is integrated into how our people function, the services we offer and our business operations. The pillars of our company strategy are designed to reinforce our foundations and to build for the future of SNS REAAL, ambitions which can only be achieved through continual dialogue with our stakeholders. With our efforts guided by the feedback from this dialogue we can be confident of focusing on concrete issues - topics which really matter.

Given its social roots, corporate responsibility is self-evident for SNS REAAL. We intend to integrate corporate responsibility into our strategic planning, business operations and reporting. As a consequence, the self-standing annual CR report is now a thing of the past. Instead, the Annual Report for 2011 is a fully integrated financial and sustainability report, which in fact are two sides of the same coin.

We have made significant progress on sustainability in [asset management](#). From this year, all investments and investment funds of SNS REAAL's business units comply with the ESG standards. These are ethical criteria related to Environmental, Social and Governance issues. We set very high standards, which have not gone unnoticed. In 2011, the Dutch Association of Investors for Sustainable Development (VBDO) deemed REAAL's investment policy to be the most sustainable investment policy. According to the Association, Zwitserleven is the runner up.

Corporate responsibility means that in addition to offering responsible services we also aim to operate as a responsible organisation. In concrete terms, it means acting as a [responsible employer](#). SNS REAAL offers its personnel an attractive combination of primary and secondary employment conditions. Determining factors are, of course, meeting our financial possibilities as well as the wishes of society. Three years ago, we therefore introduced a moderate remuneration policy for the Executive Board and senior management. [Remuneration](#) is now in line with the recommendations of the [Banking Code](#) and other relevant regulations. We have also tightened up the employment conditions of all SNS REAAL staff by cutting down on various forms of performance-related bonuses. Moreover, SNS REAAL has resolved not to distribute a dividend despite positive full-year results.

Continued retrenchment

SNS REAAL plans to continue its austerity policy during the current financial year. All financial institutions, SNS REAAL included, are moving towards a new yield model involving lower volumes and lower margins. In order to generate a sustainable yield, structurally different employment conditions are essential. This inevitably leads to discussion of the fair price for a financial product.

The year 2011 was not an easy one for our personnel. Nonetheless, employee satisfaction rose by half a point to 7.5. In spite of retrenchment, SNS REAAL remained an attractive and modern employer. Progress with introducing flexible working arrangements (Het Nieuwe Werken) played an important role. This new concept assigns additional responsibility to employees, allowing for a better balance between their working and private lives.

Our mission of Simplicity in finance and our core value CARE! also enhance employee satisfaction. CARE! was further pursued in 2011 through a large number of activities both inside and outside the company. An important theme remained helping people become financially independent. With this aim in mind, we actively participated in organisations such as Stay on Top of Your Spending. We also gave 550 guest lessons at primary schools during Money Smart Week. In these straightened times, financial awareness has taken on a new importance. Old certainties are falling away. People

increasingly have to think ahead and take future financial concerns into their own hands. The financial sector and the government both have a responsibility to ensure this is a development that proceeds smoothly.

Ready for the ban on commission

2012 will undoubtedly be another challenging year with continued uncertainty and a decrease in purchasing power. The housing market will remain weak. We do not anticipate it recovering from its current low level. Moreover, we need to respond to large-scale changes in our product markets. To build up personal wealth we are to switch from integrated insurance products to a combination of bank savings and risk insurances. Furthermore, we are moving towards ruling out commission on complex products, the Customer Agreed Remuneration (CAR), which SNS REAAL fully supports. We consider CAR to be an opportunity to offer cost-efficient advisory solutions, and on our own initiative started adopting this working procedure back in 2009.

The pensions market, in which we hold a strong position, is faced with longer life expectancies and low interest rates. It is therefore inevitable that the retirement age will rise further and pension scheme participants will shoulder more risk. Both the general atmosphere of uncertainty and the government's withdrawal will stimulate the demand for savings products and other wealth management products. With respect to consumer behaviour, we perceive that people increasingly want to rely on mobile banking and social media to conduct their financial affairs.

Mobilising our strengths

Clearly, we once again have to give of our best in 2012. We will devote particular attention to reinforcing the foundation by continued phase-out of Property Finance and preparations for repaying the capital support to the State. This is no minor undertaking in an environment that is bound to be difficult and can change greatly each quarter.

Fortunately, we have significant strength on which to call. In 2011, we proved our capacity to achieve good results with our core activities in difficult circumstances. We managed to attract more clients, reach higher customer satisfaction levels, reduce the cost base and raise more capital. Our employees are increasingly taking on board the implications of the core value CARE! and are motivated by our mission of Simplicity in finance.

I would like to thank all SNS REAAL employees and all those who have devoted themselves to helping achieve our mission and ambitions.

Ronald Latenstein, CEO

2 Profile and brands

SNS REAAL is a financial services provider in the banking and insurance sector. With seven strong brands, SNS REAAL focuses mainly on the Dutch savings, investment, mortgage, property finance, insurance and pensions markets. Our customers are primarily private individuals and small and medium-sized enterprises (SME). With a balance sheet total of € 132 billion and a staff of approximately 7,000 employees (FTEs), SNS REAAL is a major player in the Dutch market. SNS REAAL's shares are listed on the NYSE Euronext Amsterdam and are included in the Amsterdam Midkap Index. SNS REAAL's headquarters are located in Utrecht.

2.1 General

2.1.1 Rooted in society

As a bancassurer, SNS REAAL has strong roots in Dutch society. Through the first savings banks with a public utility function, SNS REAAL has a 200-year banking history. Insurance companies followed suit. SNS REAAL's predecessor companies include many regional savings banks.

2.1.2 Simplicity in finance

SNS REAAL wants to stay close to its customers and society. What matters most is that every client gets the right product at the right time. However different our brands are, they share the same basic principles. SNS REAAL wants to keep both feet at the ground and doesn't want to make financial matters more complicated than necessary. All our brands stand for simplicity in finance. We want to increase our clients' financial independence through clear, accessible products and services.

2.1.3 Having an eye for the customer

We want to deserve our customers, both private and business customers. We want to be their financial specialist. We want to be the best at winning, helping and retaining customers. At SNS REAAL, each brand gives its own meaning and direction to this. Our ultimate aim is to build sustainable relationships, not only with our customers, but with other stakeholders in society too.

2.2 Our brands

There is no such thing as a general customer. Everyone has different wishes, requirements and preferences. We want to serve all these people in a way that suits them best. That is why we do not hold the one client, one bank vision. We opt for different brands that each serves its customers in a way that suits them best. Each brand has its own working method, characteristics, mentality and products, from savings and investments to insurance. Thus, SNS Bank customers can go to more than 200 shops, ASN Bank is a full online bank, Proteq Dier & Zorg (Pet & Care) clients choose the coverage that best suits their pet and RegioBank works with personal advisors.

2.2.1 SNS Bank



SNS Bank is the consumer brand with a wide and accessible range of banking and insurance products. SNS Bank is a bank where customers can decide how, when and where they take care of their banking business: online, by phone, at their own home with an advisor or via one of the 200 SNS Shops. SNS Bank also focuses on SME businesses.

Products: savings, current accounts, investments, loans, mortgages, company loans on property and insurance.

www.snsbank.nl

2.2.2 ASN Bank



ASN Bank connects people who want to contribute to a sustainable society and offers financial products that contribute to such a society. Many clients are socially involved and well disposed towards a sustainable society. ASN Bank involves these clients into identifying themes to execute its mission.

Products: savings, current accounts, investments and asset management.

www.asn.nl

2.2.3 RegioBank



RegioBank is the regional banking formulae with a network of some 530 independent advisors. You will find RegioBank in many smaller municipalities. Local and personal service is key.

Products: mortgages, savings, current accounts, loans and investments.

www.regiobank.nl

2.2.4 BLG Hypotheken



BLG Hypotheken (Mortgages) is the specialist brand in mortgages for intermediaries. BLG Hypotheken offers flexible mortgages, so that intermediaries can compose a product that will optimally suit their client, even for exceptional situations or homes.

Products: mortgages.

www.blg.nl

2.2.5 REAAL



REAAL wants to offer realistic insurance products. Many things in a person's life can change. REAAL is well aware of this. Its products keep step with all the stages of a client's life. And; the lower the risk, the lower the premium.

Products: insurance (individual life, non-life, disability), savings, mortgages and investments.

www.reaal.nl

2.2.6 Zwitserleven



Zwitserleven wants to be the pension insurer in the Netherlands. It is Zwitserleven's mission to give every Dutch citizen 'the Zwitserleven feeling': to enable people to enjoy a carefree retired life. Zwitserleven's customers are SME businesses, corporations and owner/managing directors.

Product: pension insurance.

www.zwitserleven.nl

2.2.7 Proteq Dier & Zorg



Proteq Dier & Zorg is market leader in accident and health insurance for cats and dogs in the Netherlands. And deservedly so. For it is the pet owner who chooses the level of coverage that suits his pet best. And if he prefers more security, he can take out a supplementary insurance.

Product: accident and health insurance for dogs and cats.

www.proteqdierenzorg.nl

2.2.7.1 Zelf.nl

Zelf.nl is an initiative by Proteq. Zelf.nl does everything to keep costs as low as possible. So, no expensive commercials and a simple office in Heerhugowaard. At Zelf.nl, you conclude your insurance yourself. Quick and easy.

Products: non-life and funeral insurance.

www.zelf.nl

2.2.7.2 Route Mobiel

Route Mobiel, another Proteq initiative, offers roadside assistance for motorists through an efficient organisation and intricate network of roadside assistance services in the Netherlands and 40 other European countries. Route Mobiel also offers supplementary car and travel insurance that integrate seamlessly with the roadside assistance service.

Product: road assistance services.

www.routemobiel.nl

2.3 Group activities

2.3.1 SNS Asset management



SNS Asset Management is SNS REAAL's responsible asset manager. SNS Asset Management manages and administers the investments of SNS Bank, REAAL and Zwitserleven as well as the investment funds of SNS Bank, ASN Bank and Zwitserleven. Apart from assessing the financial performance of businesses, SNS Asset Management also assesses their social, environmental and governmental policy and performance. SNS Asset Management focuses on both internal and external customers.

Products: asset management for institutional investors.

www.snsassetmanagement.nl

5 Mission, core value and strategy

SNS REAAL's mission is Simplicity in finance. We want to increase the financial independence of our customers. We do so by providing simple and accessible products and by offering assistance in making the right choices.

5.1 Simplicity in finance

Our mission Simplicity in finance follows from the origins of our company nearly 200 years ago. Even then, openness, simplicity and solidarity were the pillars supporting our operations. Our aim is to use those same pillars to aid today's customers in enhancing their ability to manage their financial affairs. Simplicity in finance is intended to gain and retain consumers' and companies' trust.

5.2 CARE! and corporate responsibility

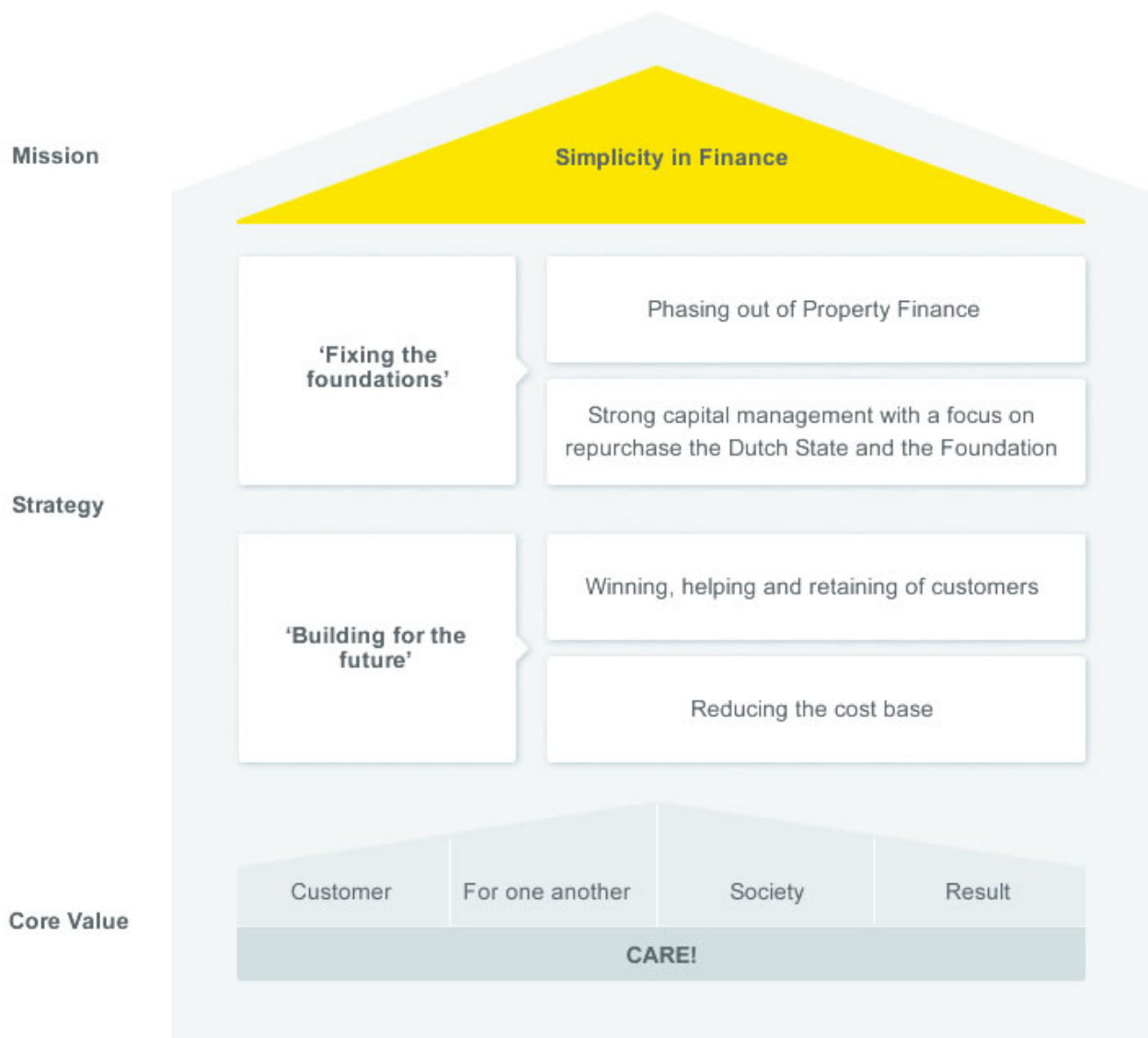
We wish to operate responsibly for all our stakeholders. Our core value CARE! represents the responsibility we bear for our customers, each other and for society, as well as for the results this produces for our shareholders and other investors. CARE! inspires and helps us to better embed corporate responsibility in our conduct, our organisation and our products.

5.3 Strategy

Our mission, core value and strategy meet in the picture of our strategic house presented. The foundation supporting this house is a tight-knit and effective organisation, filled with committed and ambitious employees. Inspired by our core value CARE!, they define how they put corporate responsibility into practice. Based on our market positioning and a [SWOT analysis](#), we have identified four strategic priorities:

- [Phasing out Property Finance.](#)
- [Strong capital policy aimed at repaying the State and the Foundation.](#)
- [Winning, helping and retaining clients.](#)
- [Reducing the cost base.](#)

The phase-out of Property Finance and a strong capital policy are strengthening SNS REAAL's foundation. We build our future by winning, helping and retaining clients and reducing the cost base.



This strategy fine-tunes the strategic pillars communicated previously: 'deserve customers', 'dare to choose', 'winning, helping and retaining customers' and 'decisive on result'. Accentuating our choices, all these elements are included in the strategic priorities. We have also created a distinction between building the foundation and building the future.

5.3.1 Phasing out Property Finance

Developments in the financial sector in the past few years, in the property markets in particular, led to a strategic property-finance reorientation. SNS REAAL made two strategic choices:

- The creation of a new business unit SNS SME as from 1 January 2011. SNS SME comprises part of the Dutch loans of Property Finance, the SME loan portfolio and SNS Bank's SME savings. This will optimise and simplify portfolio management and improve our financing options.
- Phase-out of the remaining loans at Property Finance. These loans are the international portfolio and part of the Dutch portfolio. This will improve SNS REAAL's risk profile and financing of the Banking activities.

Following the Property Finance phase-out, SNS REAAL will focus exclusively on the Dutch market.

5.3.2 Strong capital policy aimed at repayment of the Dutch State and the Foundation

We are pursuing a strong capital policy to add to our strategic flexibility and the trust of customers, lenders and other SNS REAAL stakeholders. In doing so, our focus is on:

- Independent, solid capital position.
It is our goal to repay the capital support received from the Dutch State and the Foundation in a responsible manner.
- Capital release programme.
This programme is aimed at freeing up € 700 million of capital.
- Strong risk identification and management.

5.3.3 Winning, helping and retaining customers

We aim to provide our customers with suitable products through their preferred distribution channels and brands. Multiple brands and channels generate better effectiveness on our sales and marketing efforts and ensure maximum coverage of our entire target group. In this process, we use IT resources and production and service centres shared within the Group. In pursuing its goal to attract, help and retain customers, it is SNS REAAL's ambition to increase the focus on customers' interests, improving customer satisfaction and the sustainable growth of its brands.

Greater attention for customer interests and higher customer satisfaction can be achieved by:

- Measuring customer satisfaction in a better way, targeting specific groups of customers.
- Continuous dialogue with our customers, allowing us to improve our products and services anytime.
- Improving customer contact and service levels.
- Providing transparent and relevant products and advice.
Customers can easily determine if a product suits their needs either by themselves or with the help of a financial advisor.

Sustainable growth of our brands can be achieved by:

- New, successful products.
Transparent product features and rates are crucial and are achieved by listening attentively to our customers and involving them in the product development process. Before launching new products, we make a careful estimate of the customer value, return and risks.
- Multi-brand strategy.
We serve our customers using brands that differ greatly from each other, with each brand focussing on its own target group. The brands are connected through the Group and contribute to SNS REAAL's overall performance.
- Attracting new customers.
This requires clear brand positioning and targeted marketing and sales efforts.
- Retaining customers and offering them a wider range of products and services.
This requires a high level of service, knowledge of individual customer conduct and timely notification of (potentially) relevant products.

5.3.4 Reducing the cost base

Reducing our organisation's cost base improves our capital position and competitiveness, which allows us to generate the return we aim at, even in contracting markets and with higher capital requirements.

A major tool in reducing the cost base is standardisation and alignment of IT systems and service centres. Combined with our multi-brand strategy, this allows us to quickly and efficiently respond to changing customer needs or simply broaden our product range.

5.4 Basis: Corporate responsibility and CARE!

Our employees form the basis of our strategic house. Inspired by our core value CARE!, they define how they put corporate responsibility into practice.

5.4.1 Strategic corporate responsibility

In 2011, SNS REAAL added focus to its corporate responsibility strategy and rephrased it. Based on an integral vision that serves our stakeholders, we aim to better manage initiatives in this area and bring these together. As a result, our business units are responsible for achieving their own results - within preset frameworks - more than previously.

