



**Financial results and
social and environmental
performance**

ASN  BANK
FOR THE WORLD OF TOMORROW

The Annual Report is published in Dutch and English. In case of differences, the Dutch version prevails.

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Regarding the pictures in this annual report

The United Nations declared 2012 the International Year of Cooperatives. ASN Bank takes part in numerous cooperatives. Together with customers, we create a better world. Together with other banks, we finance renewable energy projects. Together with social organisations, we support projects related to our sustainability issues: promoting fair trade and renewable energy and fighting child labour and the arms industry. Our collaboration with microfinance institutions allows us to extend loans to small businesses in developing countries. The photographs in this annual report show examples of all these types of cooperation.

Working together towards a sustainable world



2011 witnessed some major social and economic changes. Certainties we used to rely on, such as the safety of government bonds and stable countries, partly evaporated. On top of the food, climate and energy crises, the financial crisis intensified on the back of euro problems. The combination of these factors has led to major global imbalance. A weapon is available to every single individual of the seven billion people on this earth, while at the same time we are unable to feed everyone sufficiently and 215 million children are forced to work. Enormous efforts as well as political willingness are indispensable if we are to achieve justice and a permanently more humane distribution of wealth.

These are discouraging figures and a good cause for cynicism. On the bright side, though, many people and businesses are changing course. A growing number of people are committed to saving oceans and forests, reducing CO₂ emissions and defending their own rights as well as those of their fellow human beings. From the Tahrir Square activists to the Occupy movement, people everywhere are opposing the establishment of undemocratic governments, major banks, oil companies and media giants, combining the power of their ideas and the opportunities that new media offer.

This instils hope, hope that is indispensable if we are to create the just, sustainable world of tomorrow. Linking hope with willpower allows us to resolve sustainability issues in the long term. Having identified the problems, we can work towards solutions using new technologies and our own efforts as well as those of future generations.

We say 'future generations', as it is beyond doubt that our generation alone will not be able to solve those problems, no matter how hard we try. It is crucial for the future of mankind to convince our children that their commitment is vital. This is a question of upbringing as well as setting an example.

Photograph: Lennaert Ruinen

ASN Bank aims to contribute to this. Using our online community Voor de Wereld van Morgen ('For the World of Tomorrow'), we encourage young entrepreneurs who have sustainable initiatives. What strikes us most is that the new generation is focused on sharing knowledge, networking and getting things done. It is a hopeful sign that this generation is not so much aiming for personal gain, but rather subordinates individualism to a new sense of community.

ASN Bank wants to be a source of inspiration for those who join hands to create a just world. It is not without reason that the slogan of our very first TV commercial was 'It is what we do with money that makes it good or bad'. For us, this means together with our customers, social organisations and anyone who shares our ideals. Together, we are able to make a change and create this just, sustainable world. This knowledge gives us hope for the future.

Ewoud Goudswaard

Jeroen Jansen

Joyce van der Est

1. Key figures and summary of results

Although a reasonably positive sentiment prevailed at the start of 2011, the euro crisis still held Europe firmly in its grasp for a large part of the year. The financial sector's image, which had already suffered from the banking crisis, deteriorated even further. ASN Bank chose to emphasise in 2011 that all of us together are responsible for what happens with our money. That message hit home, given the positive increase of our customer base and assets under management. This chapter summarises our performance in 2011. Please refer to the relevant chapters for more detailed information.

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Photograph: Van Beek Images

1.1 Summary of economic performance

	2011	2010	2009	2008	2007
Customer base	575.344	516.902	471.118*	419.792	363.334
Assets under management <i>(in millions of euros)</i>					
ASN Bank	8.969	7.992	6.346	4.966	3.632
ASN Investment Funds	1.296	1.375	1.193	983	1.255
Total assets under management	10.265	9.367	7.539	5.949	4.887
Sustainable savings and investments market share**	TBD	53%	48%	44%	36%
Savings market share***	2,7%	2,5%	2,2%	1,9%	1,5%
Interest donations from customers to social organisations <i>(in euros)</i>	425.079	373.868	573.825	417.366	209.669
ASN Bank's contribution to social organisations <i>(in euros)</i>	2.020.354	729.013	621.246	387.973	257.087
Total contribution to social organisations	2.445.443	1.102.881	1.195.071	805.339	466.756

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

** Source: VBDO

*** Source: CBS

Development of customer base

In 2011, the customer base showed a marked increase of more than 11%. ASN Bank's savings campaigns and growing brand recognition resulted in a fine growth of the number of savings customers. The number of customers with a current account increased as well. The successful campaign 'Money Moves' explained how ASN Bank accommodates customers in switching to a sustainable bank. Our customers are furthermore very happy to recommend ASN Bank to friends and family – in 2011 we achieved a Net Promotor Score (NPS) of no less than +34%, compared to an average of -22% for the three major Dutch banks. This figure is obtained by deducting the percentage of customers in a survey who would not recommend a company from the percentage of customers who would.

Development of funds entrusted

Driven by the customer base growth, the savings and current account balances also grew markedly in 2011. Funds entrusted rose by € 977 million (12%). The turmoil in the financial markets greatly fuelled competition in the Dutch savings market in the third and fourth quarters. Still, ASN Bank was able to

increase its market share in 2011. At year-end 2011, funds entrusted (balances on savings accounts and current accounts) amounted to nearly € 9 billion.

Development of the investment funds

2011 was dominated by the euro crisis. Also, economic growth slowed and US public debt was a cause for great concern. Many investors lost confidence in the financial markets. On balance, the US stock exchanges were the best performers, while the exchanges in Europe and the emerging economies saw their stock prices plummet. The three equity funds managed by ASN Beleggingsinstellingen Beheer B.V. – ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcap-fonds – posted negative returns of -6.94%, -10.39% and -30.13%, respectively. The number of participating interests in the latter fund showed a limited increase in 2011.

The bond markets faced great uncertainty about the reliability of the public debts of the eurozone peripherals – Greece, Italy, Spain, Portugal and Ireland. Investors flocked to the government bonds of safe havens such as Germany and the Netherlands, lowering the yields to maturity on these instruments.

ASN Duurzaam Obligatiefonds generated a 2.81% return. Its stake in equities yielded a -1.72% return for ASN Duurzaam Mixfonds.

The results of the tax-based funds ASN Groenprojectenfonds and the ASN-Novib Microcredit Fund varied. The ASN-Novib Microcredit Fund generated a fine return of 4.92%. Despite the government phasing out the tax credit on investments for tax purposes, this fund still raised new money. This demonstrates investors' continued interest in a fund whose small loans offer people in developing countries the opportunity to create a better future. Conversely, many investors turned their backs on ASN Groenprojectenfonds, which closed the year with a 0.60% return.

Driven by an outflow of cash from nearly all the funds and due to capital losses, total assets at the ASN Investment Funds were down by € 74 million in 2011 (-5.4%).

Savings market share

Despite challenging market conditions in the second half of the year, the market share was up 0.2% to 2.7%. The figures on the Dutch sustainable savings market were not yet known at the time this annual report was written. In 2010, our share in this market rose from 48% (2009) to 53%.

Contributions to social organisations

The economic slump did not affect the generosity of ASN customers. The number of customers who donated all or part of the interest on their savings accounts to the charities we cooperate with was up more than 5% from 2010. This resulted in total donations amounting to € 425,079. Cordaid Microkrediet received the highest amount, which originated from the interest of customers holding an ASN Vrouwenpaardeposito. The interest on this women's savings deposit is almost 0.25% higher than the interest on a similar five-year deposit.

ASN Jeugdsparen was a success in 2011 as well. As total deposits increased, the contributions to the children projects of Cordaid Kinderstem and Cordaid Memisa grew, too. In 2011, Cordaid received € 314,977 in total (2010: € 312,000).



2011 ASN Jeugdsparen ambassador Ella Verver (age 16) visited a Cordaid Memisa project in Tanzania. Photograph: Marieke van der Heijden.

Since July 2010, we have donated to our theme partners the fees we receive from Interchange for payments made with the ASN Credit Card (see section 3.3). € 81,087 of the fees we received for 2011 (€ 94,646.06) were transferred to the theme partners. The discrepancy between these two amounts is due to the fact that the eighth theme partner had not yet been selected. Since January 2011, we have also donated a percentage on ASN Ideaalsparen to the theme partners on behalf of our customers. The payments made to the seven theme partners we had in 2011 totalled € 1,224,290. The theme partners therefore received a total sum of € 2.4 million. In addition, we distributed € 50,000 to the five winners of the ASN Bank World Award and made € 50,000 available to the award organisers. The winners use their prizes to work on five sustainable projects, four of which in the framework of our sustainability issues.

In total, we donated € 70,000 to social projects of our marketing partners:

Fair Trade Original (€ 29,000), FNV Mondiaal (€ 6,000), Duurzame Waardekaart (€ 20,000) and 10:10 (€ 15,000).

Just as in 2010, the ASN Foundation received a contribution of € 300,000 from ASN Bank in 2011, which it used to support sustainable projects.

1.2 Summary of financial results

<i>In millions of euros</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Investments	9.723	8.382	6.614	5.251	3.725
Funds entrusted*	8.969	7.992	6.346	4.966	3.632
Equity	242	103	105	139	19
Balance sheet total	9.888	8.542	6.662	5.302	3.773
Net interest margin	88,3	83,0	44,5	40,8	32,4
Other income	13,4	1,5	4,0	6,2	8,1
Total expenditure	33,7	26,7	35,2	24,3	17,5
Operating profit	68,0	57,8	13,3	22,7	23,0
<i>Operating profit before non-recurring expenses</i>	<i>67,4</i>	<i>57,8</i>	<i>24,3</i>	<i>22,7</i>	<i>23,0</i>
Profit after tax	51,1	43,1	9,9	16,9	17,1
<i>Profit after tax, before non-recurring expenses</i>	<i>51,1</i>	<i>43,1</i>	<i>18,1</i>	<i>16,9</i>	<i>17,1</i>

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

The profit after tax amounted to € 51 million in 2011, up 19% from 2010, mainly as a result of the growth in funds entrusted. Our shareholders' equity is further strengthened by this net profit growth, which is necessary to continue our investments in, for example, wind and solar energy projects and to meet the higher capital requirements of the Basel III Accord.

Income rose by € 17 million to € 102 million as a result of various factors. Funds entrusted grew, but the relative net interest margin showed a limited decrease. Commission income rose as the number of current accounts increased and we received more management fees from the ASN Investment Funds. The latter increase was mainly boosted by the growth of the ASN-Novib Microcredit Fund. We paid fewer management fees, mainly because the arrangements regarding the fees of our mortgage portfolio changed. The proceeds from securities were positive in 2011 thanks to the capital gains on our investment portfolio and the gains on futures and forward contracts.

This income growth was partly negated by a 21% increase of expenses on the back of rising staff costs as more staff joined our organisation. Our growth also raised the funds transfer costs, costs of postage and printing costs. Lastly, marketing costs rose, in part because of our successful television campaign launched in 2011.

1.3 Summary of social and environmental performance

Indirect social and environmental performance

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

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

Quantitative goals

In 2011 we achieved all of our quantitative objectives for indirect social and environmental performance.

We exercised our voting rights at more than 207 shareholders' meetings where the ASN Investment Funds were permitted to vote. That is 98% of all the shareholders' meetings of companies in ASN Duur-

zaam Aandelenfonds, ASN Duurzaam Mixfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds. This is well above our target of 90%. There were only four instances where we were unable to vote as proxies could not be issued in time.

98% of the bank's debtors were rescreened (see Appendix 3). That is above our 90% target. We conclude that the implementation of our voting policy and the rescreening of debtors are now natural components of our activities. That is why we will no longer attach any targets to them in future; we consolidate the current level.

	<i>Targets for 2011</i>	<i>Achieved in 2011</i>	<i>Targets for 2012</i>
Customer satisfaction	8	8.3	8 or more
Exercise of voting rights for ASN Duurzaam Aandelenfonds, ASN Duurzaam Mixfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds	90%	98%	Maintaining current level
Three-yearly sustainability rescreening of the bank's debtors at sector level	90%	98%	Maintaining current level

Qualitative goals

The qualitative goals are aimed at developing our sustainability policy.

<i>Target for 2011</i>	<i>Achieved in 2011</i>
Reformulating human rights policy	ASN Bank Human Rights Issue Paper was updated
Reformulating climate change policy	Commenced
Issue Papers on ASN Bank's four sustainability issues	Issue Papers on fair trade, anti-child labour, renewable energy and anti-arms industry were completed
Setting up sustainability studies at ASN Bank	The Sustainability & Research Department now also performs all sustainability studies

We have set the following qualitative goals for 2012:

- completing the ASN Bank Climate Change Issue Paper;
- updating the policy on government bonds.

In 2011, we started formulating several long-term goals at the strategic level. These include goals that translate ASN Bank's mission into all its activities, allowing all employees to work towards achieving that mission. We aim to finalise this process in 2012.

Long-term goals

As a sustainable bank, ASN Bank wants to make an active contribution to social processes that promote the long-term sustainability of society. For 2011 we had formulated one long-term goal, i.e. regarding the equity funds' carbon footprints. Another goal was to improve the method used to measure this footprint. We developed a method that assumes an absolute reduction of CO₂ emissions instead of a relative reduction and where inflation does not affect performance. These changes will be introduced in 2012.

	2015	2020	Progress in 2011
Reduction of consolidated carbon footprint of the ASN equity funds compared to 1990	30%	50%	48%

Direct social and environmental performance

	Targets for 2011	Achieved in 2011	Targets for 2012
CO ₂ emissions per FTE (tonnes per annum)	Less than or equal to 2.17 (2006)	1.62	Less than or equal to 2.00*
Paper consumption (kg/client account)	Less than or equal to 0.35 (2009)	0.33	Consolidation
Employee satisfaction	More than or equal to 8.0	8.2	More than or equal to 8.0
New office accommodations	Energy rating 'A' and 'Green Certificate'	Pending	Energy rating A**

* ASN Bank moved into its new office on 19 March 2012. We anticipate that this will strongly contribute to lowering the CO₂ emissions per FTE, but there are more factors that determine the total carbon footprint. We will modify the target once we know the energy consumption of our new premises.

** The goal to obtain a green certificate has been cancelled as the government is phasing out the green scheme. We depend on other parties and technical possibilities in seeking to obtain an energy rating 'A'. For example, we need a permit from the municipality. These constitute additional limitations in renovating an existing city-centre property.

You will find more information about our environmental and social results in Chapters 4, 6, 7 and 8.

Global Reporting Initiative

We believe it is only obvious that we are transparent and communicate about our methods and performance. That is why, in this annual report, we report on how we implement our sustainability policy in our products and operations. We also report on our social and environmental goals for 2011 and the results we achieved in these areas in 2011. As we believe communication is a two-way street, we report on our dialogue with ASN Bank stakeholders, too. In addition, in this annual report we render account of ASN Bank's financial results.

This report is mainly intended for our customers, but also for associates, social organisations, employees, regulators and all other parties who are interested in ASN Bank's performance in 2011 and its plans for the future.

ASN Bank reports in accordance with the A+ application level of the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). The updated 3.1 guidelines are not tailored specifically to financial institutions, which is why we use G3 as our reporting criteria. Our GRI table is available at www.asnbank.nl.

In 2010, ASN Bank was among the thirteen Dutch companies that reported at A+ level (GRI Sustainability Disclosure Database). We asked KPMG Sustainability to review information selected from this annual report. You will find the scope of the engagement and their conclusions in the independent Assurance Report on page 85.

2. Supervision of ASN Bank

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Photograph: Getty Images

Report of the Supervisory Board

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

Preliminary advice presented by the Supervisory Board

We are presenting you with the company's financial statements for the 2011 financial year as prepared by the Management Board, as well as the report of the Management Board.

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

- the total profit of € 51.1 million generated in 2011 will be added to the shareholders' equity;
- the Management and Supervisory Boards will be discharged from liability in respect of their managerial and supervisory work during the past financial year.