Dutch financial institutions are subject to an extensive system of laws and regulations safeguarding the quality and safety of financial products and services. To SNS REAAL, proper compliance with those laws and regulations comes natural. Corporate responsibility, however, takes things a step further, allowing us to do business on the basis of our own convictions and our own responsibilities. We aim to take the interests of customers, each other, shareholders and society into account. We have defined four themes to make measurable progress in these areas. The themes apply to all business units and staff departments:

- Personal leadership.
If you want to change the world, you must be the first to change, which is why we expect our managers and employees to take the lead in making our products and services more sustainable. Setting an example to others, we all propagate the core value CARE! in a recognisable way.
- Responsible services.
When developing, improving and offering our products and services, we place our customers' interests first. 'Responsible' means that we acknowledge any positive and negative effects on people and the environment in all aspects of our daily work.
- Responsible organisation.
We want to be a responsible employer that our employees enjoy working for. We encourage the development of their personality and talents, wish to offer a good work-life balance and give responsible remuneration. We encourage our employees to assume responsibility for their work and career development.
- Sustainable supply chain and the environment.
We, as SNS REAAL, are part of numerous product and service chains. As a major buyer, we exercise influence to make the supply chain more sustainable in cooperation with our partners. We do so by focussing on the responsible use of energy, housing, waste disposal and mobility.

SNS REAAL is working on measurable results using corporate responsibility performance indicators. The Corporate Responsibility department and other staff departments support these business units in developing and implementing their plans. SNS REAAL regularly assesses its policy and results on the basis of its stakeholders' opinion and the Global Reporting Initiative standards. See Chapter 8 [Developments in corporate responsibility](#) for more information on the policy and main results achieved in 2011.

5.5 Business units' strategies

In implementing SNS REAAL's strategy, the business units SNS Retail Bank, SNS SME, REAAL and Zwitserleven make their own choices regarding the best possible products and services. For the strategies pursued by the business units, see [SNS Retail Bank](#), [SNS SME](#), [REAAL](#) and [Zwitserleven](#).

The Group activities, including SNS Asset Management and the Group staff departments, are holding company activities aimed primarily at supporting the four business units.

7 Strategy update

SNS REAAL is continuously working on the execution of its strategy. This chapter gives an overview of the progress made in our strategic priorities and the extent to which our ambitions for 2011 have been realised.

SNS REAAL established its strategic priorities and ambitions on the basis of its market position and a SWOT analysis. For the SWOT analysis, strategic challenges and ambitions see [chapter 6](#). We are fixing the foundations of SNS REAAL through the priorities of phasing out Property Finance and strong capital management aimed at repaying the Dutch State (the State) and Stichting Beheer SNS REAAL NV (the Foundation). We are building for the future through the priorities winning, helping and retaining customer and reducing the cost base.

7.1 Phasing out Property Finance

With the phasing out of Property Finance we are improving our risk profile and funding possibilities of our Banking activities. For the moment this phase-out puts pressure on the profitability.

Despite the difficult circumstances in the real estate and financial markets, we have made strong progress with the phase-out of Property Finance. Commitments (gross loans including undrawn loans) have been reduced by € 1.3 billion to € 5.5 billion (-20%). The risk-weighted assets were strongly reduced. For more details on Property Finance see [chapter 12](#).

7.2 Strong capital management to repay the State and the Foundation

Strong capital management increases our strategic flexibility and the confidence of customers, investors and other stakeholders in SNS REAAL.

7.2.1 Independent, solid capital position

We want to repurchase the capital support by means of core Tier 1 capital securities received from the State and Foundation in a responsible manner, with a key focus on maintaining our capital position despite the difficult circumstances. It is our ambition to repay the Dutch State at the latest by the end of 2013. As a result of the cooperative position of the Foundation, we are not compelled to repurchase the core Tier 1 capital securities of the Foundation at the same moment as the Dutch State. More can be read about this in [Balanced approach capital support](#) and in [Securities Foundation and Dutch State](#).

In light of this premise – maintaining our capital position - we did not repurchase any core Tier 1 capital securities in 2011. This is partly related to the [increased capital requirements](#), especially in relation to the Banking activities and the troubled financial market circumstances. Besides this, it is our ambition for SNS Bank to obtain a [minimum core Tier 1 ratio of 10%](#) in the long term.

In 2011 the Dutch Central Bank (DNB) asked the Dutch banks to draw up a Basel III migration plan. SNS REAAL presented her Basel III migration plan mid 2011. Based on the current requirements this plan shows that no important additional measures have to be taken to satisfy the new requirements. For further explanation of Basel III see [section 16.3.2](#).

Group double leverage decreased from 115.4% to 114.2%, in particular as a result of the increase of the fair value reserve. Furthermore there was a positive impact of € 102 million dividend upstream, of which € 80 million came from the Insurance activities and € 22 million from SNS Asset Management This was partly offset by a capital downstream of € 50 million to SNS Bank.

7.2.2 EBA standard for core Tier 1 capital within reach

On 8 December 2011, SNS REAAL issued a press statement in relation to announcements by the EBA and DNB regarding requirements for banks to strengthen their capital position by building up a temporary capital buffer against sovereign debt exposures measured at market value. The EBA required banks to establish buffers such that their core Tier 1 ratio reaches 9% by the end of June 2012, valuing sovereign debt exposures at market prices as per 30 September 2011.

SNS Bank had reported a core Tier 1 ratio of 8.6% as per 30 September 2011, based on Basel II including the 80% transition floor of Basel I for RWA calculation. Applying the EBA methodology, which includes the capital buffer in relation to sovereign debt, the core Tier 1 ratio was 8.2% as per 30 September 2011. To reach the EBA core Tier 1 ratio of 9%, SNS Bank needed to address a capital shortfall of € 159 million.

In the fourth quarter of 2011, SNS Bank's EBA core Tier 1 ratio had already increased from 8.2% to 8.8%, driven by both an increase of available core Tier 1 capital and a reduction of risk-weighted assets. In all, the EBA capital shortfall was reduced to a mere € 32 million per 31 December 2011. SNS Bank will make sure it will have addressed the remaining shortfall by the end of June 2012.

The BIS ratio decreased from 16.7% at year-end 2010 to 14.4% as a result of redemptions of Tier 2 capital in the first half of 2011. In anticipation of these redemptions, SNS Bank had attracted € 500 million of Tier 2 capital in the fourth quarter of 2010. Furthermore, the BIS ratio decreased due to the lower Tier 2 exchange transaction in the fourth quarter of 2011 whereby lower Tier 2 debt was exchanged for senior debt.

7.2.3 Capital release programme update

In November 2010, SNS REAAL announced a programme to release € 600 million in eighteen months time. In February 2011, this target was increased to € 700 million. The release of capital helps SNS REAAL to get into a position to repay the capital support from the Dutch State. At the end of 2010, € 160 million had been freed up. Due to the very volatile financial markets, a major part of the positive impact on solvency of the released capital was offset in 2011. On balance, in 2011, SNS REAAL managed to release € 595 million in capital to year-end 2011 as a result of:

- A traditional reinsurance transaction, proportionally reinsuring the risks of approximately 77% of REAAL Life's savings insurance portfolio with a quota share contract, freeing up € 225 million.
- The reduction of the SNS SME loan portfolio by € 1.6 billion in 2011 resulted in a decrease of risk-weighted assets by approximately € 1.2 billion, freeing up around € 96 million.
- Buy-backs of own funding paper, including the Tier 2 exchange in the fourth quarter, resulting in a capital release of approximately € 95 million.
- The sale of REAAL's reinsurance company in the fourth quarter of 2011, freeing up € 18 million, consisting of a book profit.

7.2.4 Strong risk management

SNS REAAL pursues a prudent risk management policy in line with the requirements of the Banking Code and the Insurance Code. In 2011, the main indicators were:

- Based on the outlook for 2012, qualifying conditions for new mortgages were made more stringent.
- Property Finance's credit risk management was enhanced. As a result, the management of complex loans improved and losses in relation to these loans were limited as much as possible.
- A conservative investment policy by REAAL and Zwitserleven. This included the reduction of exposure to sovereign debt in peripheral euro countries and defensive measures were successfully taken against declining markets.
- Solid solvency of the Banking activities: core Tier 1 ratio 9.2% and Tier 1 ratio 12.2%. The ambition for the core Tier 1 ratio was increased from 8% to 10% in the long term.

- Total liquidity of the Banking activities remained high at € 11.1 billion end of 2011, against € 11.9 billion end of 2010.
- Strong regulatory solvency of the Insurance activities stood at 203%. For more information, see chapter 16 [Risk management and capital management](#).
- The KPIs of senior management have additional elements included which relate to prudent risk management.
- Explicit statement on the possibility of adequate risk management upon introduction and changes to products.
- A lower concentration risk is actively pursued by reducing relative extensive financing.
- Strategy and policy are tested for, and adjusted if needed based on insights from the stress and scenario analysis.

7.3 Winning, helping and retaining clients

By winning, helping and retaining clients, we bring the vitality of our brands on to a level that secures the execution of our mission Simplicity in finance – also in the long term. The same applies to the scale and costs of our activities. We want to put our customers' interests first, structurally improve customer satisfaction and grow our brands in a long-term sustainable manner.

7.3.1 Customers' interests and satisfaction

Improved and more focused measurement

In 2011, SNS REAAL brands collaborated on better methods to measure and monitor customer satisfaction. An important step was the introduction of the NPS (Net Promotor Score) measurement method for all retail brands. We use this method to measure the number of clients that is positive about a brand so that they would recommend it to family and friends. From this result, we deduct the number of clients that would advise against the brand. The NPS statistics, based on a representative sample, are conducted twice a year by an external agency. By standardising measurements, we can combine efforts to make improvements and learn from each other. We saw progress in all brands through the course of the year. Only ASN Bank scored well right from the start.

The most important scores, in percentages:

- SNS Bank from -50 at the start of 2011 to -33 year-end 2011
- REAAL from -58 at the start of 2011 to -44 year-end 2011
- Zwitserleven from -65 at the start of 2011 to -47 year-end 2011
- RegioBank from -27 at the start of 2011 to -18 year-end 2011
- ASN Bank from 32 at the start of 2011 to 34 year-end 2011

Customer satisfaction in the entire financial sector has come under increased pressure in recent years as a result of the developments surrounding the financial crisis. Among all surveyed Dutch banks and insurers, few had a positive NPS score in 2011, including ASN Bank. See section [GRI 7.4P5](#) for more information on the customer satisfaction surveys.

Learning from the client dialogues

SNS Bank improved the opportunities for clients to directly respond to, or give their opinion on products and services by adding special feedback pages on its website. Social media such as Twitter and Facebook too, make it easy for clients to comment on products and ask questions.

SNS Bank set up a Client Advisory Council in 2010. Four times a year, directors of SNS Bank meet with a mixed group of some twenty clients. In many cases, a member of the Executive Board of SNS REAAL is also present. Just some of the topics discussed are customer service and SNS Bank's policy, the situation in the financial sector and corporate responsibility. Each meeting, the directors of SNS Bank given an update on what concrete action SNS Bank has taken with the advice from previous meetings.

In 2011, our clients talked with us about a broad range of personal experiences, such as the follow-up of mortgage advice, notifications of interest rate changes, the structure of mortgage and savings rates, activating a new debit card, closing or converting a current account, the lack of contact with SNS Bank after closing a savings account, improved web features for investors and combining mortgage advice with other financial advice. At SNS Bank's request, clients assessed various services and working methods in terms of accessibility, simplicity and personal touch.

As of August 2010, SNS Bank has a SNS Community, an online platform for all SNS Bank clients who:

- Want to express their opinion on statements, campaigns or commercials.
- Want to join in discussions and news polls or want to bring up subjects themselves.
- Want to ask SNS Bank employees questions and want to be kept informed on important developments within SNS Bank.

As of January 2012 we have a renewed platform [SNS Community](#). This platform has increased functionality and more possibilities to do research. Every other week we put a simple or complex research question forward, upon which clients can give their opinion. SNS Bank uses the information from this group of clients for improvement of her services. At this moment there are 1,050 members. With the aid of the new platform and new strategy we want to increase the number of members.

ASN Bank makes the 'Voor de wereld van morgen' (For Tomorrow's World) platform available to clients and interested parties, organises events and involves its clients in all kinds of sustainable initiatives, such as crowd funding and contests. Moreover, ASN Bank gave further meaning to its dialogues with clients by the way it is moving forward towards implementation of its sustainable mission.

REAAL organised interviews and discussions with clients on various topics, through initiatives such as the so-called Parliamentary sessions. Zwitserleven started a broad dialogue with different groups of stakeholders, including clients and their employees. The aim was to give Zwitserleven's management advice on how to further develop corporate responsibility in the organisation. In 2011, Zwitserleven involved clients in improving the information on its investment funds' performance.

Improving customer contact and service levels

Measurements showed that most of our brands' service levels improved in 2011. REAAL in particular made good progress in this respect, also thanks to a programme aimed at making the organisation leaner and more customer-oriented. Service levels at SNS Bank also improved.

The number of complaints at SNS Bank declined considerably (37%). Contactability of SNS Customer service remained high (94%).

SNS Bank and RegioBank want to be close to their clients. We devote a lot attention to personal contact through the 204 SNS Shops, 67 of which are franchise shops. Clients who were assisted by one of our employees will also be called by that same employee for the follow up. Whereas many banks are moving away from smaller municipalities, RegioBank is expanding its network. The number of independent advisors rose. RegioBank is our banking formulae for independent intermediaries who want to distinguish themselves when it comes to personal contact and advice.

ASN Bank gauges customer satisfaction after opening an account every month. Customers' tips and ideas are used to make the process simpler and easier.

REAAL set up REAAL Customer service with one central information number. Previously clients usually went to their intermediary for questions on products or administrative matters. By strengthening and monitoring the client relationship, REAAL gains more insight in her clients' needs and wishes. On top of this, the central customer service meets the recommendations of the Banking and Insurance Codes. REAAL implemented various improvements with respect to [client relationships and service](#) in Non-life insurance.

REAAL retained the 'Keurmerk Klantgericht Verzekeren' ([Customer-oriented Insurance Quality Mark](#)), despite the more extensive criteria that are assessed. REAAL received this quality mark – set by the foundation insurers assessment - as one of the first insurance companies in 2010.

Annual surveys among pension intermediaries once again showed that Zwitserleven [excelled](#) in its customer service and support.

Simple, relevant products and appropriate advice

Offering simple products is an assignment for all our business units. However, simplification is a process which takes time, and furthermore not possible to apply to products already sold. In developing new simple products and services we use feedback from our clients. SNS Bank for example asks feedback from her clients at every customer contact. The main results were:

SNS Bank, RegioBank and BLG have for the most part switched to the non-commission fee based sale of mortgages. Instead, the client pays a fixed advisory fee. In doing so, these brands are ahead of a legal prohibition on mortgage commission fees to be enforced in 2013. Zwitserleven switched to the non-commission fee based sale and extension of pension contracts and is also ahead of the prohibition in 2013. SNS REAAL is a great advocate of the new tariff structure. It enhances transparency in the market and objective and expert advice.

ASN Bank reduced the number of regular savings accounts from five to one: ASN Ideaalsparen. Most clients now have better conditions. ASNs' current account costs were reduced and terms and conditions improved. ASN Bank changed the names of five of its seven investment funds to better communicate the sustainable character of these funds.

RegioBank reduced the number of current accounts from two to one and reduced its fee. SNS Bank had already strongly improved and simplified its range of savings products in 2010, at which time the number of savings products was reduced from several tens of products to six.

REAAL eliminated the so-called 'en block clause' from the terms of its term life insurance policies. This gives clients certainty that the price and terms of a contract can no longer be adjusted during the term.

SNS Bank organised free e-banking workshops for clients and other interested persons at various locations throughout the country.

Zwitserleven introduced MijnZwiserlevenPensioen.nl, a personal environment on the website which collects tailor-made information.

[REAAL](#) and [Zwitserleven](#) offer their clients comprehensive information on the content and execution of the compensation scheme for unit-linked insurance policies. Clients also get tips how to best deal with current policies.

7.3.2 Sustainable growth of our brands

Multi-brand strategy

SNS REAAL distinguishes itself in the Dutch market through a multi-brand strategy. This allows us to efficiently and effectively respond to new market developments. It allows us to direct common indicators, minimise brand overlap and take advantage of specific market opportunities.

We enhanced our formula policy in 2011 by ongoing segmentation and a stronger focus on growth opportunities and value creation. When positioning the brands, we pay more attention to the social-economic status, personal values and self reliance. For these determine the client's preferred distribution channel.

This multi-brand strategy brings us closer to our clients' needs and desired brand perception than one brand would allow us to. Partly due to this, it resulted in an increase of our market share in the savings market from 9.5% to 10.0%. Various

product improvements and marketing and communication initiatives contributed to the strengthening of the brands. You will find more information in chapters 11 [Developments SNS Bank](#), 13 [Developments REAAL](#) and 14 [Developments Zwitserleven](#).

Attracting new clients

The total number of clients of our retail bank brands increased with some 100,000 to over 2.9 million. This was mainly due to the attractive payment and savings products. As a result, total savings deposits rose from € 27.4 billion to € 30.3 billion (+11%). The introduction (SNS Bank) and improvement (ASN Bank) of interest-bearing current accounts contributed to this. Each brand developed its own tailor-made commercial initiatives to optimally achieve the target group. In the mortgage market, SNS Bank preferred risk control and increased liquidity buffers to growth. As a result, the market share in new mortgages declined from 6.4% to 5.8%

REAAL attracted many new clients specifically in disability insurance, term life insurance and mortgages. Zwitserleven attracted both new SME and corporate clients and strengthened its market position.

Retaining clients and offering a broader range of products

SNS Bank expanded its range of third party mortgage products, allowing more clients to get an attractive offer that best suits their wishes and possibilities. Third party mortgage sales grew.

The retention rate of existing mortgages was high. SNS Bank believes that the retention of and providing high-quality service to its existing clients is more important than attracting new clients. At the end of 2011, SNS Bank decided to cease selling mortgages through third-party mortgage providers, also due to the shortage in the capital market and the increase of the capital buffer. Now that the number of SNS Shops and advisors has increased, SNS Bank is also able to serve more clients itself. For more information, see chapter 11 [Developments SNS Bank](#), [More sales, less production](#).

An improved Customer Service Centre allowed REAAL to draw product quality and service more to the attention of customers and to strengthen the brand experience.

Being a bank-insurer, SNS REAAL can retain clients who would be lost if they could either only take out banking products or insurance products. In 2011, we took advantage of the growing bank savings market. REAAL, SNS Bank and RegioBank cooperate closely in the field of product development and distribution. Many REAAL clients find bank savings a good alternative on expiry or renewal of their unit-linked policy. Bank savings deposits rose by 89% to € 1,331 million.

The customer retention rate at Zwitserleven remained high, both in the SME and corporate market.

Succesful new products

SNS Bank launched SNS Betalen, an interest-bearing current account. The new current account has a number of extra advantages, such as SNS Kasboek (cashbook). This provides clients insight into the pattern of their spending and to compare it to other households. The launch was accompanied by a [comprehensive advertising campaign](#) with the message that everyone should be entitled to receive credit interest on their current account.