The Supervisory Board's membership was as follows during the 2011 financial year:

Mr E.J.G.V. Boers

Mr H.K. Kroeze (until 9 May 2011)

Mr R.G.J. Langezaal, Chairman

Mr B. de Ruigh (as from 9 May 2011)

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

Topics under discussion

The ASN Bank Supervisory Board and Management Board met three times in 2011. During the first two meetings, we discussed the 2010 figures and annual report, which we adopted. In the autumn, we discussed the 2012 operational plan with the ASN Bank Management Board. The course of affairs during 2011 was a regularly recurring subject of discussion, also during the Chairman's monthly consultation with the ASN Bank Management Board. The items discussed included the following: the bank's financial position, the monthly reports, the NPS score (see the Summary on page 5), the awards that ASN Bank had won, the move into the new office building, new loans extended by the Sustainable Loans Department and workload at the operating departments. We also talked about the development of savings and the investment funds, and very specifically about the course of affairs at the relatively new activity ASN Asset Management. We will highlight a number of items below.

Credit risk policy

We established the frameworks for ASN Bank loans. The bank uses four frameworks: for wind energy projects, solar energy projects, thermal storage projects and other projects. These frameworks include guidelines to avoid concentration risks, stating the maximum amount of loans that the bank may provide responsibly in any sector and in any country. The frameworks distinguish between countries of different sizes.

We also devoted attention to risk acceptance and the customer due diligence policy. The latter entails that the bank identifies and assesses the companies to which it provides financing. In that respect the bank assesses, for example, which activities the company performs, who the owners are and whether the company or its owners could pose a reputation risk to the bank. The Sustainability & Research Department of ASN Bank furthermore tests companies against the bank's sustainability criteria.

We also discussed with the Management Board the outstanding items of the audit that the Group Audit Department performs on a regular basis. This department performs audits at the Management Board's request and at its own initiative based on a pre-determined risk analysis (see Chapter 10).

Commercial developments

We regularly discussed the developments of the various product categories – savings, payments, investments, asset management and finance – with the Management Board. In that context, we focused on the effectiveness of the marketing campaigns and the development of the savings market. We also monitored the bank's strategic projects. In 2011 this mainly involved a project in which private and corporate customers were separated in the administrative records and procedures, allowing the bank to serve the latter group separately. We also talked about the strategic reorientation of the investment business and the option of introducing new investment funds.

We express our appreciation of the efforts made by the bank's employees and Management Board. Lastly, we would like to emphasise that we fully endorse ASN Bank's sustainability mission and the ensuing policy.

The Hague, 10 April 2012

On behalf of the Supervisory Board,

Rob Langezaal, Chairman

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Report of the Advisory Council

The Advisory Council of ASN Bank was founded in 1993 when ASN Bank introduced its first investment fund. Originally the Council advised on investments, but that responsibility changed over the years. Nowadays, the Council monitors whether ASN Bank is delivering on its sustainability mission. The Management Board and the Advisory Council regularly consult about the bank's activities and results, as well as its sustainability course. The Advisory Council and the Management Board met three times in 2011. The items discussed at those meetings included the following.

Composition and responsibilities of the Council

The Council's responsibilities have expanded over the years. For that reason, we thought it advisable to increase the number of members from three to five. Also, as Ms Saskia Noorman-den Uyl has been the Council's Chair for many years, we consulted about candidates for her succession and possible additions to the Council.

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

Ms Saskia Noorman-den Uyl (Chair)

Mr Hans Kamps

Mr Jan van der Kolk

General developments

The Management Board reported to the Council about the developments at ASN Bank and informed us of the awards and honorary mentions that the bank received. It also reported staff changes in the management team and the supervisory boards of the ASN Investment Funds.

Annual report 2010

The Council extensively discussed the 2010 annual report, focusing specifically on its sustainability aspects. The Council's recommendations have been applied to the annual report for 2011.

Products and services

We discussed the situation in the investment market, which suffered from falling stock prices. The expansion of the bank's investment business was a discussion item on several occasions.

ASN Bank was confronted with major competition in the savings market. We discussed the possibilities of attracting more savings and consulted with the Management Board about the possibilities of offering sustainable mortgages. The conclusion was that ASN Bank will not introduce the latter for the time being. The mortgage market is under extreme pressure, while at the same time major investments are necessary to enable ASN Bank to offer mortgages. It is best to use the bank's scarce resources for other purposes. Account number portability, which allows customers to switch to another bank while retaining their own account numbers, is of paramount importance to acquiring current account customers. Like the ASN Bank Management Board, we are great proponents, but we do realise that this is technically complicated and requires major investments by the joint banks.

Memberships and support

We discussed a memorandum drafted by the Sustainability & Research Department about all the national and international organisations active in the area of sustainability with which ASN Bank is affiliated in some way. This is possible in three ways:

- ASN Bank expresses its support of organisations that act in line with the core issues of its sustainability policy.
- The bank signs a declaration, assuming a best-efforts obligation, for example with regard to the Arms Trade Treaty Statement and the Access to Medicine Index. The bank decides to do so if this is important for the selection of its investments and its role in the public debate.
- The bank undertakes to comply with specific standards and guidelines, such as the United Nations Global Compact, the GRI reporting guidelines and the Equator Principles for financing transactions.

Investments in government bonds

The Council discussed the savings investments with the Management Board. In view of the bank's sustainability policy, it is appropriate to invest in matters that help build the sustainable world of the future. The challenge in that respect is to strike the right balance between the sustainability principles and risk and return considerations. For example, the bank invests to a major degree in government bonds, bonds of lower governments and mortgages, as well as in healthcare and elderly care, water boards and water companies, social housing and sustainable loans.

The Council attaches importance to a wide spread without the bank running any irresponsible risks.

Sustainability policy

We discussed the desirability of determining goals for ASN Bank's sustainability in the long run. The bank will continue to work on this in 2012.

Corporate savings clients

The Council and the Management Board talked about whether ASN Bank should focus on corporate clients. They devoted attention to the sustainability aspect in particular. Accepting corporate clients should not mean that ASN Bank chooses to dilute its sustainability principles, according to the Council. However, as the bank has such a clear sustainable position, the Council and the Management Board did not believe there would be a great risk of dilution. They concluded that extra customer screening, in addition to the screening prescribed by laws and regulations, is not desirable.

Internal developments

In our discussions of the internal situation at ASN Bank, we also focused on its policy with regard to employees with a physical disability. The bank's current office makes it difficult to find a solution for such employees. The new building is much more easily accessible, which offers opportunities to hire them.

Performance of the Advisory Council

Lastly, we evaluated the performance of the Council itself. We find it very important to continue to deliver added value to ASN Bank and aim to further expand this value in the future.

The Council concludes that ASN Bank acted in line with its sustainability mission in 2011. We would like to express our great appreciation for the manner in which the bank's Management Board and staff performed their duties in 2011.

The Hague, 4 April 2012

On behalf of the Advisory Council,

Saskia Noorman-den Uyl, Chair

3. Mission, strategy and policy

For more than fifty years ASN Bank's aim has been to invest its customers' money in a way that contributes to a fair distribution of the world's wealth. Not only in the present, among the various regions of the world, but also among our generations and future world citizens.

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ASN Bank is an independently operating, sustainable bank with its own banking licence, its own policy and its own Management Board. ASN Bank is regulated by the Dutch Central Bank and the Netherlands Authority for the Financial Markets. SNS Bank N.V., part of SNS REAAL N.V., is the sole shareholder of ASN Bank. As ASN Bank is part of SNS Bank N.V., its financial information is included in the consolidated financial statements of SNS Bank N.V. KPMG Accountants has issued an unqualified auditor's report for the financial statements of SNS Bank N.V. More information on our organisation can be found in Appendix 2.

3.1 Mission

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

3.2 Strategy

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

- We keep setting the bar higher for our activities, according to strict criteria in the areas of sustainability, fairness, transparency, expertise and reliability.
- In order to achieve our mission, we cooperate as much as possible with partners – both NGOs and sustainably operating companies – that make a positive contribution to our objectives.
- We initiate sustainable developments and support important sustainable initiatives by third parties. As the largest sustainable bank in the Netherlands, we want to be an expert in sustainable capital growth and the leading authority in the Netherlands when it comes to the combination of sustainability and financial returns.
- ASN Bank is a direct writer, which means that we communicate with our customers directly – through the Internet, by telephone and post.

3.3 Sustainability policy

Sustainability is the guiding principle in all of ASN Bank's activities. We subscribe to the generally accepted definition set out in the 1987 United Nations report *Our Common Future*: 'sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.

Sustainability and sustainable development are frequently only regarded as environmental objectives, but that is a misunderstanding. The aim for sustainable development is first of all inspired by a sense of justice. The purpose of sustainable actions is to arrive at a fair distribution of wealth, now and in the future. Sustainability thus includes a social aspect, which is why we build our sustainability policy on three pillars: human rights, climate change and biodiversity. These pillars dovetail with internationally accepted practices for distinguishing the various aspects of sustainability, for example at the United Nations. Human rights, climate change and biodiversity cover all the issues that are important to ASN Bank and its customers. The policy for each pillar has been laid down in issue papers. Sector-specific issue papers describe how we implement these policies in the various sectors.

Human rights

We understand 'human rights' to mean both civil and political rights, and economic and social rights, such as employee rights. The foundations of our human rights policy are the 1948 Universal Declaration of Human Rights and the international standards based on it. We are also referring here to the Guiding Principles on Business & Human Rights adopted by the UN Human Rights Council in June 2011. These principles are based on the work performed by the American Professor John Ruggie as the UN's Special Representative of the Secretary-General. Ruggie's work and the international developments surrounding his work were important factors leading us to review our human rights policy. In November 2011, the new ASN Bank Human Rights Issue Paper was published, which was received by Ruggie himself. In this Issue Paper, we tightened our criteria for assessing the companies in which ASN Bank, the ASN Investment Funds and ASN Asset Management invest. These companies should make more efforts to rule out any violations of human rights. The main consequence is that we have adopted an even more critical attitude in approving or rejecting a company.

The Issue Paper now also explicitly states that we assess companies in respect of freedom of speech and privacy. Trade union freedom will be playing a more important part as well, especially in the assessment of US companies.

Global Compact

The Global Compact is an initiative of the United Nations that encourages companies to include and abide by ten principles in the areas of human rights, employment, the environment and corruption. In 2007 ASN Bank signed the Global Compact to express its long-standing involvement with the ten goals of this international UN initiative. This report shows how we implemented it in 2011.

Climate change

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

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

- energy generation without carbon emissions and activities with the lowest emission of greenhouse gases possible; we invest, for example, in energy-saving measures, renewable sources of energy, low-energy buildings and energy efficiency;
- flexibility-increasing activities, such as water-related activities, microcredit and combating poverty.

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

Our own operations also make a contribution, because we attempt to limit carbon emissions as much as possible and compensate the remaining emissions (see Chapter 8).

Biodiversity

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

Communication about sustainability in four issues

‘Sustainability’ is a broad concept. More than half of all people in the Netherlands do not have a specific understanding of sustainable and social investment. When they hear ‘sustainability’, they mainly think ‘the environment’. Other aspects, such as human rights, follow at a great distance, although people did find it an important issue when they were asked to give their opinion.

In 2010, we therefore decided to make the concept ‘sustainability’ more tangible for our current and prospective customers. We did so by focusing on four sustainability issues: fair trade, anti-child labour, renewable energy and anti-arms industry. We chose these issues as surveys had shown that our customers find these issues to be of greatest relevance to their savings.

The issues were introduced in July 2010 and have taken centre stage in our sustainability communications ever since. Moreover, we want to respond to customers’ personal interests with these issues. Customers may indicate which issues they personally prefer, as follows.

The issues are linked to the ASN Credit Card and ASN Ideaalsparen. Customers who purchase these products automatically support all four issues. If they so desire, they may choose to focus on one or more of the four issues. Together with our partnering NGOs, we translate each issue into projects. The

projects receive a contribution from ASN Bank for each payment customers make with the ASN Credit Card. As regards ASN Ideaalsparen, higher savings balances of customers who have chosen to focus on a particular issue raise higher contributions for the corresponding projects.

At year-end 2011, we supported the following projects on behalf of our customers:

<i>Issue</i>	<i>Organisation</i>	<i>Project</i>
Fair trade	Solidaridad	Textile industry in Asia
	Oxfam Novib	Fair trade cocoa from the Ivory Coast
Anti-child labour	Plan Nederland and Plan Bangladesh	A future for house slaves in Bangladesh
	Cordaid Kinderstem	Help to street children in India
Renewable energy	Natuur & Milieu	Sun looking for roof
Anti-arms industry	Amnesty International Nederland	Special Programme on Africa
	War Child	Help to war children in Congo

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3.4 Dialogue with stakeholders

The opinions of ASN Bank's stakeholders co-determine our bank's strategy. Their input weighs heavily in our consideration of what issues are truly of the essence. We use this information to adjust our methods and strategy. That does not mean that we continuously change our approach, because stability and continuity are also key values in our policy. Our communications are geared to five target groups.

Customers

Our customers are the reason why we exist. We therefore devote much attention to customer communications, based on principles of simplicity and transparency. We reach out to customers through our website, social media, our customer magazine, letters and meetings, and gauge their views in surveys. The next chapter will provide more details on our customer communications in 2011.

The staff of the ASN Customer Service are available from Monday to Friday for customers who have questions and can be reached through freephone number 0800-0380. In 2011, we extended the times the ASN Customer Service can be reached, so that customers can now contact us directly from 8:00 a.m. to 5:30 p.m. Customers may also ask questions by e-mail or post.

Social organisations

We frequently consult with social organisations in a wide range of forums and are present at events and seminars. For more details about the social organisa-

tions we cooperate with, please refer to the following section.

Sustainable businesses

We are pleased to observe that more and more business owners contribute to sustainable development. Our experience is that they are passionate, practical individuals who translate sustainable ideas into viable business cases in which they define profit not only in financial terms, but also as profit for society, the planet or a specific target group. CSR Netherlands helps them on their way. Business owners can join CSR Netherlands for advice, access to an extensive network and knowledge of the CSR Netherlands Academy. A number of sustainable entrepreneurs helped set up De Groene Zaak, whose founding partners include ASN Bank. We sponsor CleanDrinks, which was established in 2009 by two young entrepreneurs aiming to promote a sustainable economy by bringing together, informing and inspiring sustainable, innovative people during online and offline events. ASN Bank collaborates with CleanDrinks at a variety of events.

Using our online community For the World of Tomorrow, we are intensifying our focus on sustainable start-ups. This platform helps 'sustainable go-getters' to develop initiatives and execute ideas and offers them an opportunity to enter into discussions, share information and meet new people.

Staff

It goes without saying that our employees are key stakeholders of ASN Bank. We meet during employee meetings after office hours four times per year to update each other on current events and results and to celebrate success. We also communicate with each other through department meetings and the Intranet, for example. We show new employees around the organisation using the ASN Manual. We discuss the results of SNS REAAL's annual survey, which is held to measure employee satisfaction. Our human resources policy can be found in Chapter 8.

Advisory Council

The dialogue with stakeholders has been structured in ASN Bank's Advisory Council, comprising representatives with a wide range of social backgrounds. The Council monitors whether ASN Bank is delivering on its sustainability mission and provides the Management Board with solicited or unsolicited advice. The Management Board and the Advisory Council regularly consult about the bank's activities and results, as well as its sustainability course. You can find a brief report of the Council's activities at the beginning of this annual report.

3.5 Collaboration with social organisations

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

We distinguish four types of partners:

- *Theme partners*
See section 3.3.
- *Strategic partners*
We maintain structural, in-depth cooperation with our strategic partners to flesh out our mission. We also collaborate with these partners to achieve our communication and acquisition objectives. Some strategic partners are also product partners.
- *Product partners*
We support these partners with specific products, such as Waddenvereniging with the ASN Waddendeposito.
- *Marketing partners*
Occasionally, we use our marketing partners' channels of communication to achieve our acquisition and communication objectives. Conversely, we also offer our marketing partners access to our communication channels.

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<i>Social organisations in 2011</i>	<i>Theme partner</i>	<i>Strategic partner</i>	<i>Product partner</i>	<i>Marketing partner</i>
Amnesty International Nederland				
Cordaid Kinderstem				
Cordaid Memisa				
Cordaid Microkrediet				
Fair Trade Original				
FNV Mondiaal / FNV Voordeel				
Natuur & Milieu				
Oxfam Novib				
Plan				
Solidaridad				
Stichting Duurzame Waardekaart				
Waddenvereniging				
War Child				



Voor u:
€ 20,- bij het openen van een rekening bij de ASN Bank

Voor FNV-Mondiaal:
doneert de ASN Bank € 5,- per rekening om de Zimbabweanse vakcentrale te versterken

De ASN Bank biedt u een concurrerende rente, maar niet over de rug van anderen. De bank zet zich in voor duurzaamheid, mensenrechten en een beter milieu. Benieuwd wat de rest van de wereld ermee wint als u kiest voor de ASN Bank? Vergelijk de ASN Bank dan eens met uw eigen bank op eerlijkebankwijzer.nl, een initiatief van de FNV, Oxfam Novib, Amnesty International en Milieudefensie.

Ga voor het openen van een rekening en meer informatie naar www.fnv-voordeel.nl

ASN BANK
VOOR DE WERELD VAN MORGEN
www.asnbank.nl

FNV en ASN Bank
De samenwerking met de ASN Bank is heel bijzonder, want de bank is in 1960 door onder andere de FNV opgericht. Inmiddels is de ASN Bank uitgegroeid tot de grootste duurzame bank van Nederland, met meer dan een half miljoen klanten.

ASN Bank's close ties with Dutch trade union FNV date back a long time. In 2011, we launched a campaign with FNV Voordeel for the benefit of FNV Mondiaal. Each FNV member who opened an account with ASN Bank received a € 20 welcome bonus. For each new customer, FNV Mondiaal received € 5 for the Zimbabwe Congress of Trade Unions. The purpose of this contribution was to strengthen the member trade unions and support the trade union leaders in their battle for better employee rights.

On the occasion of our fiftieth anniversary, in 2010 we gave our customers a Duurzame Waardekaart, supporting the foundation Stichting Duurzame Waardekaart. This card provides sustainable consumers with an attractive marketplace, which stimulates sustainable consumption. No fewer than 37 thousand customers activated their cards. This collaboration continued in 2011.

Changes in the partnerships

We set up new partnerships in order to give substance to our sustainability issues in the form of projects. For example, we added Natuur & Milieu and War Child to our partners.

Another new partner was Fair Trade Original. With a € 25,000 donation, we helped this organisation to support Thai farmers in obtaining their fair trade certification. In that context we launched a product campaign in September, displayed on the back of

the Fair Trade Original chocolate sprinkles packages. Anyone who opened an ASN account on the campaign website received a basket filled with products from Fair Trade Original's new Asian cooking range. We also transferred € 10 per new account to the Thai farmers project.

Reducing CO₂ emissions plays an important role in our aim for sustainability. From this perspective, we supported 10:10. Originating from Great Britain, this initiative encourages everyone to cut their carbon footprints by 10% every year, beginning in 2010. However, as the opportunities for collaboration turned out to be limited, we terminated this partnership.





RENEWABLE ENERGY



ANTI-ARMS INDUSTRY



FAIR TRADE



ANTI-CHILD LABOUR

4. Transparency and dialogue

Worldwide protests against the 'old' economy gained momentum in 2011. Euro crisis developments caused great dissatisfaction with the role of banks and financial markets. ASN Bank in fact aims to be a bank for the 'new', sustainable economy, a bank that is transparent, listens to its customers and actively involves them in its policy formation. This idea of a common responsibility resulted in the slogan of our very first TV commercial: 'It is what we do with money that makes it good or bad'.

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Photograph: Marcel Brands/NBB

The financial crisis created an unabatedly high demand for transparency at banks. A growing number of people suggested that banks should be seen as customer-focused utility companies from now on, assuming limited duties. At the same time, fifty percent of people in the Netherlands believe that the financial sector should do more to finance the change to a more sustainable society and the transition to natural resources. Our own research furthermore revealed that, in the customers' opinion, banks should take account of human rights.

ASN Bank's sustainability mission is an excellent response to these demands, but we do not sit around and do nothing. We are convinced that we can only be successful if we keep up the dialogue with our customers and other stakeholders. In 2010, we acted on this by linking part of our services to the four sustainability issues selected by our customers. In 2011, we continued along this course by intensifying the exchange of ideas with stakeholders, also with regard to our policy.

First TV commercial

Research had revealed that many people who are positive towards sustainable banking did not yet know ASN Bank. We had to increase our brand awareness if we were to grow any further. That is why we created a TV commercial that explained to viewers exactly, without patronising, the values that ASN Bank represents. It was first broadcast on 8 February 2011. The TV ad was broadcast in five three-week periods during the year, supported by train station posters and radio commercials. The campaign created a significant increase in brand awareness among our target groups: spontaneous brand awareness in our key target group rose from 17% to 21%, while total brand awareness (spontaneous plus supported) rose from 63% to 73%. We also used the TV commercial as an opportunity for dialogue with customers and other interested parties at For the World of Tomorrow.

4.1 Dialogue through new and 'old' media

It is impossible nowadays to listen to and communicate with customers and other stakeholders without using new media such as the Internet, online communities like Facebook and LinkedIn, and Twitter. Communication through these media is brief and to

the point. Messages can have a major impact as they are reiterated on a large scale. For this reason, we actively monitor message traffic, answer questions and initiate messages, discussions and campaigns of our own.

Our websites play an important part in the 'new' way of communicating. At www.asnbank.nl, customers can find details about our sustainability policy, news and our products and services.

Our online platform For the World of Tomorrow (www.voordewereldvanmorgen.nl) is available to anyone who wants to set up a sustainable initiative or company. At the end of 2011, this platform had more than 45,000 members, up 65% from the 27,000 members at the end of 2010. At For the World of Tomorrow, we conduct campaigns that are inappropriate for the service-based website www.asnbank.nl but that do serve our mission, including discussions about sustainable dilemmas that we address in our customer magazine. We also support campaigns as active members of the network sites Facebook and LinkedIn. Members of these sites and strategic partners of ASN Bank can also launch campaigns and publish messages there.

Discussion about sustainable investment on LinkedIn

In November, during the Sustainable Investment Week, we organised a discussion about this topic on LinkedIn. On behalf of ASN Bank, the discussion was conducted by Bas-Jan Blom (Managing Director of ASN Beleggingsinstellingen Beheer B.V.) and Piet Sprengers (Head of Sustainability & Research). They answered questions and advanced statements to discuss, for example *Sustainable investment is only for idealists*. We closed the discussion with the question *How can we make sustainable investment mainstream?*

Twitter

Where in previous years we were only active on Twitter on an ad-hoc basis, in 2011 'tweeting' became a fixed element of our communications. Nearly 20,000 messages about ASN Bank, For the World of Tomorrow, our products and our sustainability policy appeared in social media in 2011 as a whole. The number of followers of ASN Bank grew to almost 2,800 and those of For the World of Tomorrow to almost 4,000. We tweeted about the news published on our website's homepage, as well as about

campaigns such as our TV commercial, the ASN Bank World Award and crowdsourcing about the ASN Bank Human Rights Issue Paper (see box). Other people's tweets about ASN Bank mainly relate to our sustainability policy and our services. Regularly recurring topics were our products, mainly swit-

ching, payment and savings, and online campaigns. It is striking that we received nearly ten times more compliments than complaints in that respect. The ASN Bank World Award in particular was a popular Twitter topic, as well as crowdsourcing about the ASN Bank Human Rights Issue Paper.

Crowdsourcing about our human rights policy

Following John Ruggie's work, we reviewed our human rights policy in 2011 (see page 13) in consultation with partnering NGOs such as Amnesty International. When the draft policy was completed, we asked everyone who was interested to join our discussion about the policy at For the World of Tomorrow. Under the heading 'Wanted: critical discussion partners', we asked for a response to four dilemmas:

- To what extent should we hold companies responsible for their suppliers?
- Should we stick to our principle to only invest in companies with a supply chain that does not include any child labour?
- How much weight should be attached to our viewpoint on weapons when we select countries (in connection with investments in government bonds)?
- To what extent should we take into account the social impact of renewable energy projects?

We received more than one hundred reactions, mostly substantive ones. In total, almost one thousand messages were sent through social media, four hundred of which by ASN Bank. Our partnering NGOs helped to spread the message. We concluded the crowdsourcing with a discussion meeting at our office. Virtually all respondents were positive about the manner in which we set up this discussion and the transparency we displayed in this way.

'Old' media renewed

New media are not popular with everyone. We find it important to reach out to all of our customers, also if they prefer information on paper. At the same time, we are looking for new ways to draw attention to information from traditional media. We let 'old' and 'new' media exist side by side wherever possible.

Until the end of 2011, our customers received the customer magazine Spaarmotief five times per year and, if they were interested, our e-mail newsletter. The December 2011 issue heralded a new era: we made a test version of an online customer magazine. It withstood the tests well, which means that we will issue an online magazine in addition to our hard copy magazine starting in 2012. The contents of these two media are practically the same. Customers may choose which of these two versions they prefer; they may also choose both. After more than fifteen years, the name Spaarmotief ('Savings Motive') seemed less appropriate for the online magazine and the name no longer covered the contents of the magazine. After all, we inform customers about more than just saving: they can also pay and invest at ASN Bank. That is why we changed the name of both the

hard copy and the online versions of the magazine to *Ideaal* ('Ideal').

The annual reports of ASN Bank and the ASN Investment Funds are key media to inform customers and stakeholders about our policies and activities. We do realise that many people are deterred by the prospect of reading an annual report and that is why we developed an annual online magazine. In 2011, we published this ASN Bank Jaarmagazine for the second time, presenting our main activities and results in 2010 in an accessible manner. The annual magazine was frequently consulted; visitors to the site accessed the various pages more than twenty thousand times.

Ethical Investment Day

As we set great store by meeting our customers in person, we regularly organise customer meetings. On Thursday 28 April the General Meeting of Shareholders of the ASN Investment Funds took place. As always, it drew many people. We also met customers at the Ethical Investment Day at Lucent Danstheater in The Hague on 7 December. The day revolved around the theme 'Banking with manners, moral leadership for the 21st century'. Journalist Jeroen

Smit discussed this topic with Klaas van Egmond, Professor of Geosciences (more specifically Environmental Science) at Utrecht University and author of the book *Een kwestie van beschaving* ('A matter of civilisation'). Jeroen Smit also discussed leadership with Willem Lageweg, Managing Director at CSR Netherlands, and Bas Haring, Professor of Public Understanding of Science at Leiden University, and subsequently with Liesbeth Unger of Human Rights@Work and Voline van Teeseling, Head of Marketing & Communication at ASN Bank. The Hague children's choir De Mussen concluded the event. The reactions of customers during and after the event were enthusiastic.



Klaas van Egmond (left) in debate with chairman of the day Jeroen Smit at the Ethical Investment Day. Photograph: Josje Deekens

4.2 Sustainability incentives

ASN Bank has a long-standing tradition of devoting itself to a sustainable society in various ways: not only through our activities as a bank, but also by means of campaigns and support to other people's sustainable initiatives.

The ASN Bank World Award

At For the World of Tomorrow, we organised the ASN Bank World Award for the fourth time. In 2011, it was divided into five prizes of € 10,000: one prize for each of ASN Bank's four sustainability issues and one public award. Eligible projects had to contribute to the sustainability of society. The members of For the World of Tomorrow shortlisted the best forty entries by means of voting. A professional jury selected eight finalists from this list, who presented their plans in person. On the basis of their presentations, the jury chose four winners. Visitors to For the World of Tomorrow chose the project that would win the public award. The prizes were awarded

during an inspiring ceremony at Chizone in Scheveningen. The winners were:

- Fair Phone ('fair trade');
- FairMail ('anti-child labour');
- Young Africa, with the project Sunny Future for Young People in Namibia ('renewable energy');
- Campaign Against Arms Trade with the project No Money for Violence ('anti-arms industry');
- Palestine Link (public award).

Future Talents

A growing number of young people dedicate themselves to a better, more sustainable world. That is why we teamed up with Timu Kota, Be More and Morgen to launch the 'Future Talents' competition, in which we are looking for people under the age of 25 who are involved in sustainability, new energy or a better world. The ten winners receive an honourable mention, a platform for their ideas, project support and a sustainable workshop trip to Uganda. The competition ran from November 2011 on For the World of Tomorrow.

Call for ban on investment in cluster munitions

On 1 August 2010, the international Convention on Cluster Munitions came into effect, prohibiting the use, production, stockpiling and transfer of cluster munitions. The creation of this Convention was a major step towards banning these controversial weapons. The Netherlands also ratified the Convention, yet the government did not want to prohibit Dutch financial institutions from investing in companies that manufacture cluster munitions. In September 2011, the Dutch Lower House debated a statutory ban on investing in cluster munitions. APG Asset Management, MN Services and ASN Bank sent the members of the Parliamentary Committees on Finance and Defence a letter urging them to support this ban. We stated in that letter that the Dutch government has a moral duty to do everything in its power to help ban cluster munitions and other weaponry. It would be incomprehensible if the Netherlands ratifies the Convention while still leaving room for investment in this sector, we said. On 13 October, the government announced that it would work out plans after all to prohibit financial institutions from investing in cluster munitions.



The winners of the 2011 ASN Bank World Award. Photograph: Josje Deekens

Sponsorship

ASN Bank sponsors special, sustainable projects that match our vision and that we want to stimulate. In doing so, we aim to increase our brand awareness and bring sustainability to the attention of a broader and, if possible, young audience. That is why we sponsor special projects each year, both small and large ones. Below you will find a small selection.

In the summer, we sponsored the Beeing Festival, aimed at people of all ages. It called for awareness of the bee's imminent extinction and the harm this causes to our food production. The whole day there were workshops, lectures and films. Experts and stakeholders crossed swords in a cutting debate. At night, there was a dinner with dishes that can only be made thanks to bees. The festival received much media attention, making the bees' predicament known to visitors to the festival and a large target group.

We sponsored the Pure Restaurant Week in November. The purpose was to boost the consumption of organic and fair trade food and sustainable fish. This was done by informing guests of participating restaurants about the origin of the dishes. More than three hundred restaurants participated in the Pure Restaurant Week.

We closed 2011 by sponsoring the fair trade project 'Meet Your Scarf'. More and more clothing is produced using sustainable methods, but Fair Wear Foundation is looking for a bit more trendiness. Together with the Max Havelaar Foundation, the Clean Clothes Campaign and the brand Charlie + Mary, this organisation accepted the challenge to make a fair scarf produced with sustainable methods. Elsien Gringhuis, the winner of the first Green Fashion Competition, designed the scarf. ASN Bank funded the launch.

ASN Foundation

For many years, ASN Bank has been making donations to projects and organisations that contribute to our mission. We make these donations through Stichting ASN Foundation, which makes money available to organisations and projects to realise sustainable initiatives. We support projects across the globe. The organisation requesting the donation must be based in the Netherlands. The donations – 137 in 2011 – range from € 250 to € 15,000. Large donations in 2011 were made to organisations including the World Life Foundation for a reforestation project in Kenya, We Women Foundation for a university education for a Thai refugee and, in the framework of our 'fair trade' issue, to the Fair Wear Foundation. You will find more information in the

New roadmap to sustainability

In 1987, *Our Common Future* was published, in which the Brundtland Commission set out current sustainability issues. The report offered an inspiring view of the future and set the sustainability agenda of the past few decades. However, 25 years after its publication, the report's vision has lost its relevance for today. That is why *Our Common Future 2.0* took the initiative to rewrite it. In the autumn of 2010, a few hundred volunteers – including sustainability consultant Mariëtta Smid of ASN Bank – formed teams to work out the various issues. Their goal was to write an innovative, inspiring story about issues that will truly matter in the years ahead, a story that will encourage people to contribute to the necessary changes. On Friday 20 May 2011, the results of *Our Common Future 2.0: Roadmaps for Our Future Society* were presented at a congress sponsored by the ASN Foundation. We offered the book to all ASN employees.

ASN Foundation's annual report and newsletter and on our website.

4.3 Recognition of our efforts

In 2011, we received various honourable mentions and awards. We are convinced that they are granted to us because of our customer-driven operations. In addition, our customers know that their money is managed in an appropriate and transparent manner. The main mentions included the following:

Sustainability

- *February: good score in Fair Bank Guide*
The Fair Bank Guide screened Dutch banks that invest in Shell, Vedanta Resources and Barrick Gold. These three companies are active in the oil and mining industries, violating human rights. ASN Bank is one out of three Dutch banks that do not invest in these companies at all.
- *May: high score from verhuisjegeld.nl*
The independent website www.verhuisjegeld.nl rated the fifteen main savings banks in the Netherlands with regard to their savings rate policy and the investment of money with norms and values. ASN Bank received the highest score for 'Norms & Values': 9.7 out of 10.