SNS Bank launched SNS Jeugd Sparen for young people saving money, an online account, including MijnSNS, the personal banking environment on the Internet.

At the end of 2010, REAAL launched a new range of [disability insurance products](#) with much simpler and improved conditions. In 2011, REAAL also simplified the process of acceptance. In many cases a medical check is no longer required.

Zwitserleven's innovative [Exclusief Pensioen](#), launched in 2010, saw a satisfactory development. The product caught on in both the SME and corporate market.

7.4 Reducing the cost base

A cost base reduction will result in an improved capital position and competitiveness, allowing the organisation to make a profit even in shrinking markets and with higher capital requirements.

Compared to 2010, the total adjusted operating expenses decreased from € 1,091 million to € 1,051 million (-4%). An important element was a reduction in the average number of FTEs from 7,301 to 7,002 (- 4%). There was a reduction of € 23 million at the Banking activities, € 25 million at the Insurance activities and an increase of € 8 million at the Group activities. SNS Bank benefited from increased online sales and the conversion of SNS offices to SNS Shops. REAAL benefited from a programme to make the back office leaner and more customer-oriented and the completion of integration programmes. Zwitserleven continued its programme to reduce the operating expenses. Essential in this respect are: improvements in processes and organisational structures, fewer products and fewer systems.

Other important contributions to the cost reductions were cost synergy through the harmonisation and standardisation of IT-systems, more sharp procurement and adjustment of employment conditions.

Investments made by SNS REAAL were mainly aimed at the continued improvement of the cost base in the coming years. The most important investments were related to the New World of Work and IT, in particular standardisation of back office and IT systems at Zwitserleven.

7.5 Realisation of ambitions

7.5.1 Net profit

At this moment SNS REAAL has no concrete profit ambition, given the volatile and challenging market circumstances. In November 2011, SNS REAAL abandoned its medium-term profit ambition. The changing circumstances on the financial markets, the deteriorated economic prospects and heavily modified laws and regulations made this necessary. We will continue to build an organisation that returns to healthy profit levels.

7.5.2 Structural cost reductions

Compared to 2010, the total adjusted operating expenses decreased from € 1,091 million to € 1,051 million (-4%). Consequently, SNS REAAL is on track to achieve its ambition for 2013: a total cost reduction of € 200 million compared to 2008, to ensure a cost base below € 1 billion in. The total operating expenses are adjusted for restructuring costs, SNS Retail Bank's share in the deposit guarantee scheme (DGS) and costs related to the phase-out of Property Finance.

7.5.3 Market share ambitions

See section 6.4.4 [Ambitions](#) for the realised market shares in 2011 and the ambitions set for these market shares.

7.5.4 Capital and liquidity ratios

Our ambitions are:

- A minimum regulatory solvency ratio for our Insurance activities of 175%. At year-end 2011, it stood at 203%.
- A minimum core Tier 1 ratio for the Banking activities according to the EBA (European Bank Authority) of 9% before end of June 2012. At year-end 2011, it stood at 8.8%.
- A core Tier 1 ratio of the Banking activities of 10%. At year-end 2011, it stood at 9.2%.
- A loan-to-deposit ratio between 125% and 150%. At year-end 2011, it stood at 159%.
- The SNS REAAL double leverage ratio at a maximum level of 115%. At year-end 2011, it stood at 114.2%.

7.5.5 Management by performance indicators

SNS REAAL wants to enhance management by means of quantifiable results. SNS REAAL has key performance indicators that are in line with our core value CARE!.

For realised capital and liquidity ratios, we refer to the section above and for other realised financial ratios to our [Key figures](#). In 2011, SNS REAAL launched the [Net Promotor Score](#) (NPS) to measure and monitor customer satisfaction throughout the Group. For more information on [employee satisfaction](#) and [absenteeism](#), see chapter 18 Our people.

7.5.6 Corporate responsibility update

In 2011, the [Corporate Responsibility \(CR\) strategy](#) was reformulated and tightened. The CR department developed policies to further embed CR in our daily activities. For their core activities, the major business units included CR objectives and ambitions in their operating plans for 2012. Thus, customer and employee satisfaction is structurally measured. For an overview of our CR results in 2011, see chapter 8 [Developments in Corporate Responsibility](#).

8 Developments in Corporate Responsibility

Corporate Responsibility lies at the heart of SNS REAAL. A sense of solidarity has been part of our genetic make-up since the first savings banks were established almost 200 years ago. The purpose of saving has remained unchanged, namely: helping people to help themselves. Our insurers have a history of providing support both to working people and to projects which benefit society. These earlier notions of solidarity have transformed into today's engagement with clients, people and the environment. During 2011 SNS REAAL tightened up and reformulated its [corporate responsibility strategy](#).

8.1 Reporting on corporate responsibility

In 2010 we published an annual report about Corporate Responsibility (CR) as a discrete document. Incorporation of our CR report in this year's annual report is a reflection of the increasing level of integration of CR within the company. The current chapter serves to outline our CR strategy and provides a summary of the most important results achieved during 2011 as well as our objectives for 2012. We have defined four strategic key objectives: personal leadership, responsible services, responsible organisation, and a sustainable supply chain and concern for the environment.

Our GRI table provides an overview of quantitative and qualitative data, including background information, and details of the agreements and guidelines to which we have subscribed. The table is based on the worldwide standard defined by the Global Reporting Initiative for reporting on corporate responsibility. Our reporting meets the requirements for level C+. This means that information contained in chapters 5, 7 and 8 of this annual report, and the GRI table, is backed by an assurance report attaining to its accuracy.

8.2 Embedding corporate responsibility in business practice

SNS REAAL ensures through a variety of means that CR is integrated into daily working practices. Key tools for ensuring this are adherence to the Banking Code, the embedding in performance criteria, such as Net Promotor Scores for client satisfaction, reliance on findings from employee surveys, as well as behavioural change resulting from the CARE! corporate culture and action programme. Exchanging knowledge about the CR field between various business units also contributes to greater integration.

8.2.1 Application of the Banking Code and Insurance Code

The [Banking Code and the Insurance Code](#) comprise principles relating to putting clients' interests first, governance principles, risk management, auditing and remuneration policy. SNS REAAL subscribes to these codes - our remuneration policy serving as one example. Together, these measures play a key role in restoring trust in the financial sector. The principles have been applied within SNS REAAL and are in line with our mission of Simplicity in finance and our core value of CARE!.

8.2.2 Embedding via performance criteria

Our business units make use of performance indicators, particularly with regard to client satisfaction, achieving a clearer product structure and prices, clear and effective communication with clients and intermediaries and greater customer-oriented engagement by our employees. See section 7.3 Winning, helping and retaining clients. We also rely on performance indicators to make the supply chain of products and their means of production, including office locations and ICT more sustainable and environmentally friendly. Our GRI table provides an overview of current performance in the CR field. A number of indicators, such as customer satisfaction, are included in the performance assessment criteria of our management.

8.2.3 Embedding via behavioural change

We aim to ensure that our core value CARE!, introduced in 2010, becomes a natural part of our corporate culture. CARE! stands for the behavioural aspect of CR. Good progress has been made so far with CARE!. Our 2011 employee satisfaction survey shows that awareness of and motivation for CARE! among employees is high. In 2011, emphasis was on promotion via an action program, and incorporation in the HR policy. Our ambition for 2012 and thereafter is to make CARE!, through CARE!-phase 2, more prominently present in our daily behaviour at work.

8.3 Dialogue with stakeholders about corporate responsibility

SNS REAAL is aware of social developments and therefore engages in dialogue with a range of interested parties. We want to appreciate their concerns and share information and opinions. It allows us to find out what others view as important and how we can take their concerns into account. It means stakeholders are also aware of what we stand for regarding CR. Such a dialogue helps us steer our course through CR in ensuring that our priorities are in line with the most important CR themes in society.

Stakeholders with which SNS REAAL remains in constant contact with regard to CR include: our customers, representative bodies of clients such as the Dutch Consumers Association (Consumentenbond), the Dutch Authority Financial Markets, the Dutch Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling, VBDO), Eurosif (European Sustainable Investment Forum), UNPRI and a number of governmental and non-governmental organisations. See section [GRI 4.14](#) for an overview of our contacts with stakeholders.

8.4 Strategic priorities

Corporate Responsibility is part of SNS REAAL. Our mission Simplicity in finance is aimed at responsible service and our core value CARE! does not only mean that we care for the financial results, but also for each other, the customer and society. Through CARE! and our strategic structure, Corporate Responsibility is incorporated in the way our people work as well as in our service and business operations. The pillars of our corporate strategy are aimed at fixing the foundation and building for the future of SNS REAAL. It is only through continuous dialogue with our stakeholders and by incorporating the results thereof in our approach towards Corporate Responsibility that we can achieve this. This ensures that we focus on material issues, on things that really matter. In practice, our corporate responsibility policy focuses on the following four key priorities.

8.4.1 Personal leadership

'Change starts with yourself'. We therefore expect our staff to take the lead in efforts aimed at improving our products and services in a responsible way. Taking the lead from a particular vision calls for perseverance, even when you cannot count on the immediate support of those around you. Our employees live up to our core value of CARE! and set an example for the rest of the organisation. Within SNS REAAL, CARE! stands for the behavioural aspect of CR. We also promote behaviour based on CARE! through a programme of CARE! initiatives and the [HR policy](#). CARE! has been built into our selection and recruitment procedure, performance assessment interviews and training. SNS REAAL also promotes employee behaviour that is consistent with CARE! through the CARE! Fund, which supports volunteer work, and through an internal website that handles requests for and offers of volunteer work.

As an organisation, we serve as an example to others by offering expertise and/or financial support to a variety of organisations such as Weet Wat Je Besteed (Stay on Top of Your Spending) (www.wwjb.nl) which helps young people better manage their financial affairs. Personal leadership also allows us to discuss and resolve dilemmas relating to our identity, the CARE! culture and operational issues. Our employees aim to provide clients with the greatest possible assistance, but at the same time, we have to hold down the price of our products. The client demands an inexpensive and simple product but also one that offers security. Meanwhile, shareholders demand a return on their investment, but at the same time need to be certain about the solidity of the capital position of the company they are investing in.

For SNS REAAL, CARE! for the customer is our promise to help our clients and to treat them as we would wish to be treated - with honesty and integrity - and to be understandable and to fulfil our commitments.

CARE! for society means that SNS REAAL is aware of its role in society and remains an active partner in societal projects.

CARE! for each other is SNS REAAL's motto for co-operation based on trust and respect, listening to each other, learning from each other and providing feedback.

CARE! for the result means that SNS REAAL has a responsibility to achieve a solid profit in order to ensure the continued operation of our company and so secure the interests of our clients, employees, shareholders and other stakeholders.

8.4.2 Responsible service provision

Introducing and supporting products in responsible ways involves many steps that generally go unnoticed by the client. Products go through an approval process which is in conformity with the recommendations of the Banking Code and the Insurance Code. We evaluate products based on a framework of standards, in which a careful assessment takes place of the risks and other relevant aspects. Product, market and price committees in each business unit ensure tight risk management and decision-making for new and existing products. Each committee is made up of the director of the business unit and staff departments.

Putting the client's interest first

Acting responsibly means putting clients' interests first when developing and improving our products and services, and the underlying organisational structure. For SNS REAAL, putting clients' interests first - which we term CARE! for the client - means Simplicity in finance: simple products and accessible, polite and speedy service. These are the areas in which we aim to stand out and so realise commercial success. For more information refer to chapter 5 [Mission, core values and strategy](#).

SNS REAAL attaches great importance to improving levels of client satisfaction. During 2011 SNS REAAL's brands collaborated on better methods for monitoring and tracking client satisfaction. For the results for 2011 refer to chapter 7 [Progress with strategy](#). See section [GRI 7.4 PR5](#) for additional information about our research into client satisfaction.

Stringent product approval process

In 2011 the product approval process was made additionally stringent, compared to 2010. We now take the interests of the client and demarcation of the target market as the starting points in the process in order to better guarantee the clarity of products. Furthermore, we have intensified the periodic upkeep we devote to products to provide us with greater certainty that our products best match up to the latest developments in the market, and with legal requirements and regulations. During 2011 we conducted more intensive testing of the comprehensibility of product information among consumers, SME clients and advisers. REAAL simplified the text of its correspondence and quotations concerning life insurance products to conform to language proficiency level B1. Product evaluations led to a variety of [changes being made to the product range](#) in 2011.

In the past, REAAL and Zwitserleven sold unit-linked insurances which resulted in what could now be considered to be high costs. [REAAL](#) and [Zwitserleven](#) operate a compensation scheme established on the basis of negotiations with various stakeholders. This process is complicated and cumbersome. However, we are determined to keep our promises and solve this issue for our clients.

We gave substance to Simplicity in finance chiefly through our products, advice and service. In addition, 2011 saw a number of [educational initiatives](#) aimed at widening consumer understanding of financial affairs and financial products.

Sustainable investment and financing

SNS REAAL is responsible for the investment and security of the money which our clients have entrusted us with in the form of banking, insurance and pension products. Terms and conditions, such as the rate of interest and duration, are specified in a product contract. In an increasing number of situations, the conditions also relate to the sustainability of investments and credit provision operated by SNS REAAL. Guarantees concerning the degree of sustainability vary depending on the product and brand, although every brand is striving to incorporate greater sustainability into its product chain. It means that increasing attention is being paid to possible positive and negative impacts that investments, asset management and loans have on people and the environment. SNS REAAL's business units also invest on their own account and our intention is to further raise levels of sustainability in these operations as well.

Impacts on people and the environment

SNS Asset Management is responsible for the sustainable management of investment funds operated by SNS Bank, the ASN Bank and Zwitserleven as well as those investments made directly by REAAL and Zwitserleven. How these are managed depends on the mandate provided by each internal client. The mandate may vary by client and investment fund. In discharging each mandate, SNS Asset Management also applies its own criteria for sustainable asset management. Information about the investment philosophy is available via www.snsam.nl.

ESG and UNPRI criteria

All investments made by SNS REAAL's business units and business units' investment funds satisfy so-called ESG criteria, which are ethical criteria in the fields of Environment, Social policy, and sound Governance. ESG criteria are applied in both excluding certain investments as well as in voting policy. SNS Asset Management votes on behalf of clients during shareholder meetings in line with the client's mandate. SNS Asset Management outsources a small proportion (around 4%) of its asset management to specialised external investors. In making its choices, SNS Asset Management attaches significant weight to criteria for sustainable investment. Where necessary, discussions or negotiations are conducted with the external manager. Since 1 July 2011, [ESG criteria](#) are also applied to the SNS Euro Property Fund.

Since 2006 SNS Asset Management has subscribed to the guidelines of the United Nations Principles for Responsible Investment (UNPRI). The 850 affiliated financial organisations recognise that environmental, social and governance factors have an influence on the investment policy and that it is important to integrate these factors into the investment process. In a worldwide comparison survey of 345 asset managers undertaken in 2011 SNS Asset Management ranked among the top 25% organisations in all aspects considered, [an excellent score](#). Each of the individual scores was substantially better than those for other Dutch financial organisations.

See section [GRI 4.12](#) for an overview of all declarations in the CR field to which SNS REAAL and its business units are signatories.

See section [GRI 4.13](#) for an overview of key memberships and contacts with CR stakeholders.

External clients of SNS Asset Management

SNS Asset Management is also active in the external market for sustainable institutional asset management. Nearly all products and services that SNS Asset Management offers are sustainable. As a consequence, investors intending to invest in controversial weapons manufacturers or in companies with dubious records regarding human rights and working conditions are excluded from co-operation with SNS Asset Management.

In that respect, SNS Asset Management offers two kinds of funds: sustainable index funds incorporating ESG exclusion criteria and impact investment funds which discriminate based upon financial criteria and the added value to society. Up to now, SNS Asset Management has chiefly established a position regarding microfinancing. During 2011 SNS Asset Management worked on preparing the introduction of the SNS African Agricultural Fund, whose objectives include strengthening the position of employees and local communities. For additional information refer to chapter 15 [Group activities](#).

For further information about sustainable investment criteria refer to the websites of [SNS Asset Management](#) and [ASN Bank](#).

See section [GRI 8.3 FS12](#) for an explanation of the voting policy applied by SNS Asset Management, ASN Bank, SNS Bank en REAAL.

ASN Bank - the expert in sustainable investment

The criteria for sustainable investment applied by ASN Bank go a step further than those of SNS Bank and REAAL. ASN Bank sets out its [exclusion and acceptance criteria](#) on its website. ASN Bank's raison d'être is the promotion of sustainable investment in general, for instance via the Green Banking Platform (Groenberaad Banken), the VBDO, the United Nations Environment Program Finance Initiative (UNEP FI) and the Carbon Disclosure Project.

When ASN Bank performs well, its societal partners benefit. ASN Bank's contributions to them, including the ASN Foundation, amounted to € 2,020 thousand, equivalent to 4.0% of net profit, compared to 1.7% in 2010. Since 2008 ASN Bank has compiled data on levels of [CO2 emissions](#) from enterprises in which its investment funds have invested.

CR recognitions business units

Research into sustainable investments by insurers, conducted at the end of 2011 by the VBDO, concluded that REAAL and Zwitserleven occupied first and second place out of 30 Dutch insurance companies considered. Zwitserleven was the only Dutch pension insurer to gain Eurosif certification in 2011. Eurosif is a European organisation whose objective is to promote sustainability within Europe's financial markets. See section [GRI 2.10](#) for a complete overview of recognition in the CR and other fields.

Client integrity

How our clients conduct can have an impact on the sustainability of the product chain. In addition to weighing up financial conditions and risks we therefore also consider client integrity and the effect that their activities may have on people and the environment. Our business units operate a client acceptance policy which includes checks based on fraud, integrity, risks to integrity and creditworthiness. Client research is undertaken in respect of all products, although the standards and the kind of research vary depending on the type of product. Any instances of fraud that we encounter are investigated and reported to the relevant authorities. In combating fraud we work closely with other Dutch financial institutions, in particular with the Dutch Banking Association and the Dutch Association of Insurers. Attempts at debit card fraud and cyber criminality are on the increase but closer co-operation means they can be more effectively combated and the extent of damage can be constrained. REAAL pursues a consistent policy with regard to combating fraud involving insurance claims.

SNS SME exclusion and sustainability policy

[SNS SME](#) provides property and business financing based on company property functioning as collateral. We do not extend credit to enterprises engaged in socially unacceptable activities. For our acceptance policy we refer to www.snsbank.nl. For our CR policy we are guided by the framework laid down in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. UN Global Compact is a strategic framework for companies committed to the UN principles in the areas of human rights, working conditions, the environment and combating corruption. In 2011 SNS SME was among the parties which signed onto a [sustainability covenant](#) with the objective of stimulating sustainable construction and reconstruction.

ASN Bank provides finance aimed exclusively at sustainability

ASN Bank applies acceptance criteria based on sustainability for those companies which qualify for financing. ASN Bank selects projects based initially on them meeting sustainability criteria and, secondly based on financial criteria. In 2011 ASN Bank provided € 138 million of sustainable financing. For further details refer to the ASN Bank website.