- *October: best financial sector employer*
Effectory, market leader in employee surveys, rated ASN Bank the second best employer of companies with fewer than one thousand staff, making us the best employer in the financial services industry in 2011.
- *November: Sustainable 100*
Both Ewoud Goudswaard and Jeroen Jansen were listed in the Sustainable 100 of newspaper Trouw, which ranks influential sustainable Dutchmen.

Customer friendliness

- *April: Dutch Consumers' Association's Bank Monitor*
The Dutch Consumers' Association's Bank Monitor reflects customers' appreciation of the services rendered by their banks. We achieved the highest score together with Triodos Bank: 8.1.
- *April: Vara's Kassa*
The Vara TV programme Kassa asked customers about their satisfaction with their banks. Our total score was 8.5 out of 10. 99% of the ASN customers interviewed had faith in our bank, and 94% thinks ASN Bank is customer-friendly.
- *May: Customer Centric DNA Award 2011*
A survey by TNS Nipo revealed that Dutch consumers regard ASN Bank as the most customer-focused bank. We also achieved the highest scores in all eight survey categories. This made ASN Bank the most customer-driven company of 2011.
- *September: ASN Bank most customer-friendly bank*
Research agency Marketresponse investigates every year which company people in the Netherlands find most customer-friendly. ASN Bank ranked fourth and was therefore considered the most customer-friendly bank of the Netherlands.
- *November: best website in the category 'Finance'*
The public chose ASN Bank's website as the Best Website of the Year 2011 in the category 'Finance'. More than 700,000 people in total cast their vote.

Products

- *April: ten out of ten from the Dutch Investors' Association*
The 2011 Savings Survey of the Dutch Investors' Association VEB awarded ASN Ideaalsparen ten points out of ten as the only savings account of the thirty that were included in the survey.

Investment funds

- *January: ASN Duurzaam Small & Midcapfonds leading in 2010*
According to www.duurzaam-beleggen.nl, ASN Duurzaam Small & Midcapfonds was the best performing sustainable equity fund in 2010.
- *March: ASN Milieu & Waterfonds wins FD Morningstar Award*
ASN Milieu & Waterfonds won the FD Morningstar Award in the category 'Sector Equity Funds'.
- *November: ASN Milieu & Waterfonds wins fifth Gouden Stier ('Golden Bull')*
On 10 November 2011, ASN Milieu & Waterfonds won the Gouden Stier for best sustainable investment product. The website Belegger.nl awarded the prize.
- *December: ASN Duurzaam Aandelenfonds Product of the Year 2011*
The expert panel of the website OverGeld.nl of the De Telegraaf newspaper chose ASN Duurzaam Aandelenfonds as Product of the Year 2011.

We would sincerely like to thank our customers and other interested parties for these wonderful tokens of appreciation. We will continue to dedicate our efforts to serving our customers with transparent products, excellent, duly earned interest rates and good service.



4.4 Continuing our sustainability efforts in 2012

We have been able to work towards a sustainable world for more than fifty years now thanks to the trust our customers place in us. We are transparent about our activities in order to be worthy of that trust. We also want our sustainability policy and our services to be in line with our customers' wishes. In 2012, we will achieve this in the following ways:

- We will establish our sustainability policy for the longer term in relation to our investments, our funding and our operations (ASN Bank's office). We aim to abide by this policy for a period of ten years and identify indicators in order to be able to measure its level of success. We will also continue the dialogue with our customers regarding our sustainability policy.
- We will review the ASN Bank Climate Change Issue Paper in consultation with customers and social organisations. The same applies to the ASN Bank Government Bonds Issue Paper.
- We want to finance more renewable energy projects, particularly wind and solar energy in Belgium, France, Germany and the United Kingdom.
- Transparent banking and simplicity in finance: those are the principles of our services in 2012 as well. We will investigate what makes our current and prospective customers satisfied with ASN Bank so that we can enhance this satisfaction. Two aspects we will investigate are the services and products that customers expect us to deliver and our customers' expectations regarding our website, which plays an ever-increasing role in our services.
- We are expanding our services in respect of payments, for example with a mobile phone application.
- We are exploring the possibility of introducing structured sustainable investment products for large investors such as pension funds.
- We will move into a larger office that was renovated using sustainable methods. This office uses less energy than our current building and gives us more room to serve our customers.

5. Sustainable products and services

The simplification of our savings range took effect in early 2011. Various instant-access savings products were combined into one, revamped and non-conditional savings product: ASN Ideaalsparen. We also introduced the ASN Jongerenrekening account for youngsters in 2011. Our corporate clients got their own savings and investment products. This chapter provides an overview of the main developments regarding our sustainable savings, investment, payment and asset management services.

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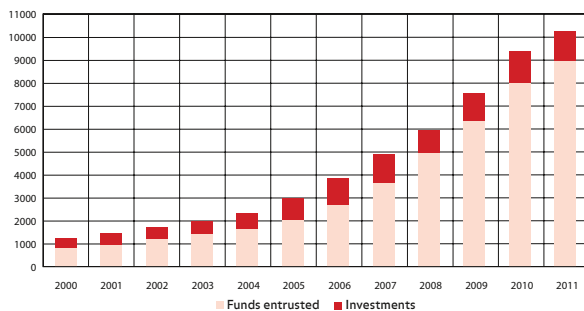


Photograph: Olaf Kraak/Hollandse Hoogte

5.1 Savings

In 2011, the savings deposits grew by 12% from € 7.90 billion to € 8.85 billion. This growth was mainly achieved in our instant-access savings products: the revamped ASN Ideaalsparen for private customers and the new ASN Sparen Zakelijk. In the second half of the year, the savings market was dominated by banks' campaigns offering high interest rates for short-term deposits. The amounts deposited in our deposit products remained stable throughout the year. The same was true for total deposits in our investment products for private and corporate clients. At the end of April and at the end of June, we sent prior announcements of interest rate changes to our customers by e-mail for the first time. These interest rate announcements were well-received. From now on, savings customers will receive them before each interest rate change.

Assets under management (Millions of euro's)



Sustainability issues

With the revamped ASN Ideaalsparen, we actively support four sustainability issues, promoting fair trade and renewable energy and fighting child labour and the arms industry. Customers may select one or several of these issues, to which we contribute on their behalf. Our partnering NGOs receive an annual contribution from ASN Bank's profits for their themed projects. This contribution is related to the amount of the savings deposits and the issues selected by ASN customers. For the full year 2011, we contributed more than € 1.2 million in total to seven different projects (see Chapters 1 and 3). This support on behalf of all ASN Ideaalsparen account holders replaced the individual option to donate interest that had existed from 1991.

ASN Saldo

In November, we introduced ASN Saldo ('ASN Balance') for iPhones. This tool allows customers to check their current balance and the most recent transfers to and from their ASN Bank current and

savings accounts with one click. ASN Saldo is just as secure as ASN Online Banking; it is secured with the user's login name and password. In addition, ASN Saldo states our main service numbers.

5.2 Payments

At the end of 2008, we introduced our current account for private customers, the ASN Bank Account. In 2011, almost 29,000 accounts were opened, in part thanks to our media campaign 'Money Moves', which focused on the ASN Bank Account and the Switching Team. At the end of 2011, our records stated in excess of 82,000 current accounts. The ASN Bank Account is an inexpensive online current account for customers from the age of 18. Customers receive interest on positive balances and pay only low monthly costs, which we succeeded to lower even more as from July 2011. Especially for our younger target group aged 12 to 25, we introduced the ASN Jongerenrekening account in May 2011. It offers practically the same facilities as the ASN Bank Account, but is even more inexpensive: it is free of charge. More than 8,000 of such accounts had been opened at the end of 2011.

ASN Credit Card

In July 2010 the ASN Credit Card was introduced to the market, the result of a successful team effort with credit card expert ICS. Almost 17,000 cards were in use at the end of 2011. As with the renewed product ASN Ideaalsparen, ASN Credit Card holders have a choice of supporting the sustainability issues that ASN Bank is aiming to advance, promoting fair trade and renewable energy and fighting child labour and the arms industry. A small percentage of each payment made with the card is donated to the themed projects of our partnering NGOs. This amount is also deducted from ASN Bank's earnings, which means that customers do not have to pay anything extra. This brought in another amount of more than € 80,000 for the relevant projects for the full year 2011.

5.3 Investments

We introduced the ASN Beleggen Zakelijk account in 2011 for associations, foundations, funds, churches and companies that want to make investments. This account enables them to invest in the seven sustainable ASN Investment Funds. Due to the financial crisis, investing lost ground to

saving in the year under review. Sustainable investment at ASN Bank was no exception. Total assets at the ASN Investment Funds were down € 79 million in 2011 (-5.8%) due to an outflow of cash as well as capital losses. However, there was one fund that managed to escape the downturn: the ASN-Novib Microcredit Fund. The ASN Investment Funds did win various awards in 2011 (see Chapter 4).

ASN-Novib Microcredit Fund

The ASN-Novib Microcredit Fund provides microcre-

dit to small business owners in developing countries. In 2011, customers invested fresh capital to the sum of € 50 million in the fund, especially in the last month of the year. As from 2011, the tax authorities use 1 January as the reference date for calculating the capital gains tax. Customers that wanted to use the (remaining) additional tax benefits of this socio-ethical fund in 2012 therefore had to invest before that date. We anticipated this by launching a campaign in which customers that invested € 1,000 or more received the Oxfam Novib calendar for 2012.

Growth of ASN Investment Funds

(amounts x 1,000/€ 1,000)	2011		2010	
	Number of shares	Net assets	Number of shares	Net assets
ASN Duurzaam Aandelenfonds	5.376	292.661	5.454	318.869
ASN Duurzaam Obligatiefonds	4.217	114.369	4.416	119.733
ASN Duurzaam Mixfonds	2.035	124.395	2.156	136.550
ASN Milieu & Waterfonds	11.481	184.549	12.024	213.703
ASN Duurzaam Small & Midcapfonds	2.013	39.080	1.997	54.766
ASN Groenprojectenfonds	12.073	309.240	13.657	353.186
ASN-Novib Microcredit Fund	4.152	231.264	3.236	178.059
Total net assets of investment funds		1.295.558		1.374.866

List of ASN Investment Funds

Fund	Invests in:	Return* in %		
		2011	past three years**	past five years**
ASN Duurzaam Aandelenfonds	Global listed companies	-6,94	11,73	-2,35
ASN Duurzaam Obligatiefonds	Government and corporate bonds	2,81	2,09	3,25
ASN Duurzaam Mixfonds	Bonds and equities	-1,72	6,70	1,08
ASN Milieu & Waterfonds	Renewable energy, water and the environment	-10,39	13,26	-1,39
ASN Duurzaam Small & Midcapfonds	Small, medium-sized and large European enterprises	-30,13	13,64	-5,57
ASN Groenprojectenfonds	Projects covered by the Green Scheme	0,60	1,17	1,78
ASN-Novib Microcredit Fund	Microfinance institutions	4,92	5,11	4,59

* Return based on share prices, including reinvestment

** Average per year

Notes to the results and investments of the individual funds can be found in the ASN Investment Funds Annual Report, the ASN-Novib Microcredit

Fund Annual Report and the ASN Groenprojectenfonds Annual Report, which we publish as separate documents.

5.4 Asset management

At the end of 2010, ASN Asset Management was introduced for private individuals, foundations, associations and social institutions with investable assets of € 250,000 or more. ASN Asset Management structures tailor-made portfolios on the basis of the wishes and financial position of the client and ASN Bank's special investment criteria. These activities gained momentum in 2011. In spite of turbulent times in the financial markets, the assets that clients entrusted to ASN Asset Management grew by 114%. Returns based on stock market developments were good. Retaining its sustainability criteria, ASN Bank succeeded in having its investment results compete with those of non-sustainable colleagues. This confirms that sustainable investment is not necessarily inferior to regular investment.

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We organised two successful meetings for clients of ASN Asset Management. Especially the traditional spring walk, combined with a visit to the island of Pampus, attracted a host of people.

6. Sustainable investment and finance

It ensues from ASN Bank's mission that we help create a society in which people are free to make their own choices, without this being at the expense of others. A just society without poverty, in which everyone has access to education, good housing and medical care. ASN Bank's current investments therefore reflect the sustainable society of tomorrow.

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Photograph: Ger Loeffen/Hollandse Hoogte

ASN Bank exists by the grace of its customers and their trust. They must be able to depend on us to invest their savings in a careful, risk-averse manner. Accordingly, we invest mainly in loans to public authorities (central, regional and local) and, in the context of home mortgages, to financial institutions. Other major asset categories are water boards, energy companies, healthcare institutions, housing corporations, education, culture and leisure, and renewable energy. This spread creates a good balance between the various sectors. Appendix 3 to this report shows where we invest your money; section 9.5, 'Notes to the balance sheet', shows the spread across sectors of our investments and loans. Here, you will find notes to the main investment categories.

Principles and developments in 2011

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

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

to hedge those risks. We opt for investments with a low risk profile that meet our sustainability criteria.

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

In addition, we particularly focus on investing in the renewable energy sector. Taking account of our low risk profile, we can finance projects in this sector every year. If we want to step up our investments in this sector, we need more shareholders' equity. To that end, we add the annual profit to our shareholders' equity. This allows us to maintain our moderate risk profile while having more capital available for investing in renewable energy projects. Our current capital level enables us to achieve further growth.

6.1 Sustainable lending

The business sector is increasingly interested in practising corporate social responsibility. We consider it important that helpful innovative technologies and products get the opportunity to develop and spread. To this end, we provide business loans based



Solar power plant Lavansol – Photograph: ANP

on the knowledge of the market of our Sustainable Loans Department. This department provides and manages business loans for ASN Bank, ASN Groenprojectenfonds and ASN Groenbank (see the organisational chart including notes in Chapter 11).

ASN Bank funded new projects totalling € 138 million and ASN Groenprojectenfonds € 13 million in the aggregate in 2011. A list of investments made by ASN Bank is included in Appendix 1. Below are a number of examples of our sustainable loans.

ASN Bank loans: renewable energy

Global Tech

We extended a € 29 million loan to Global Tech I, the largest German offshore wind farm constructed so far. The project has three major shareholders, including energy companies from the German city of Munich and the federal state of Hesse. These shareholders have strategic goals in the area of renewable energy. Stadtwerke München, for example, aims to be fully energy-neutral within twenty years. That is why this utility company invests in onshore and offshore wind projects. Global Tech I consists of eighty wind turbines that jointly generate 400 megawatts of electricity, sufficient to serve 445,000 households. The total investment in Global Tech I is more than € 1 billion and is provided by sixteen commercial banks – including ASN Bank – and other parties. That makes it the largest loan to wind energy ever. The internationally acclaimed magazine Project Finance International declared this project Wind Deal of the Year, as Europe's best wind project in 2011.

Lavansol

The Provençal village of Les Mées, on the Puimichel plateau, is one of the sunniest locations in France. In the environs of Les Mées, a solar power plant is being built. ASN Bank is financing two of its projects, Lavansol M7 SAS and Lavansol II SAS, for a total of € 25 million. Together, these projects have an annual capacity of 18.2 megawatts. That is enough to provide around ten thousand* households with electricity. Doric Asset Finance has bought the projects from Enfinity. Enfinity was responsible for the construction and operates the farms. This international property developer in renewable energy has extensive experience in setting up and selling solar power projects and is well acquainted with the French market. Doric Asset Finance, an independent fund manager, gives private investors in Germany the opportunity to invest in infrastructural projects including renewable energy. The financing was structured by Norddeutsche Landesbank Girozentrale (NORD/LB). This bank is highly experienced in financing renewable energy projects. ASN Bank is the mandated lead arranger of the financing. Lavansol M7 and II became operational in April 2011.

Akuo Corsica

In 2011, ASN Bank extended a long-term loan of € 22 million to Akuo Corse Energies Solar. This loan was used to develop three French solar power projects in Corsica, which are now operational and located near the cities of Corte and Sainte-Lucie-de-Porto-Vecchio. Generating 12.15 megawatts of electricity per year, the projects can provide approximately 6,500* households in Corsica with electricity. Akuo Corse Energy Solar is part of the Akuo Energy Group, an independent producer of electricity and energy from renewable energy sources. Akuo develops projects around the globe. The French bank Dexia, which has broad experience with financing renewable energy projects, structured the transaction. Dexia provided the other half of the long-term loan.