The ASN Green Project Fund also finances projects of tangible environmental value. The Dutch Government stimulates such projects through a fiscally beneficial 'green' scheme. Should central government designate an investment as only partially constituting a green project, ASN Bank is able to combine financing through the [ASN Green Project Fund](#) with a regular loan from ASN Bank.

8.4.3 Responsible organisation

Acting as a responsible employer

Professional and enthusiastic employees are happy to work with our clients, which in turn better allows us to put our clients' interests first. It is why we invest in employees who feel themselves engaged and who demonstrate the greatest potential for development. SNS REAAL believes that acting as a responsible employer primarily calls for an inspiring style of management - one which is based on CARE!, that stimulates each employee and allows for feedback. But in our view it also includes: long-lasting employability, providing opportunities for training and development, achieving a sound work-life balance through the New World of Work, good terms and conditions of employment, programmes aimed at achieving diversity in the workplace and modest remuneration for the Executive Board and senior management. Refer to chapter 18 [Our people](#) for additional information and developments in 2011.

Acting as a responsible employee

SNS REAAL looks to its employees to conduct themselves in a responsible manner. In our view, responsible employees are those who take on responsibility for planning and executing their own activities and managing their own career path. We expect our employees to retain a flexible attitude to work and to invest in their own professional knowledge and competence rather than become fixated solely on their current job description.

We also require employees to abide by the [Code of Conduct](#) with regard to how they interrelate with each other, as well as with business partners and clients. Three core principles apply:

- Acting with respect and behaving professionally
- Exercising care with information and company resources
- Ensuring the separation of personal and business concerns

Ensuring compliance with principles, processes and rules is, in the first instance, a departmental responsibility. The Compliance, Security and Operational Risk Management (CV&O) department is responsible for confirming compliance. Finally, Group Audit confirms that the departments and CV&O have both executed their responsibilities satisfactorily. A contact point for reporting incidents was established in 2011 to simplify the procedure for employees to highlight dubious or fraudulent incidents and permit more rapid intervention to safeguard our standards and values. We can not disclose actual data since this is confidential information.

Responsible conduct involves far more than simply complying with current legislation, regulations and internal rules. Our aim is to establish a business culture which promotes and rewards responsibility. [Personal leadership and our core value CARE!](#) play a key role in this.

8.4.4 Sustainable supply chain and the environment

Integrated approach

SNS REAAL has an integrated approach to CR in which we assess not only the services we provide but also our role in the chain that also extends to our energy use and CO2 emissions. As a consumer of energy and natural resources, a procurer of goods and a user and manager of property our aim is to as far as possible minimise the negative impacts on people and the environment and, where possible, make a positive contribution. By working with customers and suppliers our aim is to ensure sustainability throughout the chain.

Less energy, fewer resources, lower CO2 emissions and less waste.

In 2011 we consumed 30 GJ of energy per FTE compared to 32 GJ per FTE in 2010, a reduction of 8%. Our electricity consumption fell by 14% and gas use was 12% lower as a result of energy savings and energy monitoring. The use of paper consumed per FTE rose by 6% and water consumption rose by 11% per FTE, while the quantity of waste generated showed a 1% decrease per FTE. In 2011, 74% of our office waste was suitable for reuse compared to 65% in 2010. See [GRI 6.1 EN1 table](#). The decrease in energy consumption at SNS REAAL is partly offset by an increase in energy consumption at the residential homes of our employees, due to the introduction of the New World of Work.

Sustainable procurement

SNS REAAL now relies on sustainability declarations and assessment lists as a means for increasing its proportion of sustainable procurement. Earlier, these approaches had not been applied. Sustainability is still not always taken into account in the procurement process. The extent of knowledge regarding sustainability varies across various departments. During 2011 SNS REAAL established a more structured approach for ensuring sustainable procurement. Procurement staff followed a training course for sustainable purchasing. Other initiatives included discussions with a number of suppliers, strengthened checks on the veracity of suppliers' declarations and selection of the first product groups in respect of their sustainability. The latter involved setting up a new plan comprising sustainability criteria for each product group and initiating the development of risk analyses.

From the beginning of 2011 we have made use of sustainability declarations to increase our focus on sustainability. This includes not only our requirements concerning products we purchase but also their preceding production and transport processes, the life expectancy of a product and the extent to which a product can be reused and, finally, how it is to be disposed of.

8.5 Achievement of objectives for 2011

SNS REAAL embedded CR better in the business strategy, including through the inclusion of CR in the operational plans 2012 of the major business units. We were informed and inspired on CR through contacts with various entities and organisations, by means of the CR-focus group, which met twice in 2011.

The setup of a CR governance structure started in 2011 will be completed in 2012. Also a start was made with the formulation of key performance indicators for managing the CR-themes.

The [product approval process](#) was substantially improved throughout the Group. [Customer satisfaction improved](#) in all five brands which are measured based on the NPS method. We are still not satisfied with the level reached, however made good progress, also because of the use of clients opinions, through client's panels and other ways.

We make the financial statements available online, with user friendly explanation and possibilities for linking.

Environmental objectives achievement:

- Energy reduction of 7%, well above the target of 2%.
- The targeted reduction in paper use per FTE was not achieved, as result of a large scale advertising campaign.
- Sustainable procurement booked insufficient progress, however preparations were made to make progress in 2012.
- The recycling of waste increased from 67% to 74% instead of the 75% target. As a result the residual waste percentage decreased to 26% instead of the 25% target.

8.6 Main objectives for 2012

Continued integration of CARE! in SNS REAAL's corporate culture through leadership in the daily work and through education.

SNS Bank improves the quality of service mainly through:

- Initiatives aimed at customers' interest and satisfaction.
- Tightening of CR criteria in dealings with intermediaries.
- Tightening of CR criteria in the area of customer acceptance policy in view of risk management.

REAAL improves the quality of service mainly through:

- Building and strengthening of direct relations with clients through REAAL Customer Service Center, and intermediaries.
- Initiatives aimed at customers' interest and satisfaction, including downsizing the organisation and making the organisation more customer oriented, management by coaching, improved use of staff qualities, to ensure improved quality of intermediaries' advice and proper execution of the compensation agreement related to the unit-linked policies.

Zwitserleven improves the quality of service mainly through:

- Initiatives aimed at increasing customer satisfaction, including customer's staff.
- Developing social involvement en making this more visible in customer service and product development.

SNS REAAL mainly contributes to a more sustainable supply chain, reduction of environmental pollution and sustainable procurement of resources through:

- Promotion, improved structure and to ensure sustainable procurement. Twice a year the range is extended by three sustainable products or more.
- Minimum 2% reduction in office and transport-related CO2 emissions.
- Discuss alternatives to car travel with the staff at appropriate moments.

For information about our longer-term CR ambitions refer to paragraph 6.4.6: [Market Leader in Corporate Responsibility](#).

18 Our people

Many employees are satisfied with their jobs and with SNS REAAL as an employer. Employee satisfaction rose from 7.0 to 7.5. To fixing our foundation and to build for our future, we reorganised activities in many parts of the company. This often resulted in the loss of jobs and positions. Despite these changes it appears that most employees are pleased with the way we adapt ourselves to changing circumstances.

18.1 Responsible employer

It is our personnel that carries out our mission Simplicity in finance. They shape [corporate responsibility](#) within SNS REAAL, motivated by our core value CARE!. Therefore, we believe it is very important that our employees are professional, dedicated and motivated. SNS REAAL expects their employees to demonstrate responsible employeeship. We demand from them personal leadership and expect our employees to assume individual responsibility for the planning and execution of their work and management of their own career.

Employees can expect SNS REAAL to be a responsible employer. In SNS REAAL's vision, this first and foremost means an inspirational management style driven by CARE!, stimulating and giving feedback to one another. In practically all our HR instruments we pay particular attention to CARE! behaviour, from acquisition and selection to management development. Thus, CARE! forms part of employees' performance appraisals.

CARE! is also incorporated in the many social initiatives in which SNS REAAL employees participated in 2011. For instance, the Money Smart Week for children. 500 SNS REAAL employees taught children about money matters in their schools. Or charity events in which employees from both [SNS Bank](#) and [ASN Bank](#) participated. Or volunteer work by employees from [REAAL](#) and [Zwitserleven](#).

Being a responsible employer also means an attractive package of employment conditions. Programmes directed at diversity and sustainable employability of employees are another requirement. We consider good training and development opportunities a necessity, as well as a good work-life balance. For the latter, the New World of Work is an important tool. Moderate remuneration for the Executive Board and senior management is also part of being a responsible employer.

The HR Department took initiatives to give meaning to responsible employment practices in the following areas.

18.2 Sustainable employability

18.2.1 From work to work

At SNS SME, Property Finance, REAAL, Zwitserleven and IT & Change considerable reorganisations took place in 2011. We offered employees who were looking for a new position support, after they lost their job because of a reorganisation. They were given intensive guidance and support by a mobility manager and a career advisor. The Social Plan's basic principle is 'from work to work', preferably within SNS REAAL or else outside the organisation. To encourage internal transfers, we organised career events. In 2011, 110 reassignment candidates entered the reassignment pool and 222 reassignment candidates left the pool. Well over half of the reassignment candidates found a new suitable position within the reassignment term.

Especially for reassignment candidates of 58 years and older, we set up a Pluspool, an internal employment agency for temporary work or projects. This way, we continue to utilise their know-how and experience.

18.2.2 In the interest of everyone

In an organisation such as SNS REAAL, which focuses on efficiency and customers, changes occur frequently. Sustainable employability is therefore important for everyone, not only for reassignment candidates. On the one hand, SNS REAAL wants to strengthen cooperation between her brands and on the other, it wants to give the brands a clearer brand identity. Thus, cross-brand career development is a great opportunity for both SNS REAAL and many of our employees. It improves the exchange of information and our people will get an opportunity to further develop themselves. HR has several instruments to increase employees' employability. The Performance and Competency Assessment, a performance management cycle, is directed at the employee's current performance as well as at his or her's employability and career opportunities in the future. If necessary, a Personal Development Plan can be drawn up, or (external) career counselling called in. Our training courses and Talent Development and Management Development programmes are part of this policy too.

In 2011, we introduced a tool for integral personnel planning. It enables managers to map out the impact of internal and external developments on the number of employees, both quantitatively and qualitatively. Through increased insight into the future need for personnel, managers will be able to plan the employability of their employees in a more timely and efficient way.

18.3 The New World of Work offers more flexibility and job satisfaction

The primary reason to switch to the New World of Work (NWW) is to achieve a higher level of employee satisfaction and higher productivity. The investments, in particular the office renovation project and the purchase of technical aids, will be recovered by operating more economically and more effectively. We will considerably save on office space costs and productivity is expected to increase. More than two years after the start, over 2,000 staff employees are now working according to the new concept. In 2012, the remaining employees at our head office in Utrecht will switch to the NWW. If everything goes according to plan, a new office building, especially fitted out for this new way of working, will be put into use in Alkmaar in 2013.

The annual employee satisfaction survey among SNS REAAL employees is an important instrument to get Group-wide insight into the general satisfaction and into issues that require adjustment or improvement. In 2011, employee satisfaction rose from 7.0 to 7.5 (on a 10 point scale). Employees were especially positive about:

- The New World of Work. Although this innovative concept of working has not yet been introduced throughout the organisation, employees consider it a significant advance, for example for a better work-life balance.
- The work environment within the company, which is viewed as informal.
- Improvements in the organisation's customer and result-driven approach.

Points of improvement are career opportunities and the work pressure, which is high in many parts of the organisation. Collaboration between the various business units is another improvement point according to the employees. The response rate to the survey was very high, 85%, an indication of the overall level of commitment towards the organisation.

18.4 Education and training

18.4.1 CARE! for one another, learn from one another

We offer our people many opportunities to develop themselves professionally and personally, thus improving their performance and employability inside and outside the company. Through new working methods and through development, exchange and retention of know-how, we create surplus value for our customers. It also improves our competitiveness. HR supports employees with a variety of professional training courses, the Performance and Competency Appraisal cycle, generic training programmes, traineeships, Talent Development and Management Development programmes.

In 2011, SNS REAAL highlighted the opportunities for personal and career development even more than before. We held career events with resume checking services and vacancy overviews in various locations. Workshops were also held on subjects such as personal branding, social media and managing your own career. Furthermore, colleagues from different business units described and talked about their work. In addition, a community of internal coaches was set up, enabling employees to get acquainted with coaching in an accessible way.

The management style which employees encounter is important for the personal and professional development. How do you evaluate a customer interview? How do you give each other feedback after something has gone wrong? And how can you learn from your own mistakes and from those of others? A good manager does not hesitate to discuss a customer interview that did not go well with his staff; to learn from it for himself and the others. We call this CARE! for one another. And if we learn something from it, it means that we also CARE! for the customer and CARE! for the result.

18.4.2 Internships and traineeships

To attract talent, SNS REAAL organises workshops and guest lectures in SNS REAAL locations and at both colleges of higher education and universities. In collaboration with the latter two, we use SNS REAAL ambassadors for campus recruitment. These colleagues share their expertise and experience with enthusiasm to students. An internship remains a good way for students to truly experience working at SNS REAAL. We have many trainees working on all kinds of projects in our organisation. In 2011, we organised an event especially for trainees, with workshops and interviews with Dick Okhuijsen, member of the Executive Board, and professionals who recently started to work for SNS REAAL.

SNS REAAL can offer new talent a management traineeship or a financial traineeship. For the management traineeship we recruit graduates who have the capabilities to grow into a key position at SNS REAAL at the minimum. The management traineeship is a three-year development scheme. The trainee swaps jobs at least three times between the business units. After that, he or she can make a well-balanced decision about which job suits best. Financial trainees follow a two-year training programme to become a financial specialist. During this programme, they get acquainted with the work in the various financial departments of SNS REAAL. In 2011, seven new management trainees and four financial trainees started their traineeship at SNS REAAL.

18.4.3 Talent Development

SNS REAAL has a Talent Development programme for talented employees. It is intended for managers and specialists that perform very well and have growth potential. Including the 48 employees that started this programme in 2011, the talent pool now has more than 400 employees. The outflow rate of these employees is below average and they transfer to other positions more frequently. This helps us achieve important goals: developing, binding and retaining talented employees.

18.4.4 Management Development

The Management Development programme focuses on senior level employees. The aim is to help them move up to the most senior management levels. An important target group are the MD potentials: managers and specialists with the potential to grow to the level of director. This MD programme has been developed especially for this group in collaboration with Nyenrode Business University. The eighteen participants carried out special projects for which a member of the Management Committee was the principal and/or sponsor. As part of continuing education, we organised two leadership symposia for the Top 100. In addition we organised sessions on our core values for the Top 35. In 2011, we extensively dwelled on the succession planning for the Top 35 positions.

18.5 Feeling good

SNS REAAL greatly values prevention and restricting of absenteeism. Our health policy consists of a prevention policy, an absenteeism policy and follow-up care. SNS REAAL makes use of external professional services, such as a health and safety service company, for an effective absenteeism policy and high-quality follow-up care. SNS REAAL continued a health campaign started in 2010. It primarily focuses on prevention: getting more exercise, not smoking, moderating alcohol consumption, healthier eating and finding sufficient time to relax. SNS REAAL also encouraged company fitness, health food in the company restaurant and cycling to work.

18.6 Moderate remuneration Executive Board and senior management

The sustainable remuneration policy for the Executive Board and senior management, started in 2010, was adapted to the new European legislation in 2011. The new remuneration policy entered into force with retroactive effect from 1 January 2011, entails adjustments in the variable remuneration:

- The variable Remuneration is made up of a direct component and a deferred component.
- The variable part of the remuneration will be paid half in cash and half in shares. Formerly, 100% was paid in cash.
- 60% of the variable remuneration will be paid after one year, of which half in cash and half in shares. The latter stay in retention for three years in case of the Executive Board, and one year in case of senior management. Formerly, 33% was paid after one year.
- The deferred and conditional component is 40% of the total variable remuneration. Upon unconditionally granting, half of the amount in question will be paid in cash, three years after the period to which the awarded variable remuneration relates to has lapsed. The other half will be distributed in SNS REAAL shares, five years after the period to which the awarded variable remuneration relates to has lapsed in case of the Executive Board, and four years in case of senior management.

The Executive Board and senior management did not receive variable remuneration over 2011. Irrespective of SNS REAAL's level of profit, they will not be awarded variable remuneration until the capital support has been fully repaid to the Dutch State.

More information on the remuneration of the Executive Board, senior management and the Supervisory Board can be found in the [Remuneration report](#).

18.7 Room for Wajong youngsters

We want our organisation to reflect the pluralism of our society. This means that we want to hire more people with a handicap. It is in line with our core value CARE! to hire more Wajonger youngsters. Wajong stands for the Invalidity Insurance Act for Young Disabled Persons and its objective is to support disabled persons in finding and retaining paid work. Wajong youngsters are usually very motivated to work. Our company can get something out of these youngsters. We do not create jobs especially for them, but we look for the right candidate for the available vacancies and for specific coaching of the candidate as well as the manager and the colleagues.

With regard to the gender ratio too, SNS REAAL aims at diversity. We want to encourage more women to move into top-level management positions. For instance by informing relevant bodies such as management teams of the percentage of women per management level and the gender ratio. We make sure that this topic is regularly on the agenda and that its progress is discussed. The percentage of women at SNS REAAL was 42%, the same as last year. The percentage of women in management positions rose.

18.8 Employment conditions

18.8.1 Present Collective Labour Agreement and Social Plan

The present Collective Labour Agreement (CAO) will continue to be in force until 31 May 2012. With effect from 1 January 2011, the salaries were increased by 1% and on 1 January 2012 there will be another increase of 1%. In the CAO agreements were made on job security and [sustainable employability](#). The Social Plan will continue to be in force until 31 December 2012 and is aimed primarily at keeping older employees at work.

18.8.2 Retrenchment key theme in new CAO

Customers are increasingly demanding cheap and simple products. Price competition in the financial services industry will continue to increase and the yields are structurally lower. In the course of 2011 the Executive Board announced that the cost must go down further. For a sustainable revenue model for the future we also can not escape the retrenchment of employee conditions.

In practice this means that a moderate performance bonus is paid in relation to 2011. In 2012 and 2013 probably no performance bonuses will be paid as long as the capital support of the Dutch state has not been repaid in full and market conditions improve significantly. The Central Workers Council (CWC) is deeply involved in this decision. The top 100 of SNS REAAL receives in any case no variable remuneration as long as the capital support of the Dutch state is not repaid in full. In 2011, it was already decided, in consultation with the CWC, that profit sharing is not distributed as long as the capital support has not fully been repaid by SNS REAAL, irrespective of whether the company is making a profit or not. In the upcoming collective bargaining discussions retrenchment, including salary reduction, will be an important starting point of us.

18.8.3 Simplification and flexibilisation

In 2011, SNS REAAL simplified its extensive package of employment conditions to help employees get better insight into all the possibilities. It is now easier to attune their employment conditions to their personal situation.