Newsolar

In December 2011, ASN Bank extended a long-term loan of € 13.4 million to Newsolar. Newsolar is a French solar power project in Saint-Léger, Charante-Maritime, one hundred kilometres north of Bordeaux. Generating 10.7 megawatts of electricity per year, this project can provide almost five thousand* households with electricity. The project is now operational.

Newsolar is part of the Spanish company Longsol, an independent producer of electricity from solar power. Longsol's portfolio comprises Spanish and French projects. The French bank Dexia, which has broad experience with financing renewable energy projects, structured the transaction. Dexia provided the other half of the long-term loan.

** Households in France consume an average of more than 2,500 kilowatt hours of electricity per year (excluding heating), one thousand less than Dutch households.*

ASN Bank loans: sustainable construction and renovation

Renovation of, and introduction of sustainability in, former Soviet flats

In the former Eastern Bloc, identical blocks of flats were built on a large scale in the last century. After the Soviet Union collapsed, the occupants could buy their flats at a trifling amount. However, many of them do not have money for maintenance and renovation, although the flats are of low quality and consume a lot of energy. As a result, more than half of the population is suffering from high energy bills and are watching their homes decay. Renesco invests in maintaining and modernising such blocks of flats. At the beginning of August 2011, ASN Bank – through the Dutch International Guarantees for Housing Foundation (DIGH) – provided Renesco with a € 1,150,000 loan to renovate five blocks of flats in Latvia and make them more sustainable, with a guarantee from housing corporation AlleeWonen. Renesco is renovating the façade, window cases, balconies, staircases and other aspects. It is isolating roofs and basements and adding new hot water pipes, radiators and controlling equipment. In some cases, it is also replacing the old, inefficient district heating with modern, geothermal storage. The result is a reduction of energy costs by some 75%.

Sustainable heating for seven large offices

ASN Bank provided financing to Unica in excess of € 8 million for the placement of thermal storage systems in seven office buildings. Thermal storage is an energy-efficient, reliable, affordable way to heat and cool buildings. Unica will install the systems and operate them for many years. The offices have a joint floor area of 124,000 m². The following projects are involved:

- The building of the Faculty of Science of the University of Amsterdam at Science Park Amsterdam
- Irdeto in Hoofddorp
- Residential care centre Spikvoorde in Deventer
- Het Facet in Utrecht
- Shopping centre Centrumplan in Geleen
- KPMG office Victoria in Rotterdam
- Oostereiland in Hoorn, a housing, working and leisure project

Equator Principles

The Equator Principles for large project loans require the loans to meet the social and environmental criteria set by the International Finance Corporation (IFC). ASN Bank has adopted the Equator Principles, which reaffirms our policy to provide loans only to projects that are developed in a socially responsible manner and are in line with the requirements for sound sustainability policies. In addition to our own sustainability criteria, we apply the Equator Principles to all the projects we finance whose total value exceeds \$ 10 million (we apply a limit of € 8 million). The Equator Principles distinguish three project categories, ranging from a high possible adverse effect on the environment and human rights (category A) to a low effect (C). As we apply our own sustainability criteria, we do not finance any projects from category A. We did finance three projects in category B and six in category C.

The table below shows how many projects from each category we assessed and approved in 2011.

Project category	Assessed	Approved
A	0	0
B	3	3
C	6	6

Finance through ASN Groenprojectenfonds

ASN Groenprojectenfonds provides loans in the fields of sustainable construction and renewable energy, e.g. energy generated by wind turbines and decentralised energy supplies (thermal storage, cogeneration and solar energy). We have acquired considerable expertise in these fields, particularly in respect of thermal storage.

In 2011, ASN Groenprojectenfonds could lend significantly less than in 2010. Resources decreased as investors withdrew € 40 million from the fund on the back of a reduction of the tax benefit and – in part as a result – of the net return. Moreover, ASN Groenprojectenfonds had to maintain more liquidity than usual. In order to somewhat compensate the tax benefit reduction for investors, we raised the rates for loans provided by ASN Groenprojectenfonds. Sustainable projects must now pay higher interest rates.

Especially housing corporations suffered from a lack of funds, as they had just submitted sustainable renovation and construction plans on a larger scale. Although NL Agency issued green certificates for their plans, the corporations were unable to obtain the favourable loans they had been hoping for. According to the umbrella organisation AEDES, housing corporations had to adjust their ambitions as fewer green loans were available at all the green banks and funds.

The Dutch Banking Association (NVB) urged politicians until late 2011 not to phase out the tax credit in full, but to no avail. We did not take part in this lobby. According to the NVB, maintaining the tax credit

should be combined with a limitation of the total amount that may be extended with a tax exemption. This limitation could affect the size of the investments of our other tax-based fund, the ASN-Novib Microcredit Fund. This is unacceptable to us because the objective of the ASN-Novib Microcredit Fund – to provide microcredit to small business owners in developing countries – is more important than maintaining a tax exemption for high-net-worth investors in the Netherlands.

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

ASN Groenprojectenfonds loans: renewable energy

TexelEnergie



TexelEnergie's objective is to provide the entire island of Texel with renewable energy, generated from local energy sources to the greatest extent possible. The revenues earned by this local energy supplier go to the Texel economy. TexelEnergie has been granted a subsidy under the Sustainable Energy Production Stimulation (SDE) Scheme to place solar panels with a total capacity of 175 kilowatts-peak onto four company roofs. For the purposes of this solar energy project, TexelEnergie created a wholly-owned

subsidiary, TEzon B.V. In 2011, TEzon received a loan of more than € 400,000 to finance the four solar energy systems.

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ASN Groenprojectenfonds loans: sustainable construction

Spolderwerk

In the spring of 2011, ASN Groenprojectenfonds invested in the thermal storage system of the Spolderwerk office building in Zwolle. Belgian energy supplier Electrabel will lease this building as its new head office. The complex comprises two towers of thirteen and nineteen floors. The design focuses especially on energy efficiency and sustainability. Voorst Energie B.V. will install the thermal storage system with a loan of nearly € 1.1 million from ASN Groenprojectenfonds.

Villa Flora

Along the A73 motorway near Venlo, Villa Flora was created as part of the world horticultural expo Floriade 2012. ASN Bank finances the construction of Villa Flora for € 8.15 million. The building was designed according to the cradle-to-cradle concept. The construction materials are environmentally friendly, the energy is renewable and the water in the building is reused. The building will be entirely self-supporting in its energy consumption, including thermal storage for comfortable ambient temperatures in all seasons. Electricity will be generated from the organic waste that is collected. In addition, Villa Flora will serve as a 'test lab' for recent technological breakthroughs that may accelerate sustainable construction developments, such as the low-temperature technology and the 'breathing window'.

Yellow Step Solar

In June 2011, ASN Groenprojectenfonds issued a loan in excess of € 1 million to Yellow Step Solar (YSS). YSS used this loan to install 39 solar energy systems at 27 primary schools in Amsterdam. YSS is a joint venture of Greenchoice, the largest green energy supplier in the Netherlands, and solar energy producer International Solar. YSS responds to the interest of provinces, municipalities, housing corporations and other parties in placing solar energy systems on buildings. However, it is as yet not possible to do so in a profitable way without support in the form of subsidies. Yellow Step Solar provides investment capital and expertise to roof owners and installers who have been granted subsidies in order to help them execute the projects. The 39 solar energy installations in Amsterdam are owned by the special purpose vehicle YSS Projects 1 VOF, which has been set up especially for this purpose. The comprehensive schools will obtain the ownership for no consideration after fifteen years.

6.2 Government bonds

Government bonds are loans extended to countries' governments, which often require capital. Issuing government bonds allows them to obtain capital quickly. They repay these loans with taxpayers' money.

Governments play an important role in a society's sustainability. They provide basic facilities such as housing, education and healthcare and rules to stimulate renewable energy, for example. Investments in government bonds are in line with our policy as, in our view, governments are vital to the functioning of a just, sustainable society. On top of that, government bonds are readily marketable and the investment risk is relatively modest – although the euro crisis recently demonstrated that the risk is higher than had been assumed for a long time. The Dutch Central Bank requires all banks to maintain part of

their assets in readily marketable investments such as government bonds.

As we do not want to run any currency risks on our government bond investments, only government bonds denominated in euros are eligible for inclusion in our investment universe. We assess the countries that issue these bonds on the basis of human rights and environmental criteria. A number of countries are excluded automatically, as we do not invest in government bonds of countries that violate human rights, such as China and the United States. After all, these countries impose death sentences. We measure the performance of the remaining countries in the areas of the environment and human rights on the basis of the indicators listed below. In that regard, we rate a country higher as the outcomes of the various indicators are closer together. A country with a disparate spread across the indicators is given a lower rating.

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ASN indicators to measure the performance of countries

<i>Topic</i>	<i>Indicator</i>
Human rights	
Child labour	Risk of the occurrence of child labour
Trade union freedom	Risk of low trade union freedom
Forced labour	Risk of the occurrence of forced labour
Discrimination	Risk of discrimination
Defence expenditure	Share of defence in a country's budget
Corruption	Risk of corruption
Distribution of income	Difference between highest and lowest incomes
Freedom	Freedom of the press
Development contribution	Share of development funds in GNP
Environment	
Climate change	Per capita emission of greenhouse gases
Share of renewable energy	Hydropower and renewable energy as a percentage of total electricity generated
Nuclear energy	Per capita consumption or production
Water pollution	Phosphate and nitrate emissions to water
Air pollution	Per capita emission of sulphur oxides
Waste processing	Paper and glass recycling
Nature conservation	Share of nature reserves in total nature

The ASN Bank Government Bonds Issue Paper, available at www.asnbank.nl, includes an explanation of these indicators. The countries of which ASN Bank

owned government bonds as at 31 December 2011 are stated in Appendix 1. We will update the ASN Bank Government Bonds Issue Paper in 2012.

6.3 Other fixed-income investments

We invest not only in government bonds, but also in fixed-income securities of parties including:

- *Local and regional governments*
Just like national governments, they play an important role in a society's functioning. If we have approved a country's government bonds based on the criteria laid down in the ASN Bank Government Bonds Issue Paper, the local governments have also automatically been approved. In this category, we invest mainly in bonds of Dutch municipalities and provinces.
- *Water boards*
In the Netherlands, water management is very important indeed. Water plays a key role in the development of our living environment, for example with regard to housing, working, nature conservation and leisure. As far as the environment is concerned, since 2007 a number of water boards have been intensifying their activities in the areas of climate change, water quality, nature conservation and biodiversity, and exporting knowledge to Third World countries. As the water boards' activities are highly harmonised, we assess the sector as a whole in terms of human rights and the environment.
- *Health and old-age care*
We consider good healthcare to be an essential element of a just society. It is a key human right to which we wish to contribute with our investments. Healthcare institutions play a major social role as they provide healthcare with due attention to quality and safety for patients and staff. We verify whether the organisation of the healthcare institutions is such that they contribute to good healthcare, now and in the future.
- *Housing corporations*
Housing corporations have a social objective: they provide good, affordable housing, specifically for low-income households. They increasingly add environmental goals to this social objective, which makes them eligible for investment by ASN Bank.

we definitely do not want to invest. That is why we do not invest in banks and insurance companies. However, there are a few exceptions. Especially the 'loan portfolios' of banks and insurers can be an investment option, as details are available regarding the investments included in these portfolios, for example mortgages, student loans, loans to semi-public institutions and microcredit. In that regard, we verify whether the bank or insurer that issues the loan portfolios, as well as the loan portfolios themselves, satisfy our sustainability criteria.

Although ASN Bank does not sell individual mortgages, such loan portfolios give us the opportunity to invest in mortgages after all. Mortgage investment is in line with our sustainability vision, because the right to a home is one of the human rights. Good, affordable, energy-efficient homes are necessary in the sustainable society of the future as well. If mortgages meet the criteria as laid down in the ASN Bank Banks and Insurers Issue Paper, they may be approved for investment. These are mortgages that have the features of mortgages extended under the National Mortgage Guarantee Scheme ('NHG mortgages'), i.e. loans to average-income households that need a little support to be able to buy their own homes.

ASN Bank recognises the current problems in the Dutch housing market. In part as a result of the mortgage interest tax relief, the prices of homes are higher in the Netherlands than in surrounding countries. This and other factors have made it difficult for first-time buyers to buy a home. We recognise the necessity to critically review the Dutch housing market in all its facets, based on the principle that everyone has a fair chance of a comfortable home.

6.4 Mortgages

When investing in banks and insurers, we are confronted with the fact that they are usually not transparent about their loans and investments. We do not know to whom they extend loans and for what purposes. They may include sectors in which

7. Sustainable investment in practice

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

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ASN Bank's Sustainability & Research Department

Photograph: Lennaert Ruinen

We can only be fully transparent if the companies and countries we invest in also provide full insight into their affairs. Only then can we establish how countries and companies deal with their citizens and employees, nature and the climate. In respect of companies, we are convinced that the future lies with companies that invest in, for example, proper working conditions and solutions to the climate change issue. We select them on the basis of our sustainability policy.

7.1 Sustainability criteria

Our sustainability policy is laid down in the ASN Bank Issue Papers, which formulate the sustainability criteria we use to select investments. These criteria apply to all loans extended by ASN Bank (see Chapter 6). ASN Beleggingsinstellingen Beheer B.V. ('ABB', the manager of the ASN Investment Funds) and ASN Asset Management have adopted these special investment criteria in full as the basis for their investment policies.

Companies, government bonds and institutions that meet our sustainability criteria have been included in the ASN Investment Universe. When structuring their portfolios, the managers of the ASN Investment Funds, the ASN Bank savings and ASN Asset Management make a selection from this list of approved companies and institutions. It depends on the financial performance of a company or institution whether it is indeed selected. In the aggregate, 303 listed companies satisfied the sustainability criteria at the end of 2011.

We implement the concept of sustainable investing at ASN Bank and the ASN Investment Funds using three tools:

- the sustainability criteria laid down in the ASN Bank Issue Papers when selecting investments;
- engagement, or the dialogue with the companies or institutions in which we invest;
- exercising the voting rights associated with equity investments.

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

Into our own hands

Until 2011, we largely outsourced the assessments of the sustainability of countries and companies to SNS Asset Management. As from January 2011, the Sustainability & Research Department performs all assessments in-house. To that end, the department was expanded from two to six employees. They are responsible for sustainability policy formulation, the assessments, the dialogue with companies and the execution of the voting policy. In addition, the department takes part in social debates about sustainability issues on behalf of ASN Bank (see the box about cluster munitions in Chapter 4).

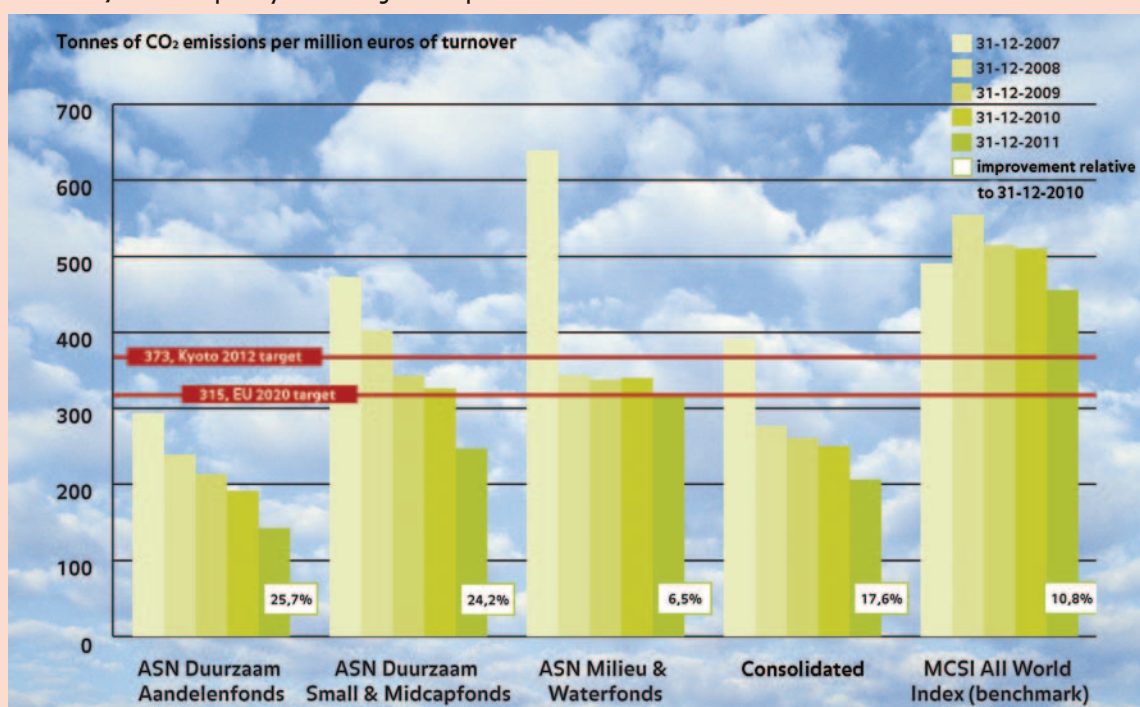
7.2 Selection

The selection process is one of the key procedures that we use to implement ASN Bank's mission for our customers. Our sustainability is, first and foremost, expressed in the selection of investments on the basis of criteria in the areas of human rights, climate change and biodiversity. Accordingly, it is key that we can be certain that the selection occurs in accordance with our sustainability criteria.

The selection of sustainable investments is a complicated and thorough process that takes place according to a standard procedure. We continuously verify whether investments meet our investment criteria. In that process, we use information from the company itself, as well as information provided by specialised research institutes, the media, NGOs such as Amnesty International, and trade unions. We discuss the assessments in the ASN Selection Committee after completion. The Committee consists of the Management Board of ASN Bank, the Managing Director of ASN Beleggingsinstellingen Beheer B.V. and the Head of Sustainability & Research. The Committee is advised by the Sustainability & Research Department. It met six times in 2011. The ASN Selection Committee is the only body that has the power to approve or reject an investment for the investment universe. If the Committee decides positively on an investment in a company, government or institution, we include it in our universe. All companies and countries in the universe are reviewed based on the criteria and discussed within three years. If new information shows that the review should be performed earlier, we will do so.

Carbon emissions

When you invest in a company, you also invest in its carbon emissions – or reduction. The investments of the ASN Investment Funds are selected on the basis of our sustainability criteria for human rights and the environment. We measure our climate policy effectiveness by calculating the carbon emissions of our equity funds. To do so, we have engaged Trucost, an English research organisation specialising in determining the impact that business operations have on the environment. In 2012, we will improve the methods, for example by removing the impact of inflation.



In 2011, on balance carbon emissions of ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds were reduced. In the first half of the year, emissions of ASN Duurzaam Aandelenfonds in particular were rising. We anticipated an economic upturn at the time, which is why we invested relatively much in cyclical companies such as DSM, Umicore and Stora Enso. Such companies tend to place a heavier burden on the climate than non-cyclical companies. In August we started to substantially reduce our stakes in such companies, which significantly lowered the funds' carbon emissions. We are glad to see that the carbon emissions of the MSCI All World Index, which represents companies worldwide, have likewise decreased. Unfortunately, that is certainly not enough – it is important that the emissions of *all* companies are reduced to a considerable extent.

CO₂ emission in tonnes per million euros

Fund	% above the MSCI*	Improvement from 2010	2011	2010	2009	2008	2007
ASN Duurzaam Aandelenfonds	68.9%	25.7%	142	191	213	239	293
ASN Duurzaam Small & Midcapfonds	45.8%	24.2%	247	326	343	403	473
ASN Milieu & Waterfonds	30.3%	6.5%	318	340	338	344	639
Consolidated	54.8%	17.6%	206	250	261	277	392
MSCI All World Index*	-	10.8%	456	511	515	555	491

* MSCI All World Index is the benchmark

The ASN Investment Universe: always in flux

Admitted in 2011: Wolters Kluwer

Wolters Kluwer is a Dutch online publishing company. It also provides information to professionals in a variety of areas, including law, finance and accountancy. Wolters Kluwer has a solid human rights policy, in which it explicitly refers to the Universal Declaration of Human Rights and various ILO (International Labour Organization) guidelines. The company visits other businesses to verify whether its suppliers also abide by those rules. In order to reduce its paper consumption, Wolters Kluwer digitises as many products as possible. The products that are still published in hard copy are largely made from sustainable paper: 98% of the books and all of the journals and magazines.

Removed in 2011: Whole Foods Market

US supermarket chain Whole Foods Market specialises in natural and organic food, household products and personal care products. The company uses its own criteria with regard to the sustainability of its natural food products. On account of its focus on natural and organic food, Whole Foods Market is an example of sustainable operations. However, it does not take trade union freedom as a fundamental employment right seriously. This right is often violated in the United States in particular. We contacted Whole Foods Market about this matter. The company indicated that it has no intention to change anything in that regard. That is sufficient reason for us to remove the company from the investment universe.

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7.3 Engagement

We regularly contact the companies and institutions that we or our funds invest in, with a question or a request. We do this in order to make them increasingly aware of their performance in the areas of human rights, climate change and biodiversity and to improve this performance. We avail ourselves of this engagement in the following cases:

1. With small and medium-sized European companies in which ASN Duurzaam Small & Midcapfonds invests. If they do not yet fully meet our criteria, we encourage them to pursue a business strategy of maximum sustainability. If a company fails to show any improvements within two years, it is removed from the universe.
2. If a company in the investment universe possibly no longer meets our investment criteria. Such a suspicion may arise from the three-yearly review or from new information. We will ask the company specific questions in that regard or request it to adjust its policy or improve the implementation of its policy. Depending on the answers we receive, we will contact the company again. If the desired response is not obtained, the ASN Selection Committee decides whether the company should be removed from the universe.

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

In 2011, we conducted a dialogue with:

- 19 companies from the ASN Duurzaam Aandelenfonds universe;
- 77 companies from the ASN Duurzaam Small & Midcapfonds universe;
- 4 companies from the ASN Milieu & Waterfonds universe.

ASN Duurzaam Small & Midcapfonds mainly involves companies that do not yet perform adequately on all sustainability criteria. For that reason, their admission to the universe is tentative. By actively engaging them in dialogue, we steer them towards improvement. When they fail to show any improvement within two years, we remove the company from the fund's universe.

Principles for Responsible Investment

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

7.4 Voting

The ASN Investment Funds are entitled to vote at shareholders' meetings of the companies in which they invest, which enables them to influence the policies and management of those companies. The funds cast their votes according to the mission and

sustainability criteria of ASN Bank and ASN Beleggingsinstellingen Beheer B.V. In recent years, we have been exercising our voting rights in an increasing number of companies. In 2011 we voted according to this sustainable voting policy at 207 shareholders' meetings worldwide.

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Voting for a sustainable world

Here are a few examples of the votes we cast at shareholders' meetings in 2011:

Recycling at Starbucks

In the United States, it is quite common for shareholders to submit their own agenda proposals. More than half of the time, those proposals concern matters such as climate change and human rights. One shareholder at Starbucks, for example, submitted a proposal for much more ambitious goals with regard to recycling plastic, glass, paper and cans. Although the Starbucks management recommended voting against this proposal, we voted in favour of it on 23 March 2011.

Nike, British Telecom and KPN

We only vote in favour of fees and bonuses if they are linked to sustainability results, and not only to the financial results. Companies can do so, for example, by making a director's bonus dependent on a reduction of the number of accidents or the achievement of climate change targets. In 2011, we voted according to this principle at companies including Nike, British Telecom and KPN.

Purchase of company shares

If a company has a surplus of cash, it can use that money to repurchase its own shares. As fewer shares remain, the value of the other shares increases. That is a gift to the company's existing shareholders. However, we believe that this money could be put to better use: to increase the company's sustainability. That is why we always vote against a repurchase of the company's own shares.

7.5 Sustainable dilemmas

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

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

Sustainable dilemmas in 2011

Trade union rights in the United States

In the area of trade union rights, we follow the ILO, the International Labour Organization. This creates a dilemma for us with regard to investments in the United States, as this country did not sign all of the ILO Conventions. US companies are often unsympathetic to trade unions. Some US companies even lobby in countries like China to ease labour standards. This negative attitude towards trade unions is a common phenomenon among US companies. Should we take account of US society's acceptance of such viewpoints? Or should we stick to the ILO principles? That would mean that many US companies are ruled out as investment options. We choose to abide by the ILO Conventions. We therefore engage sustainable US companies in dialogue about their policies regarding trade union rights.

Onshore wind farms

One of the ways in which ASN Bank executes its sustainability mission is to invest in wind farms. But should we also finance large-scale onshore wind farms? After all, local residents often object to their construction. This is relevant as our choice for a particular investment also depends on the degree to which the local population's interests are taken into account. In our assessments, we not only comply with laws and regulations, but also consider whether we find them sufficient. We therefore weigh both interests – the necessity to switch to clean energy and the desire of local residents to keep their living environment intact.

Animal welfare

For a long time, we maintained the following viewpoint in respect of animal testing: it is only allowed to test medical products, and then only under proper, controlled conditions. But what are medical products? There is often no clear distinction between medical products and personal care products. Zinc ointment, for example, cures damaged skin but is freely available. On top of that, the law only allows the introduction of chemical products to the market if they have been extensively tested. The same applies to paint, for example. Paint is important in sustainable construction as it contributes to the life span of buildings, but the substances in the paint may have been tested on animals because of statutory requirements.

Climate change

Global warming is upon us. Chances that the temperature increase will be less than 2 degrees Celsius are falling. Considerable investments are necessary to absorb climate change effects. Does this mean that ASN Bank will invest not only in renewable energy, but also in raising the dikes, for example? After all, that could be regarded as an acceptance of climate change as something unavoidable – and therefore as an acceptance on our side of higher carbon emissions.

8. Sustainable operations

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

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Students of the agricultural college in Oaxaca, Mexico, study the growth of coffee plants.

Photograph: Éric St. Pierre/www.ericstpierre.ca

8.1 The environment

In 2011 we continued working on the main environmental effects of the ASN Bank office, which are paper consumption and the emission of the greenhouse gas CO₂. Because of their volume, they continue to be a spearhead in 2012 as well. In the past

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

	2011	2010	2009	2008	2007
CO₂ emissions¹					
CO ₂ emissions: tonnes	140	143	141	144	114
CO ₂ emissions: tonnes per FTE ²	1.62	1.75	1.82	2.22	1.98
Energy consumption					
Electricity: kWh	198,126	181,101	199,744	180,711	139,051
Electricity: kWh per FTE	2,290	2,217	2,584	2,782	2,421
Gas: m ³ gas	27,053	29,434	24,167	26,743	19,760
Gas: m ³ per m ²	13	15	12	13	13
Paper consumption					
Paper consumption in kilograms	249,766	258,919	211,103	214,538	179,113
Kg of paper consumption per client account	0.33	0.36	0.35	0.36	0.37
Water consumption					
Water consumption: m ³	677	637	604	585	458
Water consumption: m ³ per FTE	7.8	7.8	7.8	9.0	8.0
Waste					
Paper waste: tonnes	13.0	14.8	17.7	18.4	15.4

1 This figure comprises all transport (commuting and business mileage) and heating of ASN Bank, excluding ASN Asset Management. The latter is responsible for 16.6 tonnes of CO₂ emissions (commuting and business mileage).

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

CO₂ emissions

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

We do not aim to offset our remaining carbon emissions in the usual way (purchasing carbon certificates), but by supporting projects with a broader

purpose. In 2012, we will search for a project that meets this requirement. We will therefore reserve the compensation for 2011 (140 tonnes of CO₂) and offset it, along with the CO₂ emissions for 2012, in 2013.

Reduction of paper consumption

It takes a lot of paper to inform all of ASN Bank's customers (over half a million) through, for example, bank statements, letters and our customer magazine. Our strategy is to reduce paper and envelope consumption in part by further developing as an Internet bank. The target for 2011 was to keep the paper consumption at the same level as 2009 or to reduce it. Ultimately, paper consumption per client account dropped by 5.7% compared to 2009 and 8.1% compared to our reference year 2006. Absolute paper consumption fell sharply compared to 2010

in spite of the strong growth of our customer base. Measures like a reduction of the number of bank statements contributed to this achievement. We do not believe that we will be able to achieve any further substantial paper reduction, because we meet the request of customers who prefer to receive information in writing. Still, we continue to aim for a long-term reduction of paper consumption, for example by offering our magazine *Ideaal* in electronic form to customers who wish to avail themselves of this option.

Other measures

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

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

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8.2 Business accommodation

ASN Bank has experienced tremendous growth in the past few years, also in terms of its workforce. Our current building no longer provides sufficient room to everyone. In 2012, we will therefore move into a new office at Bezuidenhoutseweg 153, a 1970s office building that has been unoccupied for some time. It is in line with our sustainability vision to choose an existing building for our new office, which consequently will not remain vacant but is given a new, sustainable purpose. This way, we contribute to a reduction of the number of voids among older offices and maintenance of undeveloped space. In 2011, the building was renovated and made more sustainable within reasonable financial frameworks. It will obtain an energy rating A or B, depending on technical possibilities and the Municipal Executive's decision on whether it will grant a permit to install a thermal storage system. We will also create an enjoyable working environment for our staff, who are closely involved in the design of our office.

and secondary benefits that comply with the market standard, also apply to our bank.

Objectives, competencies and development
The human resources policy is based on mature labour relations: on principles of mutual responsibility, equality and due care. This is expressed, for example, in the performance and competency assessment cycle. Supervisors use the annual planning meeting to provide specific targets for their employees that reflect their expectations of the employees for the year ahead. They also focus on the development of competencies in view of the employee's current position and ambitions for the future. In 2011, we initiated an assessment of the job grading applied at ASN Bank. All positions will be regraded, in part in view of our bank's larger size. We will finalise this process in 2012. In 2010, SNS REAAL introduced a new core value: CARE! The CARE! values are in close harmony with the way in which we execute ASN Bank's sustainability mission and the services to our customers. We have included these values in our performance and competency assessment cycle. Furthermore, ASN Bank has a business-specific competency: cooperation. We can deliver better performance if we cooperate, both within departments and between the bank's various departments. The personal development plan (PDP) is an important tool that empowers employees to control

8.3 Human resources

ASN Bank's human resources policy is grafted onto that of SNS REAAL. The SNS REAAL Collective Labour Agreement, which contains good primary

their own development. The PDP lays down in what direction an employee wants to improve and contains arrangements about the way in which he or she

can reach that goal. We make internal and external training available for the further development of our employees.

ASN Squirrel Team walks for refugees



CARE! dovetails well with the enthusiasm and commitment displayed by our staff as they fight for a sustainable world. Ten ASN employees and sympathisers walked forty kilometres in the Night of the Refugee on 19 June. The walk started on the Erasmus Bridge in Rotterdam and ended in The Hague at Humanity House, a museum that lets visitors experience what it is like to be a refugee. The ASN Squirrel Team raised approximately € 1,800 for Stichting Vluchteling. The amount raised by all teams together, € 136,671, was donated to backpack doctors in Burma.

Representation

Since the works council elections of May 2010, the SNS REAAL works council also represents the ASN Bank employees. Two members of the works council have ASN Bank as their area of attention.

Workforce developments

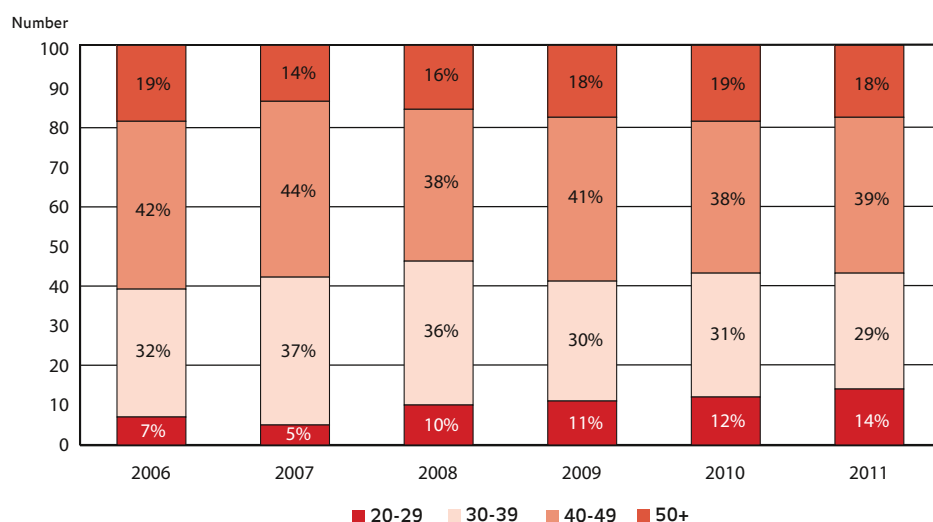
The number of staff rose by 18% to 107, in part as a result of an increase in workload at ASN Customer

Service. The Marketing & Communication, Sustainable Loans, Sustainability & Research and Capital Management Departments also expanded their staff numbers.