The new Employment Conditions Knowledge Base is easy to use and has four themes: my work, my time, my money and my career. With a simple search engine, employees will find answers to questions on employment conditions. Moreover, there are links to forms, related subjects, corporate schemes and relevant external sites. In 2011, we organised meetings on the simplification and flexibilisation of our employment conditions. The vast majority of those present welcomed the changes. More than half of them actually expected they would deal with the employment conditions more flexibly. Consequently, we will draw up an implementation proposal to discuss with the trade unions in 2012.

18.9 SNS REAAL Pension Fund

Per 1 January 2011, the SNS REAAL Pension Fund granted an indexation of 0.25%. As a result, the commenced pension payments and accrued pension entitlements rose by 0.25%. Inflation was thus partly mitigated.

In the course of 2011, the cover ratio of the pension fund dipped under the required cover ratio level. In the fourth quarter of 2011, the (nominal) cover ratio of the SNS REAAL Pension Fund rose from 109.7% to 115.1%(preliminary figure), with a required cover ratio of around 112%. At the end of 2011 there was no shortfall. The pension fund has sufficient means to pay the pensions, also for the longer term. There is, however, insufficient buffer available to cope well with (further) setbacks. Therefore, no indexation was granted per 1 January 2012.

18.10 Employer surveys

We believe we do our utmost to be a good employer. Naturally, we also want to know if others think the same way. In the Top Employers Survey 2011 conducted by Intermediair, the career platform for highly educated employees in the Netherlands, SNS REAAL finished ninth, compared to 16th place in 2010. In 2011, SNS REAAL entered the top 10 of Incompany 500's corporate image survey into good employers. This meant a sharp increase, while other financial institutions dropped down the list.

According to the Best Employer Survey by Effectory, a market research specialist, ASN Bank turns out to be the second best employer in the category of companies with less than one thousand employees. Employees are mainly inspired by the sustainable mission of the bank.

18.11 Employee participation

An important topic about which SNS REAAL's Executive Board and the Central Works Council (CWC) entered into discussion in 2011 was the retrenchment of the employment conditions. One of the issues discussed was the profit sharing scheme. Besides employee conditions, they also talked about several requests for advisory opinions on the organisational changes. Together with the decentralised works councils, the CWC kept looking for socially justified solutions for employees faced with an organisational change. To enable all employees to join the discussion on SNS REAAL's future, we organised debates on our future throughout the country.

18.12 Number of employees (FTEs) drops to 6,926 (-2.6%)

Table 28: Key figures employees

	2011	2010	2009	2008
Average number (FTEs)	7,002	7,301	7,530	7,287
Number of FTEs at year-end	6,928	7,113	7,520	7,535
Male/female ratio	58% / 42%	58% / 42%	58% / 42%	58% / 42%
Full-time/part-time ratio	71% / 29%	72% / 28%	70% / 30%	68% / 32%
Training costs (in € per FTE)	1,554	1,393	1,559	2,086
Absenteeism	4.4%	4.3%	4.2%	4.4%
Inflow	7.4%	6.8%	10.6%	15.3%
Outflow	8.8%	11.1%	11.1%	13.9%

In 2011, the outflow of personnel remained below the level of 2010. The size of the work force nevertheless decreased because the outflow of employees was higher than the inflow of new employees. About half of the outflow was the result of reorganisations, which took place throughout almost the entire organisation.

GRI

The GRI table reflects the questions and answers in accordance with the GRI Sustainability Reporting Guidelines.

Together with chapters 5, 7 and 8 of the Annual Report 2011, the GRI table reflects our approach on corporate responsibility. If you download the integrated annual report in PDF, you will find both parts.

1 Strategy and Analysis

1.1 Statement from the most senior decisionmaker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.

See [foreword Annual Report](#).

Full answer.

1.2 Description of key impacts, risks, and opportunities.

SNS REAAL's Annual Report includes a [SWOT analysis, strategic challenges and objectives](#), its corporate [responsibility strategy and performance](#) in the year under review and a report on [the progress of the strategy](#) and previously set goals and ambitions for the Annual Report.

Full answer.

2 Organisational Profile

2.1 Name of the organisation

SNS REAAL NV

Full answer.

2.2 Primary brands, products, and/or services.

SNS REAAL offers products and services in the field of mortgages and property finance, savings and investments, and insurance and pensions. The company's main brands are: SNS Bank, ASN Bank, RegioBank, BLG, REAAL and Zwitserleven. A very small part of the activities is outsourced, in particular the processing procedures of securities in which customers invest.

Full answer.

2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.

SNS REAAL consists of the following business units: [SNS Bank](#), [Property Finance](#), [REAAL](#), [Zwitserleven](#), and [Group activities](#). The Management Committee (MC) of SNS REAAL has a guiding role in encouraging collaboration and result-oriented management. The MC is comprised of the Executive Board, chairmen of the management teams of SNS Bank, REAAL, Zwitserleven and Property Finance, the Chief Information Officer and the HR Director. The Group staff departments, including IT and Change, support the Group as well as the business units. The business units focus on marketing, sales and distribution. The production, pricing and mid-office activities are organised per product group and are managed by the most relevant business unit.

Full answer.

2.4 Location of organisation's headquarters.

Utrecht, the Netherlands.

Full answer.

2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

SNS REAAL's focus is now mainly – and in the future solely so – on the Dutch market. [Property Finance](#) has outstanding loans outside the Netherlands. At the end of 2011, the outstanding loans abroad represented 3,6% (4,7% 2010) of SNS REAAL's total loan portfolio and will be phased out in the next few years.

Full answer.

2.6 Nature of ownership and legal form.

At year-end 2011, the Foundation held 50.00001% of the ordinary shares of SNS REAAL. As far as we know, besides the Foundation, only the following shareholder, in accordance with the Dutch Financial Supervision Act (Wft), reported a (potential) interest of 5% or more as per 31 December 2011: Massachusetts Financial Services Company an interest of 3.15% and a 5.07% voting right (including voting rights based on proxies) as at 30 November 2010.

Full answer.

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

SNS REAAL's focus is now mainly – and in the future solely so – on the Dutch market. SNS REAAL's customers are mainly private individuals and small and medium-sized enterprises. For pension products, SNS REAAL focuses in part also on larger companies.

Full answer.

2.8 Scale of the reporting organisation.

The number of employees at year-end 2011 was 7,422 (6,928 FTE). For more details, refer to the [key figures](#) presented in the Annual Report.

Full answer.

2.9 Significant changes during the reporting period regarding size, structure, or ownership.

The number of employees declined by 70 (1% in number of employees, 3% in FTEs) compared to 2010, mainly as a result of organisational change in order to slim down and a more customer-oriented approach. Full answer.

2.10 Awards received in the reporting period.

Awards (received in the Netherlands):

- ASN winner most customer-oriented bank and winner of Independer's customer satisfaction survey
- ASN Bank proclaimed most customer-oriented bank company according to Marketresponse (research consultancy)
- ASN Environment & Water Fund wins FD (Dutch national financial newspaper) / Morningstar Award
- REAAL was awarded the Customer-oriented Insurance Quality Mark
- Eurosif Transparency Quality Mark for Zwitserleven
- SNS REAAL in Top 10 Incompany 500 corporate image survey among employers
- Maarten Edixhoven nominated as 'Young Captain of Industry 2011'
- Zwitserleven won a Golden Shield Award (service award of the year for financials) in the category of Corporate Social Responsibility
- BLG nominated for the best mortgage product of the year for the 'Bespreekdesk' (a team of experienced acceptors that discuss complex requests)
- ASN Bank nominated for the Accenture Innovation Awards public award in the financial services sector
- SNS Bank winner of the Financial Marketing Award 2011
- REAAL Disability Insurance for entrepreneurs number 1 in MoneyView ProductManager

And also:

- High score Asset Management on UN PRI list
- ASN, RegioBank and SNS Bank score well on the Fair Bank Guide (*Eerlijke Bankwijzer*)
- REAAL and Zwitserleven top of the VBDO (Dutch Association of Investors for Sustainable Development) list of sustainable insurance companies
- The Dutch Consumers' Association selected two annual multi-trip insurance policies of Zelf.nl as 'Best Buy' in the February 2011 Consumers' Guide
- RegioBank's custom savings account is selected 'best product' in the Consumers' Association's savings account test
- The annuity accounts of REAAL Banking Services, SNS Bank and RegioBank attained the highest ranking in MoneyView survey (survey consultancy)
- BLG Mortgages offers an interest-only mortgage about which the Consumers' Association's Money guide (February/March edition) is very enthusiastic
- Volkert de Klerk, SNS Investment Funds Director, wins the prestigious Lipper Award
- SNS REAAL together with Oracle and Vodafone, reaches the final three companies competing for the Winning Workplace Award
- First place for Zwitserleven in IG&H's Interim Performance Survey Pensions

- ASN Sustainable Equity Fund product of the year according to national newspaper *De Telegraaf/Over geld (special on money)*
- Zwitserleven regains number one position as best insurer of collective life insurance contracts according to Adfiz (Advisors in Financial Security)
- MoneyView awards RegioBank and REAAL with 5 stars

Full answer.

3 Report Parameters

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.

1 January 2011 up to and including 31 December 2011.

Full answer.

3.2 Date of most recent previous report (if any).

Annual report 2010: 9 March 2011. Corporate Responsibility report 2010: 9 March 2011.

Full answer.

3.3 Reporting cycle (annual, biennial, etc.)

Annually.

Full answer.

3.4 Contact point for questions regarding the report or its contents.

Verantwoord.ondernemen@snsreaal.nl

Full answer.

3.5 Process for defining report content.

The mission of SNS REAAL is Simplicity in finance. In chapter 5.3 (link naar 5.3 EN) we show how we realise our mission through our strategy. The core of Corporate Responsibility is to aid our customers in enhancing their ability to manage their financial affairs. Openness, simplicity and solidarity are the basic principles in this to ensure we gain and keep the trust of our customers. That is why we have our core value CARE! We set our priorities in Corporate Responsibility by taking into account:

- The material impact of our activities on Simplicity in finance and aiding our customers in enhancing their ability to manage their financial affairs, and the consequences for the internal organisation of SNS REAAL.
- The opinion of our stakeholders. Together they make up the customers of SNS REAAL and show us in what respect we can win, help and keep customers.
- The long term interest of Corporate Responsibility for maintaining an independent, solid capital position.

The considerations for Corporate Responsibility, combined with our stakeholder dialogues (link naar 4.14 EN), lead to the identification of the following important topics (see chapter 6 of the annual report for more details in our SWOT analysis):

- Maintain a strong capital policy (chapter 7.1, 7.2 of the annual report and financial statements)
- Responsible service provision (chapter 7.3 and 8.4 of the annual report)
- Responsible organisation (chapter 8.4 of the annual report)
- Sustainable supply chain and the environment (chapter 8.4 of the annual report and chapter 5 of the GRI section)

Addressing these important topics successfully will depend on our personal leadership.

Full answer.

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).

The quantitative and qualitative data provided apply to SNS REAAL as a whole, except when it is specifically indicated that data applies to on specific business unit or part of the organisation only.

Full answer.

3.7 State any specific limitations on the scope or boundary of the report.

SNS REAAL reports on the organisation as a whole, excluding the limitations stated in 3.6.

Full answer.

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.

SNS REAAL reports on the organisation as a whole. [The Corporate Responsibility Report](#) is incorporated in the regular Annual Report. In addition to this, ASN Bank publishes its own Sustainability Report. Also refer to www.asnbank.nl.

Full answer.

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.

SNS REAAL reports in line with the GRI G3.1 guidelines, level C+.

Full answer.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).

In 2011, SNS REAAL sharpened and restated its [corporate responsibility strategy](#). This did not lead to a reformulation of the factual material or change to the comparison base compared to the previous year under review.

Full answer.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

From 2011, the Corporate Responsibility Report is incorporated in SNS REAAL's regular Annual Report. Hence, there is now only one publication date for the report on all SNS REAAL's activities, including corporate responsibility.

Full answer.

3.12 Table identifying the location of the Standard Disclosures in the report.

The full content index can be found in the PDF file after the front cover. On this website the content index can be found at the beginning of the GRI table.

Full answer.

3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).

Group Audit (GA) itself does not provide an assurance statement for (parts of) the Corporate Responsibility Report, but does conduct an audit. For 2011 KPMG provided an assurance statement for the corporate responsibility part of the Annual Report (chapters 5, 7 and 8) and for this GRI table. KPMG also provides an assurance statement for ASN Bank's Sustainability Report.

Full answer.

4 Governance, Commitments, and Engagement

4.1 Overview governance structure

Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

The Executive Board is responsible for the company strategy of SNS REAAL, including corporate responsibility (CR). The Management Committee encourages an efficient and effective execution of the strategy, including CR, and the management teams of the business units translate the company strategy, including CR, to the operational activities. See chapter 20 [Corporate Governance](#).

Full answer.

4.2 Executive or non-executive role of the Chairman

Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).

The Chairman of the Executive Board is also [an executive officer](#).

Full answer.

4.3 Executive/independent or non-executive/non-independent role of the members

For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.

Not applicable. SNS REAAL does not have a unitary board structure.

Not answered.

4.4 Recommendation and participation mechanisms

Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Shareholders that meet certain requirements may request the Executive Board and Supervisory Board to convene a (extraordinary) General Meeting of Shareholders (GMS) or request a certain item to be placed on the agenda of a GMS. Refer to [Corporate Governance](#) for the applicable conditions. Employee participation is exercised through a works council selected by employees. This works council functions under the laws of the Netherlands.

Full answer.

4.5 Link between compensation and performance

Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).

The performance indicators of the remuneration policy are derived from the long-term objectives of SNS REAAL. These indicators contribute to the realisation of SNS REAAL's strategy, including CR. For the full text of the remuneration policy of these members, refer to the [Remuneration Report](#) and refer to the chapter on [Our people](#) for an explanation.

Full answer.

4.6 Conflict of interest prevention

Processes in place for the highest governance body to ensure conflicts of interest are avoided.

To fulfil its functions, the Executive Board is bound by rules which are laid down in regulations. You will find the regulations on www.snsreaal.nl

Full answer.

4.7 Process of expertise and qualifications determination to manage strategy

Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.

The members of the Executive Board of SNS REAAL follow [continuing education](#) under the guidelines of the Banking Code and the Insurance Code. The CVs of the members of the Executive Board give insight into their expertise. Refer to

4.8 Statements of mission or principles, codes of conduct and principles and their relevance

Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

In its Annual Report, SNS REAAL describes its [mission, core value and strategy](#) and its criteria for corporate responsibility organisation, i.e. being a good employer, being a good employee, [sustainable chain](#) and environment. SNS REAAL specifies in its report that it has a policies in place in all these areas and indicates, distinguished on type of activities where required, which standards and criteria were met in the year under review. For more extensive information on the core value CARE! also refer to the chapter [Developments in CR](#).

Full answer.

4.9 Inventory procedures and performance and risk management

Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

The Executive Board has delegated the operational management and direction of CR to the Director of CR. The Director of CR, supported by the CR Department, collaborates with the business unit directors and Group staff departments in a matrix organisation. He also keeps a close watch on the compliance with international standards, codes of conduct and principles. Risk Management, including economic, environmental and social risks, is laid down in our [risk governance](#).

Full answer.

4.10 Evaluation processes own performance

Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

The Supervisory Board has formal processes for the evaluation and assessment of the members of the Executive Board. These are laid down in the [Regulations of the Supervisory Board](#). These assessments are summarised in the [Report of the Supervisory Board](#) in the Annual Report. The results of these assessments can also, in part, be found in the [Remuneration Report](#).

Full answer.

4.11 Explanation precautionary principle application

Explanation of whether and how the precautionary approach or principle is addressed by the organisation.

The precautionary principle is constantly addressed by a bancassurer. Countless pros and cons are considered every day, for example when accepting new customers, extending loans, investing in projects and companies and developing (the framework) for new products. SNS REAAL applies the precautionary principle. In accordance with policy, this is laid down in:

- Our framework of standards and a Product Approval Process for [new products](#).
- [A Customer Acceptance Policy](#) .
- The credit policy of [SNS Bank](#) and [ASN Bank](#).
- [An investment policy](#) .

Full answer.

4.12 Endorsed external charters and other initiatives

Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.

Charters and principles endorsed by SNS REAAL:

- OESO guidelines for multinational corporations
- UN Global Compact Principles
- Global Reporting Initiative guidelines for sustainability reporting
- ILO Treaty
- Universal Declaration of Human Rights

Charters and principles endorsed by the business units:

- UN Principles for Responsible Investment (SNS Asset Management and ASN Bank)
- Carbon Disclosure Project (SNS Asset Management and ASN Bank)
- Copenhagen Communique (ASN Bank and SNS Asset Management)
- Access to Medicine Agreement (SNS Asset Management)
- Equator Principles (ASN Bank)
- EuroSIF transparency guidelines (ASN Bank; Zwitserleven; SNS Beleggingsfondsen with respect to the sustainable funds)
- PRI Collaborative Engagement Initiative (SNS Asset Management)
- Investor Statement on a Global Agreement on Climate Change (ASN Bank)
- Fair Green Deal (ASN Bank)
- Climate statement Banks (SNS Bank, ASN Bank and RegioBank)
- Biodiversity Coalition (ASN Bank)
- UN Environment Programme Finance Initiative (ASN Bank)
- Global Impact Investing Network (SNS Asset Management)

SNS Asset Management, ASN Bank and ASN Beleggingsfondsen have their own sustainability criteria fully comprising the UN Principles for Responsible Investment. ASN Bank is labouring for [responsible investment](#) in general by means of collaboration and stakeholder engagement.

Full answer.

4.13 Memberships and roles in various associations and organisations

Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation:

- Has positions in governance bodies.
- Participates in projects or committees.
- Provides substantive funding beyond routine membership dues.
- Views membership as strategic.

In addition to 4.12:

- Dutch Association of Insurers (REAAL, Proteq)
- Dutch Bankers' Association (SNS Bank)
- Holland Financial Centre (SNS REAAL)
- European Savings Banks Group (SNS Bank, associate member)
- World Savings Banks Institute (SNS Bank, associate member)
- Independent foundation co-founded by SNS REAAL '[Stay On Top of Your Spending](#)'
- VBDO (ASN Bank and SNS Asset Management)
- Solidaridad (ASN Bank)
- Oxfam (ASN Bank)
- Novib Warchild (ASN Bank)
- FNV (ASN Bank)
- *De Groene Zaak*, a platform of sustainable business trendsetters (ASN Bank)
- Duurzame waardekaart (ASN Bank), discount card for consumers on sustainable
- 10:10 (ASN Bank)

Full answer.

4.14 Stakeholders engaged

List of stakeholder groups engaged by the organisation.

SNS REAAL regularly engages with its [stakeholders](#). This engagement is exceptionally important to us and our approach to corporate responsibility.

The table below gives an overview of the various groups of stakeholders with whom we engage, the main issues we discuss and the results per stakeholder group.