Absenteeism was low in 2011: 3.2%. Absenteeism meetings and, where necessary, proper support from the occupational physician take centre stage in our sick leave policy.

	2011	2010	2009	2008	2007
Number of new staff	22	7	16	18	13
Leavers	6	5	4	6	5
Absenteeism (in %)	3.2%	2.9%	4.2%	2.6%	2.8%
Part-time staff (in %)	39.3%	39.6%	38.2%	37.7%	30.8%
Workplace health and safety costs (in euros)	25,530	27,316	20,116	19,100	17,760
Training costs (in euros)	68,208	87,592	54,519	73,800	42,600

Composition of personnel (age)



Composition of personnel (gender)

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Employee satisfaction

SNS REAAL conducts an employee survey every year. In 2011, the satisfaction of ASN Bank employees was 8.2, down from the high figure for 2010 (8.6). Accordingly, ASN Bank achieved the Management Board's permanent target, i.e. a score of at least 8 out of 10. The employees are proud to be working at ASN Bank and enjoy their work. That is also demonstrated by the high score we achieved in

the 2011 Best Employer Awards. We reached second place in the category of companies employing fewer than one thousand staff.

The management team and the employees have discussed the results of the survey. The 2010 survey had revealed that improvements could be made in respect of internal communications. We devoted extra attention to this issue in 2011.

9. Financial results

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Fair trade rice, Thailand.

Photograph: Éric St. Pierre/www.ericstpierre.ca

9.1 Balance sheet

<i>In thousands of euros before profit distribution</i>		<i>31-12-2011</i>	<i>31-12-2010</i>
Assets			
Cash and cash equivalents		140	36,987
Loans and advances to banks		4,985,440	3,576,283
Loans and advances to customers		1,962,296	1,639,755
Derivatives		28,265	12,618
Investments		2,775,242	3,166,359
Tangible fixed assets		8,785	6,565
Intangible fixed assets		525	525
Deferred tax assets		5,376	21,010
Other assets		122,323	82,191
Total assets		9,888,392	8,542,293
Liabilities			
Funds entrusted		8,969,059	7,991,567
Other amounts due to customers		25,608	27,874
Derivatives		67,123	42,486
Deferred tax liabilities		14,365	271
Other liabilities		570,047	377,209
Share capital		11,350	11,350
Other reserves		179,755	48,432
Profit for the year		51,063	43,098
Minority interests		22	6
Equity		242,190	102,886
Total liabilities		9,888,392	8,542,293

9.2 Income statement

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Income		
Interest income	311,304	281,196
Interest expenses	222,985	198,227
Net interest margin	88,319	82,969
Commission and management fees	19,046	17,829
Commission and management fees due	7,994	9,801
Net commission and management fees	11,052	8,028
Result on investments	2,361	-6,536
Total income	101,732	84,461
Expenditure		
Impairments	97	24
Staff costs	9,350	8,190
Depreciation of tangible fixed assets	121	121
Other operating expenses	24,116	18,345
Total expenditure	33,684	26,680
Profit before tax	68,048	57,781
Tax	17,067	14,824
Net profit	50,981	42,957
Minority interests	-82	141
Net profit attributable to shareholders	51,063	43,098

9.3 Cash flow statement

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Cash flow from operating activities		
Net profit for the period	51,063	43,098
Adjusted for:		
Depreciation and amortisation of fixed assets	121	121
Changes in deferred taxes	29,728	-25,986
Cash flow from operating activities	80,912	17,233
Changes in loans and advances to customers	-324,807	-40,647
Changes in loans and advances to banks	-1,409,157	-1,828,095
Changes in funds entrusted	977,492	1,645,538
Revaluations and exchange rate differences in investments	-79,527	80,033
Changes in other operating activities	249,921	31,846
Net cash flow from operating activities	-586,078	-111,325
Cash flow from investing activities		
Purchase of investments	3,356,028	873,207
Purchase of investments and derivatives	-2,885,384	-836,664
Purchase of intangible fixed assets	-	-525
Purchase of tangible fixed assets	-2,341	-6,324
Net cash flow from investing activities	468,303	29,694
Cash flow from financing activities		
Dividend paid	-	-
Share premium paid in by holding company	-	100,000
Minority interests	16	6
Net cash flow from financing activities	16	100,006
Cash and cash equivalents on 1 January	36,987	1,380
Net increase of cash and cash equivalents	-36,847	35,607
Cash and cash equivalents on 31 December	140	36,987

9.4 Notes to the annual figures

General

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

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

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

Valuation principles

Investments

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

Fixed assets

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

Provisions

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

Income and expenditure

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

Tax

Corporate tax is levied on taxable profits. ASN Bank N.V. and its subsidiaries ASN Beleggingsinstellingen Beheer B.V. and ASN Groenbank B.V. constitute

part of the SNS Bank N.V. tax unit and pay the relevant corporate tax thus calculated each year.

Cash flow

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

Financial instruments

Interest rate risk

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

Credit risk

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

Currency risks

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

9.5 Notes to the balance sheet

Investments

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Loans and advances to banks	4,985,440	3,576,283
Loans and advances to customers	1,962,296	1,639,755
Investments	2,775,242	3,166,359
Total investments	9,722,978	8,382,397

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

divided into the following categories:

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Government bonds	2,596,614	2,881,800
Municipal and provincial councils	578,964	639,130
Banks	797,278	537,803
Residential construction	331,100	158,356
Health and old-age care	422,470	340,227
Education, culture and leisure	22,793	25,426
Water boards and power companies	339,853	292,324
Renewable energy	188,775	111,681
Mortgages	4,392,891	3,262,273
Shares	650	485
Other	51,596	132,897
Total investments	9,722,984	8,382,402
Provision for impairments	-6	-5
Total	9,722,978	8,382,397

See Appendix 3 for a breakdown of investments and loans.

Movements in loans and advances to banks

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Balance as at 1 January	3,576,283	1,748,188
Investments	1,200,000	1,600,000
Disposals/redemptions	-	-1,263
Amortisation	-	-
Other	209,157	229,358
Balance as at 31 December	4,985,440	3,576,283

Movements in loans and advances to customers

<i>In thousands of euros</i>	2011	2010
Balance as at 1 January	1,639,755	1,582,819
Investments	466,803	141,286
Disposals/redemptions	-142,609	-84,685
Amortisation	268	251
Other	-1,921	84
Balance as at 31 December	1,962,296	1,639,755

Investments

Investment listings

<i>In thousands of euros</i>	<i>Shares</i>		<i>Fixed income investments</i>		<i>Total</i>	
	2011	2010	2011	2010	2011	2010
Listed	-	-	2,766,201	3,158,070	2,766,201	3,158,070
Unlisted	9,041	8,289	-	-	9,041	8,289
Total	9,041	8,289	2,766,201	3,158,070	2,775,242	3,166,359

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Valuation of investments

<i>In thousands of euros</i>	<i>Shares</i>		<i>Fixed income investments</i>		<i>Total</i>	
	2011	2010	2011	2010	2011	2010
Amortised cost	8,872	7,255	2,670,965	3,148,377	2,679,837	3,155,632
Revaluation	169	1,034	58,634	-55,782	58,803	-54,748
Accrued interest	-	-	36,602	65,475	36,602	65,475
Total	9,041	8,289	2,766,201	3,158,070	2,775,242	3,166,359

Movements in investments

<i>In thousands of euros</i>	<i>Shares</i>		<i>Fixed income investments</i>		<i>Total</i>	
	2011	2010	2011	2010	2011	2010
Balance as at 1 January	8,289	5,313	3,158,070	3,277,622	3,166,359	3,282,935
Investments	1,622	2,453	2,883,763	834,211	2,885,385	836,664
Disposals	-5	-	-3,356,023	-873,208	-3,356,028	-873,208
Revaluations	-865	523	114,416	-74,133	113,551	-73,610
Amortisation	-	-	-5,152	-9,568	-5,152	-9,568
Other	-	-	-28,873	3,146	-28,873	3,146
Balance as at 31 December	9,041	8,289	2,766,201	3,158,070	2,775,242	3,166,359

Derivatives

<i>In thousands of euros</i>	<i>Positive fair value</i>		<i>Negative fair value</i>		<i>Balance</i>	
	2011	2010	2011	2010	2011	2010
Derivatives	28,265	12,618	67,123	42,486	-38,858	-29,868

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

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

Tangible fixed assets

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Buildings under construction	8,563	6,263
IT equipment	22	29
Other tangible fixed assets	200	273
	8,785	6,565

Movements in tangible fixed assets

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Accumulated acquisition costs	9,307	7,044
Accumulated depreciation	-522	-479
	8,785	6,565

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Balance as at 1 January	6,565	362
Investments	2,341	6,624
Divestments	-	-
Depreciation	-121	-121
Balance as at 31 December	8,785	6,565

Intangible fixed assets

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Goodwill	525	525

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

of € 525,000 for this acquisition. This goodwill valuation is assessed by means of an impairment test each year.

Deferred tax asset

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Deferred tax asset	5,376	21,010

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

a provision for deferred tax liabilities equivalent to the applicable corporate tax rate. The tax liability has been broken down into an active and a passive component.

Other assets

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Interest receivable	84,887	59,513
Prepayments and accrued income	37,436	22,678
Total other assets	122,323	82,191

Funds entrusted

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Private customer savings	8,300,451	7,548,383
Other amounts due to customers	668,609	443,184
Total funds entrusted	8,969,059	7,991,567

Amounts due to customers

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Mortgage account	22,274	24,798
Private borrowings	2,795	2,871
Due on demand	539	205
Total amounts due to customers	25,608	27,874

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Deferred tax liability

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Deferred tax liability	14,365	271

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

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

Other liabilities

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Other debts	357,546	211,333
Accrued interest	208,931	162,555
Other accrued liabilities	3,570	3,321
Total other liabilities	570,047	377,209

Shareholders' equity

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Share capital	11,350	11,350
Share premium reserve	115,886	115,886
General reserve	103,829	60,629
Revaluation of shares and bonds	-39,960	-128,083
Minority interests	22	6
Profit	51,063	43,098
Total shareholders' equity	242,190	102,886

A revaluation reserve for shares and bonds constitutes part of the shareholders' equity. This revaluation reserve reveals the effect that an immediate sale of ASN Bank's share and bond portfolios would have on its result. The retention of the bonds until the end of their term has no effect on ASN Bank's shareholders' equity or result.

Excluding the revaluation reserve on the bond portfolio, shareholders' equity was € 282 million as at year-end 2011 and € 232 million as at year-end 2010.

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<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Shareholders' equity excluding revaluation reserve on bond portfolio	282,332	231,740

Breakdown of movements in shareholders' equity

<i>In thousands of euros</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Revaluation reserve</i>	<i>Other reserves</i>	<i>Profit for the year</i>	<i>Minority interests</i>	<i>Total</i>
Balance as at 1 January 2010	11,350	15,886	17,334	50,745	9,884		105,199
Profit for the previous financial year							
Movements in revaluation reserve			-145,417				-145,417
Share capital movements							
Movements in share premium		100,000					100,000
Movements in other reserves				9,884	-9,884		0
Profit for the year					43,098		43,098
Minority interests						6	6
Balance as at 31 December 2010	11,350	115,886	-128,083	60,629	43,098	6	102,886
Balance as at 1 January 2011	11,350	115,886	-128,083	60,629	43,098	6	102,886
Profit for the previous financial year							
Movements in revaluation reserve			88,123				88,123
Share capital movements							
Movements in share premium							
Movements in other reserves				43,200	-43,098		102
Profit for the year					51,063		51,063
Minority interests						16	16
Balance as at 31 December 2011	11,350	115,886	-39,960	103,829	51,063	22	242,190

Off-balance sheet liabilities

In thousands of euros

2011

Liabilities from pledges and guarantees given	32,341
Liabilities from committed and uncommitted facilities	33,161

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

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

9.6 Notes to the income statement

Net interest margin

In thousands of euros

2011

2010

Interest revenue from investments	311,304	281,196
Interest paid to customers	222,985	198,227
Total net interest margin	88,319	82,969

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

are set off against this fee. The increase in interest income can be attributed to the strong growth of savings. The relative net interest margin was lower in 2011 compared to 2010.

Other income

In thousands of euros

2011

2010

Commission income	19,046	17,829
Commission expense	7,994	9,801
Result on investments	2,361	-6,536
Total	13,413	1,492

Other income largely consists of commission income which ASN Bank receives from its investment clients for managing its investment funds and income related to other products, such as the ASN Bank Account. The increase is mainly the result of the growth of the ASN-Novib Microcredit Fund. It is partly offset by the commission the bank pays to SNS Asset Management and SNS Financial Markets for the management of its assets. Commission ex-

pense decreased compared to 2010 as we paid SNS Asset Management less commission for managing our assets, mainly because the arrangements regarding the management of our mortgage portfolio changed.

The proceeds from securities are positive as a result of the capital gains realised on our investment portfolio and the gains on futures and forward contracts.

Impairment

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Impairment	97	24

Impairments in 2011 largely concern amortisation of debit balances on private current accounts. Only

0.08% of total balances of the ASN Bank Account are involved.

Staff costs

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Salaries	5,215	4,843
Pension costs	953	948
Social security	646	641
Other staff costs	2,535	1,758
Total staff costs	9,350	8,190

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The average number of employees amounted to 86.5 in 2011 (2010: 81.7), all of whom work in the Netherlands. Staff costs rose due to the increase of the average number of staff. The highest gross salary at ASN Bank is 5.5 times higher than the lowest gross

salary. The other staff costs rose due to the increased number of temporary workers we hired relative to 2010, which followed from an absorption of peak workloads and the temporary filling of vacancies.

Other operating expenses

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Office and general expenditure	15,845	11,541
Marketing costs	8,271	6,804
Total other operating expenses	24,116	18,345

In 2011, office and general expenditure rose due to the increased number of payment transactions and rising printing and postage costs. This expenditure was also adversely affected by a claim under the deposit guarantee scheme in connection with DSB's bankruptcy, which was recognised as an € 11 million

expense as early as 2009. In 2011, an additional expense of € 0.6 million was recorded.

The marketing costs rose due to extra activities, mainly a TV advertising campaign, supported by radio commercials, advertisements and train station posters.

Tax

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Taxable profit	68,048	57,781
Tax burden	17,067	14,824
Net profit	50,981	42,957
Minority interests	-82	-141
Net profit attributable to shareholders	51,063	43,098

Provisions in the Articles of Association regarding profit appropriation

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

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This article reads as follows:

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

Profit appropriation

It is proposed that the profit of € 51,062,949 generated in 2011 be added to the shareholders' equity.

The Hague, 10 April 2012

Management Board:

Ewoud Goudswaard
Jeroen Jansen
Joyce van der Est

Supervisory Board:

Ernst-Jan Boers
Rob Langezaal (Chairman)
Bart de Ruigh

10. Risk policy

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

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Photograph: Frans Lemmens/Hollandse Hoogte

ASN Bank maintained its moderate risk profile in 2011 despite continuing turmoil in the financial markets. Concerns about the adequacy of the government finances of several eurozone countries were a continuous topic of discussion. Particularly Greece, Italy, Spain and, to a lesser extent, Portugal and Ireland were countries of concern. However, countries that were considered safe until recently were considered as well. The difference in risk premium between Northern and Southern European countries increased considerably. Pressure on Greece and Italy to introduce reforms rose to such an extent that new governments took office in these countries.

ASN Bank hedges the interest rate risks of the government bond portfolio by means of hedge structures. However, these do not hedge the value fluctuations ensuing from country risks. ASN Bank's exposure to the euro countries in question had already partly been scaled down in 2010. In 2011, this exposure was reduced to nil. More information about our position as at year-end 2011 may be found in section 10.2.2. A sum of € 68 million was added to the revaluation reserve in 2011.