Our stakeholder engagement in 2011 SNS REAAL

Stakeholder group	Type of contact	Key topics	Results and responses
Shareholders	General Meeting of Shareholders	Responsible remuneration policy, Responsible credit policy and Integrated Annual Report (including CR)	Part of the (implementation of) CR policy SNS REAAL
Investors	Investor Day, for financial analysts and financial journalists, Roadshows twice a year, presentation for and dialogue with large investors	Annual Report, Interim report, Strategic update and Market outlook	General policy of SNS REAAL
Employees	Debating sessions and Customer satisfaction surveys	SNS REAAL's future, Flexibilisation terms of employment and Working conditions	Input for SNS REAAL policy and Improvement measures management
Central Works Council and Business Unit Works Councils	Planned meetings	Employees' interests and compliance legislation	Input for SNS REAAL policy
CR Advisory Boards	Scheduled meeting twice a year	SNS REAAL's course on CR	Approval and advice on progress professionalisation of CR
Rating Agencies: Fitch, Standard & Poor's and Moody's	Roadshows and Annual contact	Annual Report and Interim report	Credit ratings
Dutch Authority Financial Markets	Dialogue, scheduled meeting	More focus on customers' interests in customer services and business operations, Remuneration policy	Improve (transparency of) services and products and corporate culture programme of CARE!. Amendments to remuneration policy and governance structure
Dutch Central Bank (DNB)	Dialogue, scheduled meeting	Solvability and risk management	Improvements in financial stability
Fair Banking Guide	Dialogue	Sustainable investment and financing	Part of the (implementation of) CR policy of SNS REAAL
Partners in 'Stay on Top of Your Spending' Foundation	'Stay on Top of Your Spending' congress	Responsible use of money by Lower Secondary Professional Education students	Various business projects

Our stakeholder engagement in 2011 SNS Asset Management

Stakeholder group	Type of contact	Key topics	Results and responses
Dutch Association of Investors for Sustainable Development (VBDO)	Dialogue, Seminars	Sustainable investment policy, Impact investing	Sustainable investment policy and development Impact investing

Our stakeholder engagement in 2011 SNS Bank (including BLG and RegioBank)

Stakeholder group	Type of contact	Key topics	Results and responses
Customers	SNS Bank Customer Council	Customer service SNS Bank, Policy SNS Bank, New and existing service SNS Bank, What are the latest issues and trends in the financial industry?, Corporate Social Responsibility	Each meeting, SNS Bank's MT members give an update on what action they have taken on the advice given in previous meetings
Customers	SNS Bank community (continuous dialogue)	SNS Shop, Web security, Taking out simple products, Interest-bearing current account	Improvements to customer service
Press / House of Commons / Consultants	Dialogue	Improvement SNS Bank concept	Improvements to customer service
NGOs: Fair Banking Guide. Oxfam Novib. Environmental protection. FNV (Dutch Trade Union) International	Meeting at the initiative of SNS Bank	Exchange of knowledge objectives and activities	Insight into the objectives and activities of SNS Bank and the Fair Banking Guide in 2011
Primary school pupils	Guest presentations by colleagues in the Money Smart Week	Guest presentations on money	(Financial) knowledge primary school pupils

Our stakeholder engagement in 2011 ASN

Stakeholder group	Type of contact	Key topics	Results and responses
Advisory Board ASN Bank	Request advice	ASN Bank policy on sustainability and service	Policy on sustainability and service
Fair Banking Guide	Dialogue	Sustainable banking policy	Part of (implementation of) ASN Bank's CR policy
Sustainable partners in ASN projects	Active support	Projects supported by ASN Bank	Part of (implementation of) ASN Bank's CR policy
Customers	Dialogue	Gauge views on sustainability, in particular on four themes	Part of (implementation of) ASN Bank's CR policy
Employees	Dialogue	Theme days on Sustainability, Internal news items on sustainability	Part of (implementation of) ASN Bank's CR policy
Consumers in the Netherlands	Dialogue	Policy on human rights, Sustainable Investment Week; Discussion via LinkedIn	Part of (implementation of) ASN Bank's CR policy
Debtors (businesses. Institutions. projects)	Dialogue, voting in General Meetings of Shareholders	Corporate Sustainability	Part of (implementation of) ASN Bank's CR policy

Our stakeholder engagement in 2011 REAAL

Stakeholder group	Type of contact	Key topics	Results and responses
Employees	Dialogue sessions	Management-employee communication	Follow-up given to specific questions on the part of employees
Consumers in the Netherlands	Interviews	Customer service optimisation	Points of improvement for customer service, such as clarity on coverage, response times and provision of information
Customers	Online questionnaire	Customer service optimisation	Inform customers more frequently, better and more clearly, More pro-active customer contact on f.i. unit-linked policies, Status requests and applications, Products, Value statements
Distribution partners	Telephone surveys and interviews	Measure satisfaction level with insurance companies' performance	Recommendations on f.i. the product range, Primary process and service level

Our stakeholder engagement in 2011 Zwitserleven

Stakeholder group	Type of contact	Key topics	Results and responses
Customers' employees	Online questionnaire	Customer service optimisation	Quality of the provision of information (clarity, better communication and more information, more frequent contact), Lower costs, higher yield
Customers (employers)	Combination of quantitative and qualitative survey	Customer service optimisation	Improvement of collaboration, contact and relationship management, Faster and/or improved administration, Proposals for improved communication by Management
MKB REAAL Traditional employers (former REAAL customers) whom we have been in touch with over the past year	Quantitative survey	Customer service optimisation	Organisation of payments (financial flows), Faultless policies and changes, Observe agreements
Zwitserleven intermediaries (Top 500)	Combination of qualitative and quantitative survey	Customer service optimisation	Intermediaries' evaluation of Zwitserleven: Zwitserleven remains the absolute leader in the pensions market due to a strong basic customer service
			Zwitserleven has increased distinctiveness through adjustments in product offering, integration with REAAL could present some challenges for the future
Employers (corporations and SME)	Group discussion	Putting customers' interests first	Map employers' long-term requirements, wishes and expectations to determine the Zwitserleven's focus on customer services and product development

Full answer.

4.15 Basis of stakeholder engagement

Basis for identification and selection of stakeholders with whom to engage.

SNS REAAL is aware of the multitude of social and corporate interests represented by the various stakeholders. First of all, we, naturally, engage with stakeholders in our financial industries domain. Being a bancassurer, we are very much part of society and, consequently, in frequent contact with the most important representatives from society and business partners from chains we are part of. For a detailed overview, refer to [the table in 4.14](#).

Full answer.

4.16 Type and frequency of stakeholder engagement

Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

Refer to [the table in 4.14](#).

Full answer.

4.17 Key issues raised and corresponding responses

Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.

Refer to [the table in 4.14](#).

Full answer.

5 Economic Performance Indicators

5.1 Economic Performance

EC1

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Refer to [key figures](#) in the Annual Report.

Full answer.

EC2

Financial implications and other risks and opportunities for the organisation's activities due to climate change.

Climate change is an issue that affects our society. SNS REAAL shares these concerns. We are working on measures to control and minimise our energy consumption and CO₂ emissions (lease policy). It is also part of our investment policy which is centered around sustainability.

Full answer.

EC3

Coverage of the organisation's defined benefit plan obligations.

Refer to explanation of the organisation's insurance ([pension](#)) [benefit plan](#) in the Annual Report.

Full answer.

EC4

Significant financial assistance received from government.

In our Annual Report, we elaborate on the status of the capital [support from the Dutch State](#) received in 2008.

Full answer.

5.2 Market Presence

EC6

Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

SNS REAAL, with the exception of Property Finance, operates exclusively on the Dutch market. If economic and sustainability criteria allow this, SNS REAAL procures locally. However, SNS REAAL does not have a formal local procurement policy.

Not answered.

EC7

Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

SNS REAAL is a financial services provider that exclusively operates in the Netherlands. This topic is therefore not applicable.

Not answered.

5.3 Indirect Economic Impacts

EC8

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.

SNS REAAL is a financial services provider that exclusively operates in the Netherlands. This topic is therefore not applicable.

Not answered.

6 Environmental Performance Indicators

Definitions

Scope of environmental data

Data concerning the environment refer to SNS REAAL in its entirety.

Office waste: The total quantity of collected waste in kilograms (generated within the office), subdivided into paper, cardboard, plastic, swill, small chemical waste and unseparated waste. Data concerning office waste are based on actual weighed quantities and on assumptions by the waste collector concerning the average weight of containers emptied.

Industrial waste: The total quantity of collected waste in kilograms, subdivided into office waste and waste generated on the business premises (wood, glass, white and brown goods, construction and demolition and other). Data concerning industrial waste are based on actual weighed quantities and on assumptions by the waste collector concerning the average weight of containers emptied.

Organic catering: Organic products are all products in company restaurants bearing an EKO certification.

Sustainable catering: Sustainable products are all products in company restaurants with one or more sustainability certifications expressed as a percentage of the volume purchased in that year. The sustainability certifications of products in company restaurants are: MSC, Fairtrade, organic/EKO, Rainforest Alliance, Utz Certified, *Beter Leven* (Dierenbescherming), *Vrije uitloop/ Scharrelkeurmerk/ Graskeurmerk, Ik kies bewust*.

Green electricity: Green electricity is overwhelmingly generated from natural and sustainable sources of energy such as water and wind and not from fossil fuels or nuclear power.

Paper use: The amount of paper, in kilograms, in the form of A4 paper, envelopes and printed materials (including bank statements and policies) bought in in the reporting year.

Emissions of greenhouse gases: CO₂ emissions due to energy used in buildings, both direct (CO₂ emissions from SNS REAAL offices) and indirect (CO₂ emissions by energy companies) and from travel by company car, commuting and business travel by private car and public transport and business flights.

Water consumption: The quantity of water in m³ consumed in the reporting year for sanitation, drinks machines, company restaurants, cleaning, fire extinguishers and air conditioning based on meter readings. All water is supplied by Dutch water companies.

Units applied: GJ (gigajoules), kg (kilogram), FTE (full-time equivalent, refer also to definitions P&O), litre, % (percent), m³ (cubic metre)

6.1 Materials

EN1

Materials used by weight or volume.

Paper use

Paper use by SNS REAAL is shown below. The Table shows overall paper use per FTE at SNS REAAL. Paper use per FTE increased by 6% in 2011, from 198 kg to 210 kg.

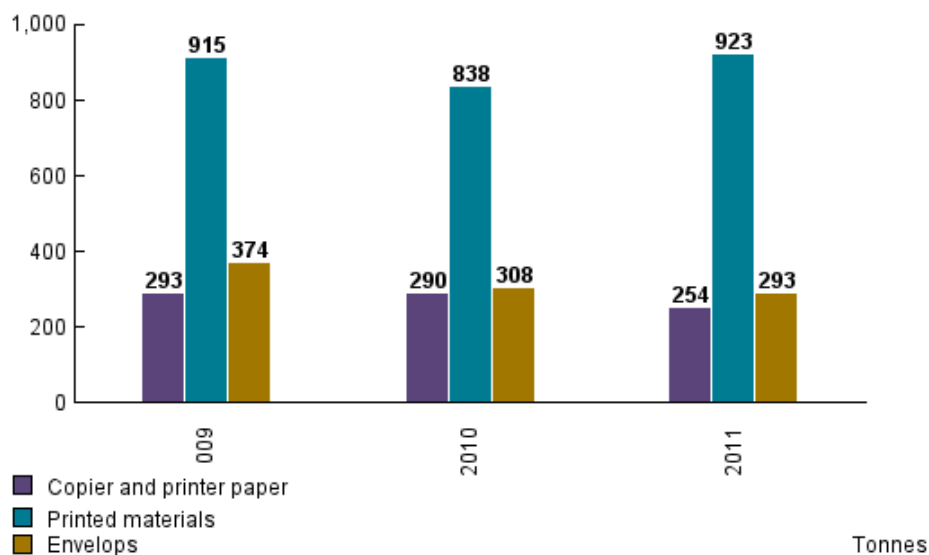
The increase in the quantity of paper used for printed materials is explained by a large commercial activity that included a one-off mailing to a significant proportion of the company's clientele. The reduction in use of A4 paper is a result of flex working (Het Nieuwe Werken) which relies as far as possible on electronic communication.

Total paper consumption

In kg per FTE

	2011	2010	2009
Total paper consumption in kg per FTE	210	198	210

Figure 1 Paper use by type



Organic catering

Turnover from organic catering increased by 5% in 2011 to account for 28% of catering turnover compared to 23% in 2010. As of April 2011 SNS REAAL has expanded its organic catering policy into sustainable catering. The 2011 annual report does not report on the results of the sustainable catering policy as this has not been in operation for a full reporting year.

Purchases in 2011 of Max Havelaar and EKO certified coffee and tea are not included in the percentage turnover from organic catering of 28%. In 2011 4,520 kg of fairtrade chocolate, 1,026 kg of fairtrade tea and 21,509 kg of fairtrade and organic coffee were purchased for drinks machines. These coffee purchases mean that SNS REAAL has contributed to an improvement in the livelihoods of 57* families of coffee farmers. *Source: Max Havelaar Foundation and our coffee supplier

Organic catering

In thousands

	2011	2010	2009
Total turnover catering	1,778	3,067	3,957
Turnover organic catering	498	695	1,059
Average percentage of organic catering	28%	23%	27%

Full answer.

EN2

Percentage of materials used that are recycled input materials.

SNS REAAL is a financial services provider. This topic is therefore not applicable.
Not answered.

6.2 Energy

EN3

Direct energy consumption by primary energy source.

For a business service provider such as SNS REAAL, a large proportion of the environmental impact arises from energy use. Energy consumption in SNS REAAL's office premises and for transport is shown below.

In 2011 energy use per FTE fell by 7% from 32 GJ to 30 GJ. This resulted from the implementation of energy management in the operation of air conditioning installations. The table shows a breakdown of total energy consumption according to energy source.

Energy consumption by source

In gigajoules

	2011	2010	2009
Conventional electricity	13,828	15,850	19,316
Green electricity	68,339	79,543	86,894
Gas consumption	10,810	45,192	40,959
Green gas	29,041	-	-
Company cars	76,783	80,652	74,766
Other	9,834	12,993	10,192
Total energy consumption in GJ per FTE	30	32	32

Full answer.

EN4

Indirect energy consumption by primary source.

Refer to EN3.
Full answer.

6.3 Water

EN8

Total water withdrawal by source.

Water consumption in m³ per FTE of SNS REAAL fell from 8.82 m³ to 7.83 m³.

Water consumption

	2011	2010	2009
Total water consumption in m3	54,798	64,148	64,503
Water consumption in m3 per FTE	7.8	8.8	8.6

Full answer.

6.4 Biodiversity

EN11

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

SNS REAAL is a business service provider and is not located in protected areas. This item is therefore not relevant.
Not answered.

EN12

Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

Refer to EN11. This item is not applicable.
Not answered.

6.5 Emissions, Effluents, and Waste

EN16

Total direct and indirect greenhouse gas emissions by weight.

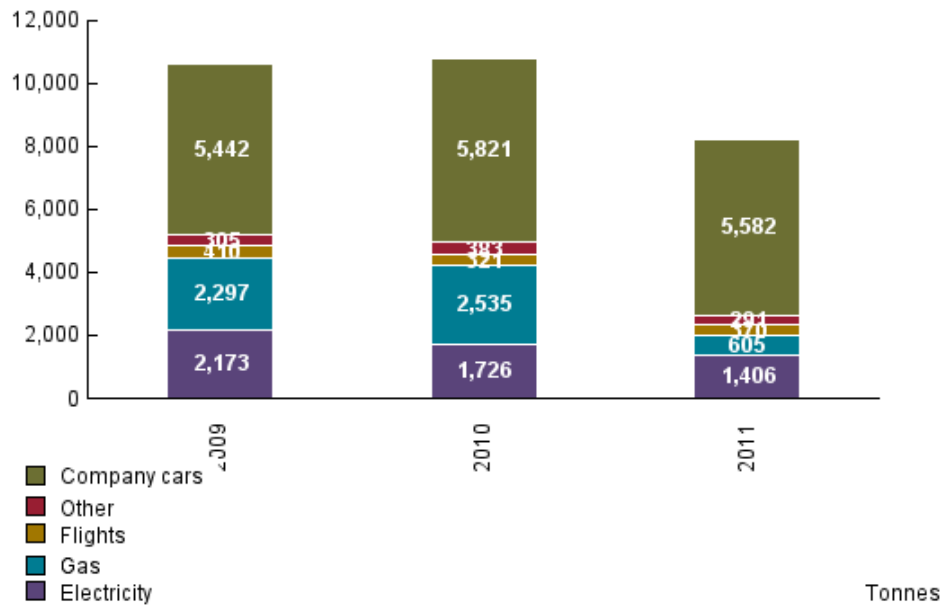
Green gas certificates have been purchased for the reporting years 2011, 2012 en 2013 covering all office premises owned by SNS REAAL, in order to reduce our CO₂ emissions. CO₂ emissions from office premises and for transport by SNS REAAL are shown in the following Figures. The table shows the total CO₂ emissions per FTE of SNS REAAL. This shows that in 2011 the emissions of CO₂ per FTE fell from 3,223 kg to 3,037 kg. This resulted from compensating for our CO₂ emissions from gas consumption through the purchase of green gas certificates.

In figure 2 total CO₂ emissions are broken down according to source. In 2011 8,254 tonnes of CO₂ were emitted. Company cars accounted for 67% of the total, 7% was due to gas consumption, 17% was from electricity use, 5% from flights and 4% from other fuels.

CO₂ emissions by source

<i>In CO₂ tonnes</i>	2011	2010	2009
Electricity	1,406	1,726	2,173
Gas	605	2,535	2,297
Flights	370	321	410
Other	291	383	305
Company cars	5,582	5,821	5,442
Total CO ₂ emissions in kg per FTE	3,037	3,313	2,789

Figure 2 CO2 emissions by source



Full answer.

EN17

Other relevant indirect greenhouse gas emissions by weight.

SNS REAAL is a business service provider which, with the exception of Property Finance, is solely located in the Netherlands and accounts for no (significant) emissions of other greenhouse gases. This item is therefore not relevant.
Not answered.

EN18

Initiatives to reduce greenhouse gas emissions and reductions achieved.

In 2011, SNS REAAL purchased green electricity and green gas certificates to compensate for its own carbon dioxide emissions from electricity and gas consumption. Additionally, energy-conservation measures contribute to a reduction in SNS REAAL's carbon dioxide emissions. SNS REAAL also took a variety of transportation measures aimed at reducing transportation carbon dioxide emissions.

Partially answered.

EN19

Emissions of ozone-depleting substances by weight.

SNS REAAL is a business service provider and accounts for no (significant) emissions of ozone-depleting substances.
Not answered.

EN20

NO, SO, and other significant air emissions by type and weight.

SNS REAAL is a business service provider and accounts for no other (significant) emissions of air pollutants.
Not answered.

EN21

Total water discharge by quality and destination.

Refer to EN8.
Full answer.

EN22

Total weight of waste by type and disposal method.

Within SNS REAAL, waste is generated in the form of paper and cardboard, hazardous waste (such as toner and other small chemical waste), biodegradable waste, plastic, unseparated waste and other industrial waste (such as catering waste, glass and wood). The table shows the quantities of paper and cardboard, plastic, small chemical waste, biodegradable waste, unseparated waste and industrial waste.

The table also shows the total amount of waste per FTE of SNS REAAL. In 2011 there was a slight reduction in the total amount of waste generated, from 183 kg/FTE to 182 kg/FTE. A new measuring methodology for waste data was introduced on 1 April 2010 and there was a changeover to paying for each kg of waste. As a consequence of the new methodology, waste data for 2009 are not directly comparable to those for 2010 and 2011.

The quantity of paper and cardboard waste fell from 750 tonnes in 2010 to 547 tonnes in 2011. Unseparated waste fell from 464 to 327 tonnes in 2011. Industrial waste increased markedly in 2011 as a result of a major renovation of one of SNS REAAL's buildings.

The recycling of waste increased from 67% to 74% instead of the 75% target. As a result the residual waste percentage decreased to 26% instead of the 25% target.

Waste by type

In thousands kg

	2011	2010	2009
Unseparated waste	327	464	667
Biodegradable waste	169	72	33
Small chemical waste	1	1	3
Industrial waste	191	39	72
Paper and cardboard waste	547	750	1,462
Plastic	40	7	1
Total waste in kg per FTE	182	183	297

Full answer.

EN23

Total number and volume of significant spills.

SNS REAAL is a business service provider and generates no (significant) spills.
Not answered.

6.6 Products and Services

EN26

Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

Refer to FS1-FS16 for SNS REAAL's initiatives to incorporate environmental considerations in products and services.
Full answer.

EN27

Percentage of products sold and their packaging materials that are reclaimed by category.

SNS REAAL is a business services provider and does not produce any (significant volumes of) packaging. SNS REAAL does therefore not report against this indicator. Not answered.

6.7 Compliance

EN28

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

In 2011 no fines or sanctions of significance were incurred in relation to non-compliance with environmental laws and regulations.
Full answer.

6.8 Transport

EN29

Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

Company cars

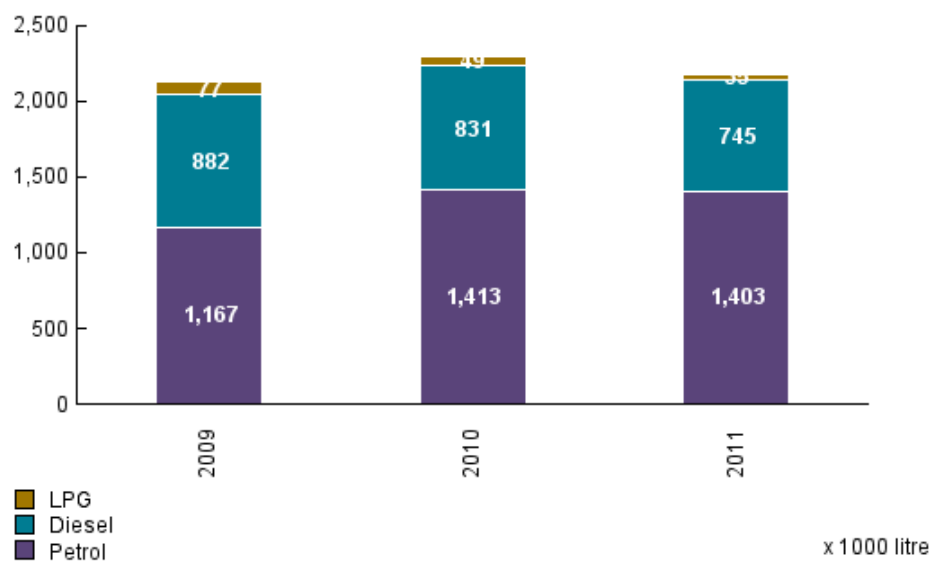
The number of litres of fuel consumed by company cars in 2011 fell by 1%, from 315 litres/FTE to 312 litres/FTE. Overall consumption of petrol in 2011 remained constant compared to 2010. Consumption of diesel fuel fell by 11% and consumption of LPG fell by 28%.

Fuel consumption by company cars by fuel type

In thousands litres

	2011	2010	2009
Petrol	1,403	1,413	1,167
Diesel	745	831	882
LPG	35	49	77
Litres of fuel per FTE	312	315	282

Figure 3 Fuel consumption by company cars



Flights

In 2011 the number of kilometres flown per FTE increased by 18%, from 380 km to 447 km. Essential business operations by a division of SNS REAAL led to more flights being undertaken within Europe in 2011 compared to 2010,

Total kilometres flown

In kilometres per FTE

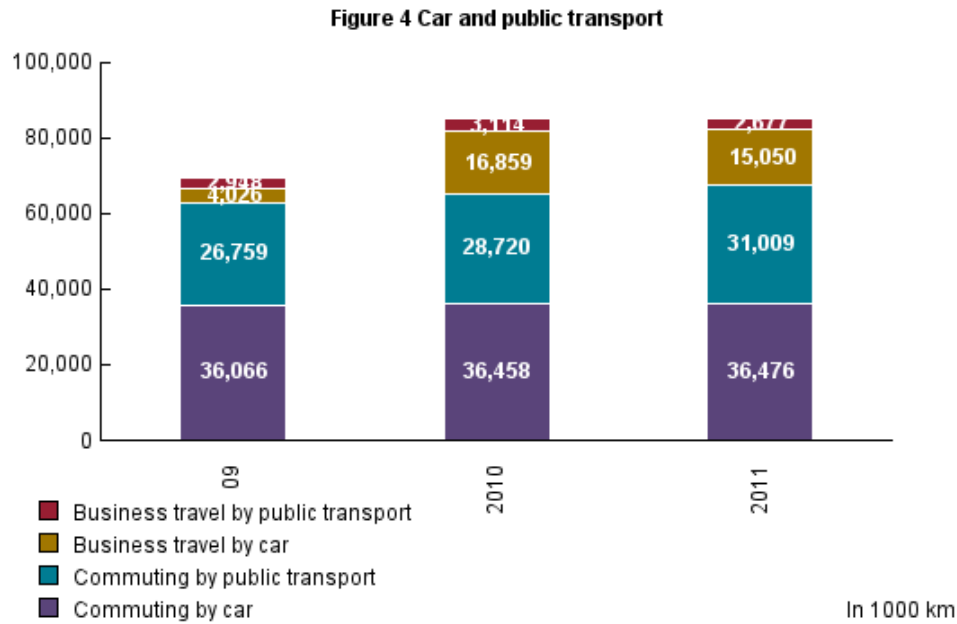
	2011	2010	2009
Total kilometres flown	447	380	462

Distances travelled by public transport and cars for commuting and business

In total, there was more travel in 2011 compared to 2010. In 2011 commuting and business travel amounted to 85,212,386 km compared to 75,031,003 km in 2010. The commuting distance by public transport rose by 67% compared to 2010. Travel by car and public transport for business purposes both fell, by 11% and 14% respectively.

Public transport and car transport for commuting or business travel

In thousands kilometres	2011	2010	2009
Commuting by car	36,476	36,458	36,066
Commuting by public transport	31,009	28,720	26,759
Business travel by car	15,050	16,859	4,026
Business travel by public transport	2,677	3,114	2,948



Full answer.

7 Social Performance indicators

7.1 Labor Practices and Decent Work Performance Indicators

Employment

LA1

Total workforce by employment type, employment contract, and region, broken down by gender.

Workforce and turnover

	2011	2010	2009
Number of employees at year end	7,422	7,492	7,981
Number of employees in FTE at year end	6,928	7,113	7,520

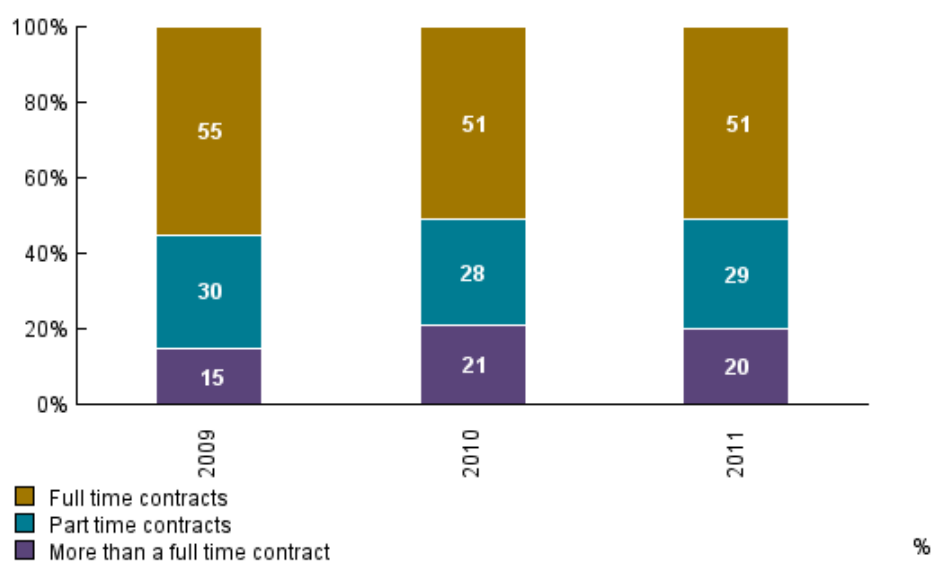
Temporary personnel

	2011	2010	2009
Employees on temporary contracts	652	708	917
Percentage of employees on temporary contracts	9%	10%	12%

Personnel by type of contract

	2011	2010	2009
Part time contracts	29%	28%	30%
Full time contracts	51%	51%	55%
More than a full time contract	20%	21%	15%

Figure 5 Personnel by type of contract



Full answer.

LA2

Total number and rate of new employee hires and employee turnover by age group, gender, and region.

In and outflow of employees

	2011	2010	2009
Inflow of new personnel	7%	7%	11%
Outflow of personnel	9%	11%	11%
Outflow of personnel on own initiative	40%	37%	37%
Outflow of personnel on employer's initiative or for other reasons	60%	63%	63%
Outflow of female personnel	40%	40%	44%
Outflow of male personnel	60%	60%	56%

Figure 6 In and outflow of employees

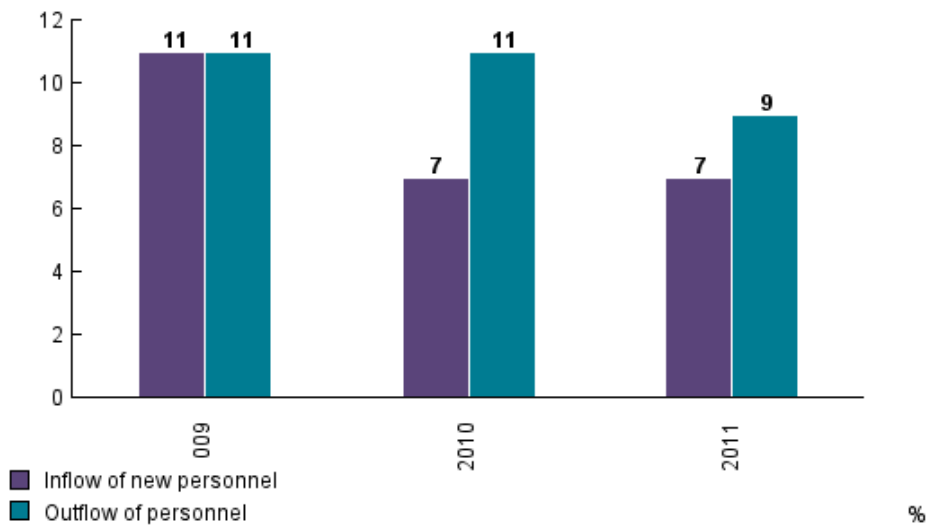


Figure 7 Outflow on initiative

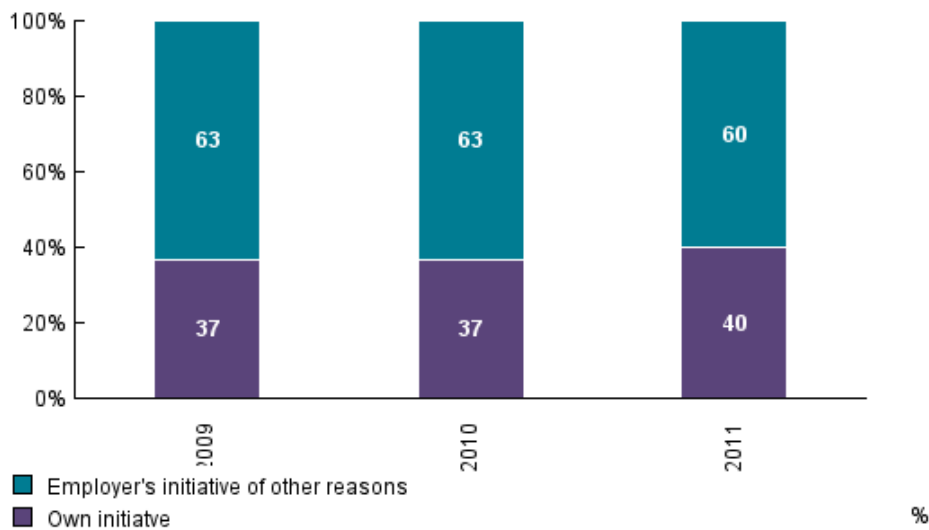


Figure 8 Outflow of female or male personnel



Figure 9 Outflow by age



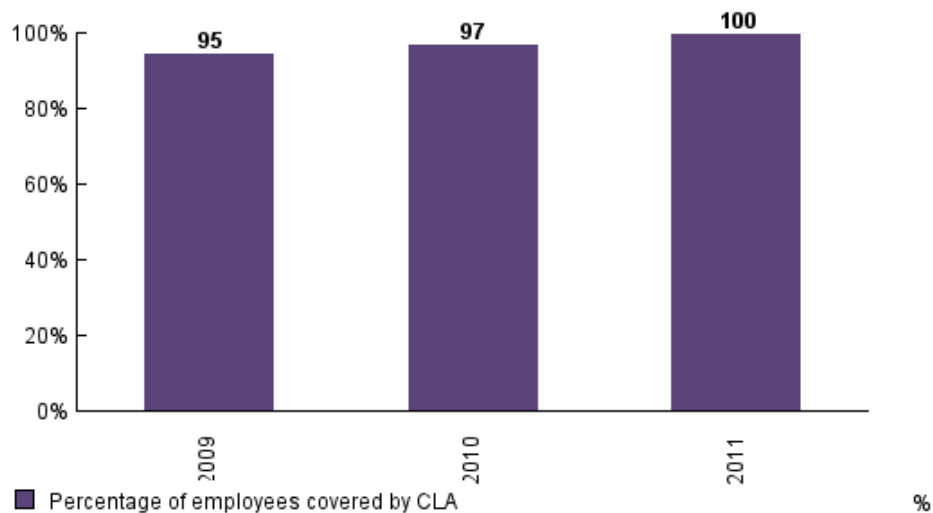
Full answer.

Labor/Management Relations

LA4

Percentage of employees covered by collective bargaining agreements.

Figure 10 Employees covered by CLA



For more information on the current Collective Labour Agreements (CLA) and main issues for the [new CLA](#) refer to the Annual Report.

Full answer.

LA5

Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

The minimum notice period at SNS REAAL is laid down in the CLA.

Full answer.

Occupational Health and Safety

LA6

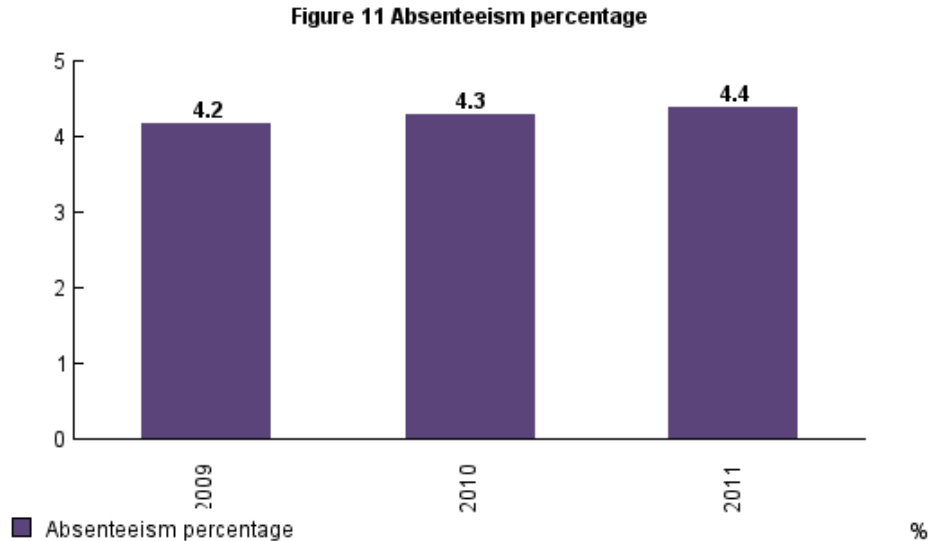
Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

100% of the FTEs are represented in formal joint employer-employee health and safety committees.

Full answer.

LA7

Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.



Occupational injuries

As SNS REAAL is a financial services provider, there are almost no serious occupational injuries. Consequently, SNS REAAL does not keep a record of these rates.

Work-related diseases and fatalities

There were no work-related fatalities in 2011. A part of the absence rate is work-related.

Full answer.

LA8

Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

SNS REAAL's health and safety policy has various prevention programmes to prevent diseases such as Swine Flu. As SNS REAAL is a financial services provider, there is no need for other health programmes.

Full answer.

Training and Education

LA10

Average hours of training per year per employee by gender, and by employee category.

SNS REAAL does not register the number of training hours per employee per year, but does register the training costs per employee per year. The training costs per FTE rose from € 1,393 in 2010 to € 1,554 in 2011.

Partially answered.

LA11

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

SNS REAAL has a comprehensive programme for [sustainable employability](#), also for older employees and [training and development](#).

Full answer.

LA12

Percentage of employees receiving regular performance and career development reviews, by gender.

All our personnel (100% FTEs) is informed about performance and career development via the intranet and planning, performance and assessment interviews.

Full answer.

Diversity and Equal Opportunity

LA13

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

Figure 12 Breakdown of employees by age

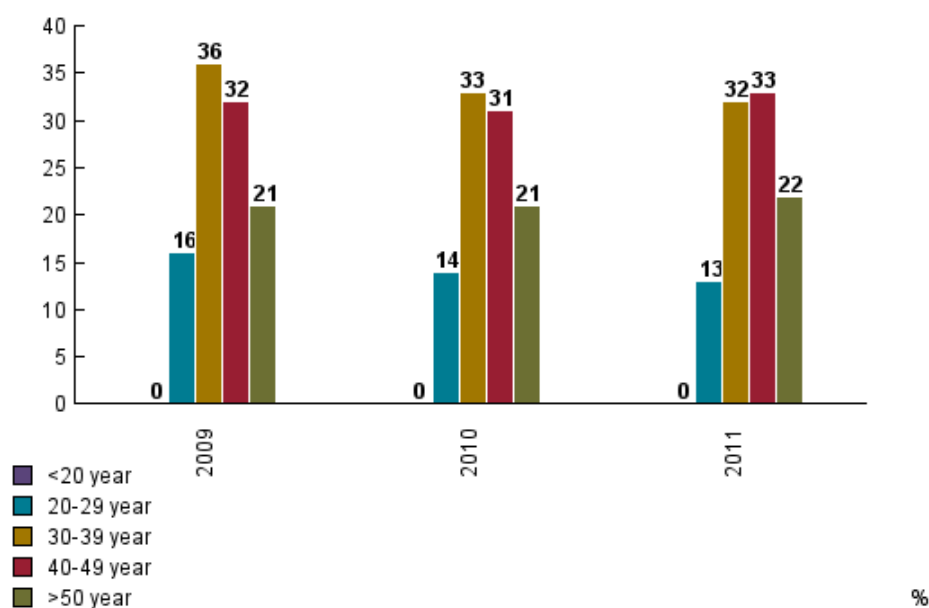
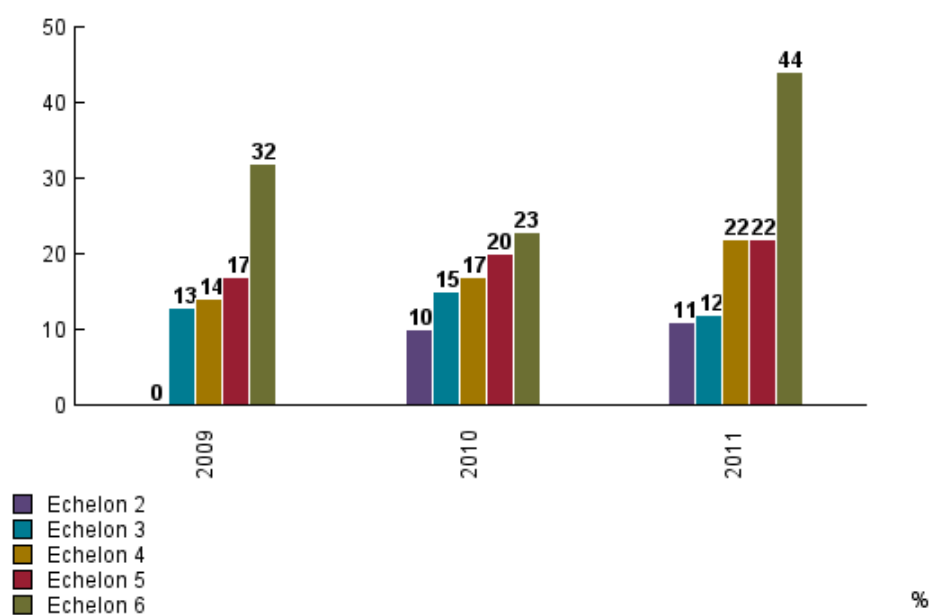


Figure 13 Female employees per echelon



Breakdown of male and female employees

In percentage

	2011	2010	2009
Female employees	42%	42%	42%
Male employees	58%	58%	58%

Percentage of female employees per echelon

In percentage of managers in total FTE or by echelon

	2011	2010	2009
Female managers	25%	20%	26%
Women in echelon 1	0%	0%	0%
Women in echelon 2	11%	10%	0%
Women in echelon 3	12%	15%	13%
Women in echelon 4	22%	17%	14%
Women in echelon 5	22%	20%	17%
Women in echelon 6	44%	23%	32%

Breakdown of employees by age

	2011	2010	2009
Percentage of employees under 20 years of age	0%	0%	0%
Percentage of employees aged 20-29 years	13%	14%	16%
Percentage of employees aged 30-39 years	32%	33%	36%
Percentage of employees aged 40-49 years	33%	31%	32%
Percentage of employees aged 50 years or over	22%	21%	21%

Full answer.

LA14

Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

SNS REAAL does not register this data as it has no added value for the execution of the company's policies. SNS REAAL determines employees' (basic) salaries regardless of their gender.

Full answer.

7.2 Human Rights

Investment and Procurement Practices

HR1

Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

SNS REAAL business units do not invest in funds or companies to which human rights exclusion criteria apply. For approximately 96% of the investments, SNS Asset Management, SNS REAAL's asset manager, determines the minimum human rights criteria and the other ethical criteria itself. In this respect, internal customers of SNS Asset Management can set additional ethical criteria. For the other 4%, these criteria are set by external asset managers, in which case SNS Asset Management sets the [minimum requirements](#).

Full answer.

HR2

Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.

Questions on human rights are included in the SNS REAAL sustainability statement, which accompanies each Request for Information that is sent to suppliers. 53% of the suppliers with a value of over € 100,000 has received this sustainability statement from SNS REAAL or has discussed sustainable business with SNS REAAL.

Full answer.

Non-discrimination

HR4

Total number of incidents of discrimination and corrective actions taken.

There were no discrimination cases in 2011.

Full answer.

Freedom of Association and Collective Bargaining

HR5

Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.

SNS Asset Management employs investment practices that clearly take human and labour rights into account through the Fundamental Investment Principles applicable to all asset classes and investments under its own management.

Full answer.

Child Labor

HR6

Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

SNS Asset Management employs investment practices that clearly take human and labour rights into account through the Fundamental Investment Principles applicable to all asset classes and investments under its own management.

Full answer.

Forced and Compulsory Labor

HR7

Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

SNS Asset Management employs investment practices that clearly take human and labour rights into account through the Fundamental Investment Principles applicable to all asset classes and investments under its own management.

Full answer.

7.3 Society

Local Communities

SO1

Percentage of operations with implemented local community engagement, impact assessments, and development programs.

For a description of our contribution to local communities, refer to:

- [Our mission, core value and strategy](#) as described in the Annual Report.
- The activities of the independent foundation '[Stay on Top of Your Spending](#)' and the [SNS REAAL Fund](#).
- Our [CARE! and volunteer programmes](#).

SNS REAAL Fund's pledged donations in 2011 totalled € 12,429,974.

Grants to charitable organisations

In € millions

	2011	2010	2009
Grants	12	17	15

Full answer.

Corruption

SO2

Percentage and total number of business units analyzed for risks related to corruption.

This is business sensitive information that we cannot disclose.

Not answered.

SO3

Percentage of employees trained in organisation's anti-corruption policies and procedures.

This percentage is high, but cannot be specified in detail. There are no separate anti-corruption training courses. Anti-corruption is, however, incorporated in other training courses and procedures. Following the switch to the New World of Work, SNS REAAL drew up new Golden Rules relating to confidentiality and data security this year. This was broadly communicated to our personnel via SNS REAAL's intranet. Moreover, every few weeks, SNS REAAL brings one of the rules via intranet to the attention of its personnel. SNS REAAL offers E-learning modules to make it easy for as many employees as possible to follow training courses that stimulate integrity and compliance with following the proper procedures.

Partially answered.

SO4

Actions taken in response to incidents of corruption.

We have not established any incidents of corruption among our staff in 2011.
Full answer.

Public Policy

SO5

Public policy positions and participation in public policy development and lobbying.

SNS REAAL operates and communicates on the basis of its mission, core value and strategy. SNS REAAL holds the view that a separate public policy is unnecessary. SNS REAAL does therefore not report against this indicator.
Not answered.

Compliance

SO8

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

See PR9.
Full answer.

7.4 Product Responsibility

Customer Health and Safety

PR1

Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

SNS REAAL is a business services provider. This topic is therefore not applicable. Not answered.

Product and Service Labeling

PR3

Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

Refer to [Financial Services Sector Supplement](#) (FS1-FS16).
Full answer.

PR5

Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

In 2011, the brands of SNS REAAL collaborated on better methods to measure and monitor customer satisfaction. An important step was the introduction of the NPS (Net Promotor Score), a method of measuring customer satisfaction, by all retail brands. Refer to the Annual Report for an explanation on this method and outcomes of our [main brand](#). Apart from using the NPS method to survey customer satisfaction, our brands use additional methods. For our main brands these are:

SNS Bank:

- Structural and channel-specific customer satisfaction survey of advisor-customer interactions: in-person consultations, contact via email and telephone and at the time taking out a product via the Internet.
- New customers are more satisfied than existing customers.
- The most common reasons for customers to be dissatisfied are the limited cashier function, poor contactability and the limited ATM network.

ASN Bank:

- Also surveys customer satisfaction of customers who have just opened a bank account.

RegioBank:

- Customer satisfaction survey among current account and savings customers, new customers and ex-customers.
- Very high level of satisfaction among ex-customers proves that part of the customers considers RegioBank a minor/secondary bank.
- Strong rise in satisfaction among independent advisors about RegioBank intermediaries compared to 2010.

REAAL:

- Focus on the requirements for the Customer-oriented Insurance Quality Mark increased customer satisfaction.
- Non-life customer satisfaction scores 7.6 (on 10-point scale) compared to a market average of 7.7.
- Customers who have recently filed a claim are more satisfied than existing and new customers.
- Customers are positive about communication and claims processing.
- Customers are slightly negative about consumer focus and communication by telephone.

Zwitserleven:

- Consumers are positive about the clear communication, new products and solutions and accessibility of (customer) services (customers as well as employees).
- High level of satisfaction among corporate employers, satisfactory level of satisfaction among SME employers.
- Relatively low level of satisfaction among participants in pension schemes (customers' employees) due to the little interaction with Zwitserleven.

Also refer to the [Stakeholder table in 4.14](#).

Full answer.

Marketing Communications

PR6

Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

Integrity is the basis for the way we work at SNS REAAL because keeping our reputation as a reliable financial enterprise high is of paramount importance. It is not sufficient to say we are trustworthy, we have to live up to it. It is about behaviour. This follows from our core value CARE! which is the basis for our programme CARE! and our code of conduct "Gezond verstand gezond geweten". SNS REAAL cares for its stakeholders including its customers and intermediaries. Integrity standards have been formulated for all products that are offered to customers or business partners by or on behalf of SNS REAAL. Naturally, SNS REAAL values compliance to laws, standards and codes. We underline the importance and comply with the Banking Code and Insurance Code for our banks and insurers within SNS REAAL. We are also realising more customer focused behaviour within the programme 'Klantbelang Centraal', about which we do report the Authority Financial Markets.

Full answer.

Customer Privacy

PR8

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. SNS REAAL did not register any substantiated complaints regarding breaches of customer privacy and losses of customer data.

Full answer.

Compliance

PR9

Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

SNS REAAL was fined in 2011: three in connection with the Madoff Affair and one fine for violating the sanction law. The fines totalled € 65,000.

Full answer.

8 Financial Services Sector Supplement: performance indicators

8.1 Product Portfolio

FS1

Policies with specific environmental and social components applied to business lines.

SNS Asset Management is charged with the responsible management of the investment funds operated by SNS Bank, the ASN Bank and Zwitserleven as well as REAAL's and Zwitserleven's own investments. Environmental and social components form part of the minimum ethical criteria to which SNS Asset Management adheres. [Various business units can also apply additional criteria.](#)

In that respect, [SNS Asset Management](#) offers its external, institutional clients two kinds of funds: sustainable index funds based on ethical exclusion criteria and impact investment funds, for which both financial criteria and social added value are considerations.

Environmental and social components also play a role in the [client acceptance policy](#) and [SNS Bank's](#) credit policy and [ASN Bank](#).

In addition, [environmental and social components](#) play a role in the development and provision of other products to clients. Important aspects include:

- Ongoing dialogue with our clients, allowing us to continually improve upon our products and services.
- Improvement of client contact and levels of service.
- Simple, relevant products and appropriate advice.
- The development and provision of [safe products](#) through reliance on a careful process of product approval in line with the recommendations of the Banking Code and the Insurance Code.
- Appropriate advice via procedures to comply with our duty of care, providing support to intermediaries selling our products and verification of their operating permits.
- Environmental damage is among the claims for which REAAL can offer insurance cover.

Environmental and social components also play an important role in the procurement and [management of products and services](#) by our business services organisation.

Full answer.

FS2

Procedures for assessing and screening environmental and social risks in business lines.

Environmental and social risks are taken into account in our integrated risk analyses for products, investments and the procurement and management of products and services by the business services organisation, in respect of satisfying legal requirements.

Full answer.

FS3

Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.

SNS REAAL operates a client [acceptance policy](#) and [SNS Bank](#) and [ASN Bank](#) operate a credit policy which includes environmental and social requirements. Business divisions report on a quarterly basis regarding important risks by means of an integrity and compliance reporting procedure.

Full answer.

FS4

Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.

SNS REAAL executed a comprehensive campaign concerning the application of our core value CARE!, which constitutes the basis for conduct in respect of how we function sustainably. In addition, where required, employees undergo training in order to incorporate CR into their own professional field. For example, staff in our business services organisation that are engaged with procurement of products and services pursued a training course in sustainable procurement during 2011.

Full answer.

FS5

Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.

SNS REAAL's brands rely on various means for maintaining an ongoing dialogue with our clients so as to become better acquainted with their wishes and requirements and explain the features of our products and our standpoints. The annual report outlines a [number of examples](#). Many of the subjects covered comprise social or environmental elements. Refer also to the [stakeholders table](#).

Full answer.

FS6

Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector.

Managed assets ASN and SNS Asset Management

	2011
Micro companies	0%
SMEs	0%
Large companies	0%
Portfolio in Europe	94%
Portfolio in US	0%
Portfolio in Asia and emerging markets	6%
RB Credits	100%
Managed assets with added social value	100%
Managed assets screened against environmental criteria	100%

Managed assets ASN

In € millions

2011

RB credits	257
Managed assets with added social value	9,739
Managed assets screened against environmental criteria	50,156
Managed assets with voting rights	1

The figures for CR loans relate to project loans by ASN Bank. The loans for fiscal funds were not included, as was asset management. As ASN Bank uses the same sustainability criteria for all loans, they stand at 100% for 2011.

Full answer.

FS7

Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.

All services provided by SNS Asset Management and ASN Bank have a clear added social value by virtue of their sustainable investment principles and risk management.

Full answer.

FS8

Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.

Refer to FS7.

Full answer.

8.2 Audit

FS9

Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.

Based on risk analysis, systematic verification and advisory activities, SNS REAAL's Group Audit department focuses on issues of social relevance such as integrity, duty of care, product development and risk management. No independent environmental and social audits are conducted but, where relevant, environmental and social factors form part of an integrated audit.

Full answer.

8.3 Active Ownership

FS10

Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.

Portfolio SNS Asset Management

Asset class	Internal active	Internal passive	External active	External passive
Listed equity (developed markets)	9%	3%	2%	1%
Listed equity (emerging markets)	0%	0%	0%	0%
Fixed income - sovereign and other non-corporate issuers	66%	0%	0%	0%
Fixed income - corporate issuers	17%	0%	0%	0%
Listed real estate or property	0%	0%	1%	0%
Other - Microfinance	0%	0%	1%	0%

SNS Asset Management's policy comprises standard environmentally and socially-related screenings of and communication with companies in its portfolio. The table only reflects the portfolio categories that we are actually active in.

Full answer.

FS11

Percentage of assets subject to positive and negative environmental or social screening.

Refer to FS 10.

Full answer.

FS12

Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting.

All investments made by SNS REAAL's business units and business units' investment funds comply with ethical criteria, comprising environmental and social aspects. These criteria are applied in both excluding certain investments and in the voting policy. SNS Asset Management votes on behalf of its clients and in line with their mandate during general meetings of shareholders. The environmental and social aspects that are part of clients' voting mandate could be more extensive than the minimal criteria set by SNS Asset Management itself, such as the voting mandate of ASN Bank.

Explanations on the voting policies of [SNS Asset Management](#) and [ASN Bank](#) are available via their websites.

Full answer.

8.4 Community

FS13

Access points in low-populated or economically disadvantaged areas by type.

SNS REAAL's retail brands operate in a national market. Many of RegioBank's independent advisors are located in relatively sparsely populated or economically deprived areas of the Netherlands. Products offered by REAAL are also available via intermediaries based in small communities. All products for which advice is not required are available nationally online.

Full answer.

FS14

Initiatives to improve access to financial services for disadvantaged people.

All brands operate a policy that allows for or enhances access to financial services for those people who are in some way incapacitated by a handicap. In the case of SNS Bank, accessibility is one of its key points of differentiation within the market. The main features include:

- SNS Bank and ASN Bank websites offer a variety of means of assistance for people with a handicap, including a talking *digipas*, a pass with larger buttons and a website that reads text out loud. In 2011 SNS Bank was the only Dutch bank certified by the *Waarmerk Drempelvrij* Foundation as providing maximum accessibility.
- SNS Bank's ATMs incorporate a delay mechanism on their keyboards for clients requiring a longer response time.
- Courses on internet banking for SNS Bank's clients, partly in conjunction with KPN's SimPC service, offering modified personal computers and services for elderly and other clients who value more simplified use of computers.
- REAAL has expert, highly trained staff for medical underwriting who can provide realistic risk evaluations. No unnecessarily higher costs or exclusions are applied in respect of handicaps.

Full answer.

8.5 Product and Service Labelling

FS15

Policies for the fair design and sale of financial products and services.

SNS REAAL operates a Group-wide product approval process, a framework of standards for products and product, market and price committees within each business unit to allow for strict risk management and decision-making for **new and existing products**.

New initiatives were introduced in 2011 to **simplify products** and make product information more comprehensible.

ASN Bank applies additional criteria to its products and services by which they are evaluated against six business principles:

- Co-operation with parties which aim to advance sustainable development, in line with the thinking of ASN Bank.
- Capital is provided only to those businesses and organisations which seek to achieve a sustainable society.
- Self-developed sustainability criteria for products and services.
- Evaluation of applications for provision of capital based on own sustainability criteria, for which the research effort needs to be compatible with the nature and extent of the activity.
- Consulting with interested parties in establishing or significantly amending sustainability criteria.
- Policy transparency and accountability concerning the pursued policy.

A number of brands, in particular REAAL, SNS Bank and Zwitserleven, work with intermediaries. Co-operation with intermediaries is based on a policy of ensuring the quality of advice they provide and to limit risks from any inaccurate advice which might be provided concerning our products. The brands pursue an active policy regarding these issues.

Refer, [for instance, to REAAL](#).

Full answer.

FS16

Initiatives to enhance financial literacy by type of beneficiary.

SNS REAAL's mission is Simplicity in finance. It means we aim to make our products and product information as simple as possible to comprehend so that clients require little financial knowledge to be able to understand how our products function. During 2010 and 2011 we made considerable progress with [simplifying our products](#).

SNS REAAL is a partner of the foundation [Weet wat je besteedt](#) (On Top of Your Spending) which focuses on expanding the financial self-reliance of young people between the ages of 12 and 25. In addition to providing financial support through its business divisions, SNS REAAL also offers appropriate financial expertise, project leaders and volunteers for particular activities.

All our retail brands are devoted to improving the understandability of their products. Among the most important efforts in this regard are:

- SNS Shops offer personal advice, information about products and help with online banking.
- Interactive modules available on SNS Bank en RegioBank websites that allow visitors to find the product best suited to their needs based on a question and answer format.
- Volunteers from a number of banking brands gave around 500 guest presentations about finance to primary schools during the course of 2011.
- Training in online banking, particularly for seniors.
- Introduction of the [SNS Cashbook](#) for all clients with a current account to enable them to better manage their income and expenditure.
- Simplification of the use of language to competence level B1 in product information and a large proportion of letters sent to clients regarding REAAL's insurance policies.
- Publication of an educational booklet about pensions, participation in a three-day educational course on pensions and guest presentations for primary schools entitled 'Fix your risk' arranged by Zwitserleven.

Full answer.