Key figures

Balance sheet total	€ 9.9 billion
Risk weighted assets	€ 1,282 million
Qualifying capital	€ 283 million
Tier 1 ratio	22%

10.1 Risk management organisation

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

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

in contact with various SNS REAAL risk management departments, including:

Group Risk Management (GRM)

GRM supports ASN Bank in

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

Compliance, Security & Operational Risk Management

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

Legal Affairs

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

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

Credit Risk Management

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

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

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

Group Audit

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

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

10.2 Risk management at ASN Bank

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

10.2.1 Credit risks

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

ASN Bank's credit risk profile

The risk of our loan portfolio remained stable in 2011. This portfolio is formed based on sustainable objectives. The increase of funds entrusted led to a further growth of the portfolio to € 8,969 million in 2011. In 2011, too, we extended more loans to sustainable projects (+€ 138 million), such as solar energy projects Lavansol and New Solar, and wind farm Global Tech. Due to our investments in BLG, RegioBank and SNS Bank mortgages, our exposure to credit institutions was 39% up. The fixed-income investment portfolio decreased by 12.4% to € 2,766 million at year-end 2011.

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

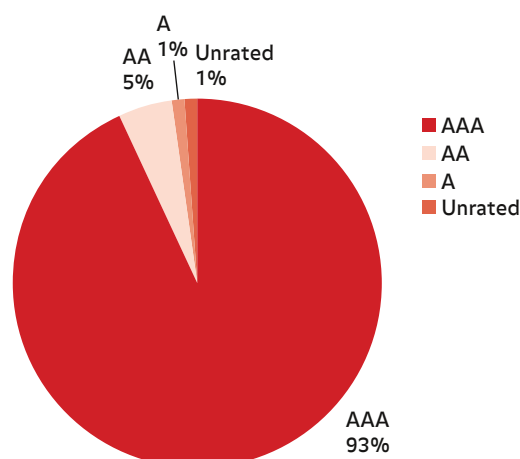
<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Investments	2,775,242	3,166,359
Loans and advances to customers	1,962,296	1,639,755
Loans and advances to credit institutions	4,985,440	3,576,283
Total investments	9,722,978	8,382,397
Cash and cash equivalents	140	36,987
Total	9,723,118	8,419,384

Credit risk profile of investments

Part of our investments (28.5%) are fixed-income investments, mainly government bonds. A minor part of the investment portfolio is held in other bonds, and shares.

The credit rating of investments is an indication of the credit risk of the relevant investment. The investment portfolio predominantly (93%) comprises investments with an AAA rating.

Rating of ASN Bank's government bonds



The table below shows the division of the investment portfolio into rating classes:

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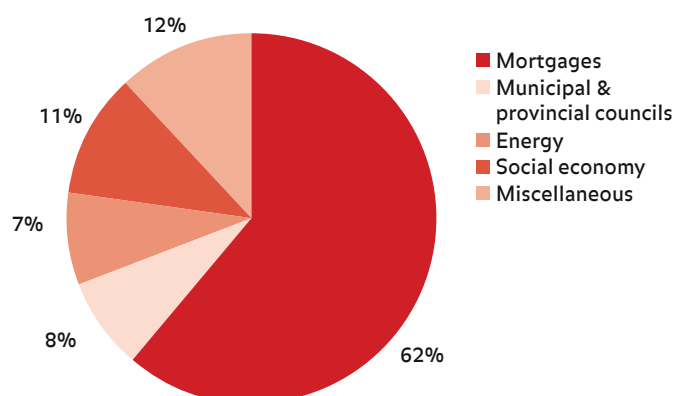
<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
AAA	2,589,708	2,080,897
AA	144,469	221,118
A	22,278	850,741
BBB	1,452	1,452
BB	-	3,862
Unrated*	17,335	8,289
Total	2,775,242	3,166,359

* Shares

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

ASN Bank's lending to companies, municipalities, water boards and healthcare institutions supports our mission, as explained under 'Investments' (Chapter 6). The loan portfolio comprised 73.3% of the total investments at year-end 2011. Our stringent sustainability criteria exclude many sectors from our lending operations in advance, resulting in concentration risks. These concentration risks are limited thanks to our knowledge of the relevant sectors and because we provide sufficient security to be able to absorb any defaults. The chart and table show the division of the loan portfolio into sectors.

Loans and advances to customers by category



<i>Category:</i>	<i>Investment category:</i>	
Mortgages	Mortgages	62%
Municipal & provincial councils	Municipal & provincial councils	8%
Energy	Water boards and energy companies, renewable energy	7%
Social economy	Healthcare and care of the elderly, housing sector, education, culture and leisure	11%
Miscellaneous	Shares, miscellaneous and liquid assets	12%

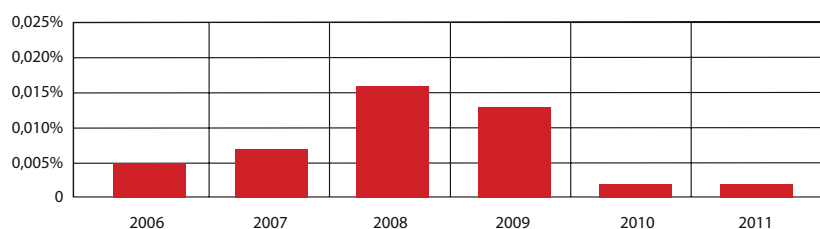
Special Credits

An essential element of risk policy is the timely deployment of the SNS Bank Special Credits Department, which is part of Credit Risk Management. This department supports ASN Bank in managing payment arrears. A uniform procedure has been implemented to identify high-risk items. Payment

arrears are controlled in close consultation with ASN Bank. The Special Credits Department reports to ASN Bank every month.

At year-end 2011, the provision for loans and advances to customers was € 40,017, of a total provision of € 1.96 billion (0.002%).

Provisions in % for loans and advances to customers



10.2.2 Market risks

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

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

The market risks of our investments in government bonds comprise interest rate risks and country risks. Both factors influence the market price of the underlying government bonds. Although 2011 was off on a good start, the solvency of the Greek, Italian and Spanish government finances fuelled investors' concerns about eurozone stability in the course of the year. Several European summits were held under pressure of the financial markets, credit rating agencies and the ECB. The Italian and Greek governments were replaced and Spain called early elections. Due to slow political decision-making, the

ECB was forced to buy distressed debt from countries and provide the financial system with sufficient liquidity.

We had already partly sold our positions in Irish, Italian and Spanish government bonds in 2010 and the first six months of 2011. In August 2011, we transferred the remaining part to our parent company by means of an intercompany transaction. As at year-end of 2011, ASN Bank invested in Dutch, German, Austrian, French and Belgian government bonds.

The table below shows the exposure to the relevant eurozone countries, stating the nominal value of the underlying government bonds.

<i>In thousands of euros</i>	<i>2011</i>	<i>2010</i>
Portugal	0	0
Ireland	0	198,000
Italy	0	691,600
Greece	0	0
Spain	0	60,000
Total	0	949,600

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

10.2.3 Liquidity risks

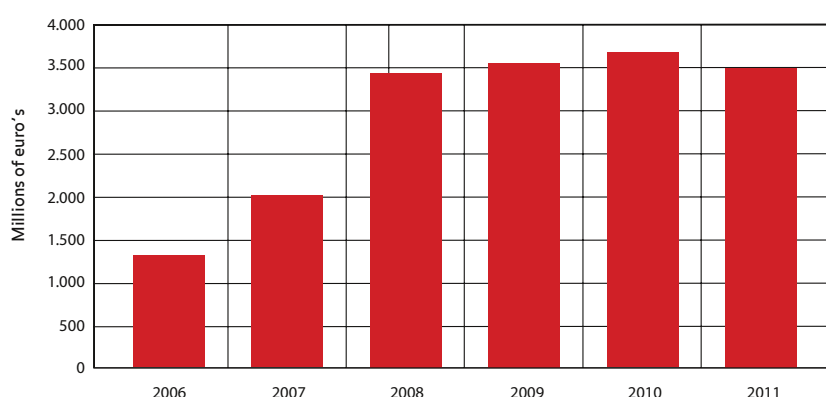
Liquidity risk is the risk that the bank cannot release sufficient cash to satisfy its immediate payment obligations. We raise entrusted funds among private individuals, associations and foundations for the provision of loans and investments in government bonds and (private) loans.

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

The funds entrusted grew by 12% to € 8,969 million in 2011. This increase was largely invested in business loans, mainly in mortgages.

Although only a minor part of the funding has been secured for a longer period of time (time deposits), our liquidity risk is limited. After all, the investments in liquid assets are substantial, as shown in the chart, and amount to 39% of funds entrusted.

Liquid assets



10.2.4 Operational risks

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

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

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

10.2.5 Reputation risks

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

We present ourselves as a bank with a sustainability mission, which is one of the main reasons for customers to choose our bank. They will not so much question the actions of a sustainable bank, because sustainability is not a clearly defined concept, but rather whether we keep our promises when selecting our investments. In order to help control this risk, we have laid down our sustainability policy in thirteen ASN Bank Issue Papers. These papers, which are all publicly available, give a detailed description of our interpretation of sustainable banking. Furthermore, we have recorded our internal processes and Group Audit (see section 10.1) regularly assesses the structure and effectiveness of those processes. All this guarantees that we keep the promises laid down in our sustainability policy.

10.3 Hedging and hedge accounting

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

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

of the average duration of government bonds. As a result, a more limited hedging of the interest rate risk sufficed.

10.3.1 Hedging at ASN Bank

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

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

10.3.2 Fair value hedge accounting

In fair value hedge accounting, the developments in fair value of the hedged risk are recognised through profit and loss in order to counterbalance the market value movements of the related derivatives. The par value hedged against undesired market value fluctuations at year-end 2011 totalled approximately € 1,625 million. The hedged position thus amounted to approximately 63% of the par value and decreased relative to 2010, when approximately 80% of the par value was hedged. In 2011, changes in the fixed-income portfolio triggered a reduction

11. Corporate governance

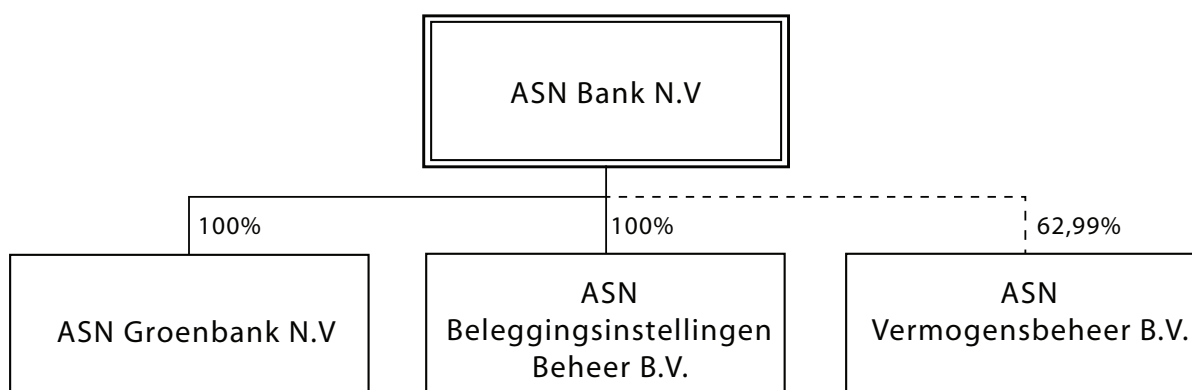
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Teaching nature to primary-school children
Photograph: Marc de Haan/Hollandse Hoogte

11.1 Capital structure

ASN Bank N.V. (ASN Bank) is an independent legal entity within SNS REAAL N.V. All ASN Bank shares are held by SNS Bank N.V.



ASN Groenbank N.V. is a wholly-owned subsidiary of ASN Bank, established to attract 'green' savings deposits with tax benefits from private individuals and to offer 'green' sustainable loans. ASN Groenbank did not engage in any new activities in 2011.

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

ASN Vermogensbeheer B.V. is a subsidiary of ASN Bank, which holds 62.99% of the shares.

11.2.1 Governance highlights

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

In 2011, the ASN Bank Supervisory Board comprised three members of the Management Board of SNS Retail Bank. On 9 May 2011, Mr Kroeze retired and Mr De Ruigh joined the Supervisory Board. At the end of 2011, the Supervisory Board consisted of Mr Boers, Mr Langezaal and Mr De Ruigh.

11.2 Corporate governance

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

11.2.2 Dutch Corporate Governance Code (Frijns Code)

The Dutch Corporate Governance Code (the Frijns Code) applies to all companies listed on the Dutch stock exchange and therefore to SNS REAAL. ASN Bank endorses the principles of the Frijns Code. Its aim is to abide by the principles and best practice provisions of this Code to the extent possible.

The Banking Code contains principles that are in line with those of the Frijns Code. The Banking Code applies to all of SNS REAAL's banking activities, and therefore also to ASN Bank.

SNS REAAL applies the Banking Code. Consequently, compliance with the Banking Code is mainly organised at group level - e.g. as regards internal audit and the remuneration policy. SNS REAAL's risk management architecture also complies with the Banking Code. Please refer to the SNS REAAL annual report for SNS REAAL's application of the Code. ASN Bank puts the customer focus required by the Banking Code into practice in its open, transparent communication with customers about its mission, products and investment policy. Customer focus is part of the ASN Bank culture. We promote this, among other things, through individual employee targets and on the basis of the product development process, which is structured in accordance with the Banking Code.

Please refer to the SNS REAAL annual report for more details on compliance with the Banking Code.

11.2.3 ASN Bank Advisory Council

ASN Bank has an Advisory Council that provides requested and unrequested advice to its Management Board on policy in relation to the bank's mission and the investment criteria derived from this mission. The name of the Council is 'Raad van Advies ASN Bank'.

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

11.3 Remuneration report

The remuneration report deals with the remuneration of the ASN Bank Management Board and Supervisory Board, the way the remuneration policy was put into practice in 2011 and remuneration policy developments in 2011.

The remuneration policy of ASN Bank Managing Directors is in line with SNS REAAL's remuneration policy. In 2011, the policy was adjusted following amendments in European legislation and the Dutch Regulation on Restrained Remuneration Policies under the Financial Supervision Act 2011 (Regeling beheerst beloningsbeleid Wft 2011), which entered into effect on the basis of that legislation. At an Extraordinary General Meeting of Shareholders of SNS REAAL, the remuneration policy was adopted. The policy entered into effect with retroactive effect as from 1 January 2011.

11.3.1 Remuneration of the ASN Bank Management Board

In thousands of euros	Fixed salary (1)		Pension		Variable remuneration						One-off payment (4)		Total	
					Short-term (2)		Long-term (3)							
							Amortisation of previously granted							
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Ewoud Goudswaard	160	146	34	30	0	24	2	3	0	2	21	0	217	205
Jeroen Jansen	140	130	28	27	0	21	1	2	0	2	15	0	184	182
Joyce van der Est	112	-	22	-	10	-	0	-	0	-	0	-	144	-
Total	412	276	84	57	10	45	3	5	0	4	36	0	545	387

- 1) Fixed salary including holiday allowance and thirteenth month's salary, social security charges, expense allowance (until 1 July 2010) and contribution to health insurance.
- 2) As from 2011, the short-term variable remuneration is the part that has been granted for 2011.
- 3) This is the payment of the long-term allotment of 2008. During the performance period (three years), the fair value of the shares conditionally allotted is recognised as an expense under staff costs.
- 4) In connection with the re-evaluation of the salaries of Mr Goudswaard and Mr Jansen, a one-off payment relating to 2010 was made in 2011.

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In 2011, the remuneration policy was revised as follows:

- Regular increase of fixed salary by 10% on average.
- Increase of the fixed salary under the Collective Labour Agreement by 1% as at 1 January 2011.
- No payment of variable remuneration for performance in 2011. The fact is that the remuneration policy provides that, as long as SNS REAAL has not repaid the financial support from the Dutch State, no variable remuneration will be paid out to senior management. Ms Van der Est is not part of senior management; she has been granted a performance-related bonus in accordance with arrangements laid down in the Collective Labour Agreement.
- Payment of a long-term bonus for performance period 2008-2011: 1% of the fixed salary.
- In 2011, a one-off payment was made for the suspended salary increases since 1 January 2010. This has been included in the table above under 'one-off payment'.

As a result, the total remuneration of the ASN Bank Management Board is 3.5% higher than in 2010; Ms Van der Est's data have been disregarded, because she was not yet a member of the Management Board in 2010.

Other remuneration components

The members of the ASN Bank Management Board received a net expense allowance until 1 July 2010.

This allowance was cancelled as from that date.

For business travel (including commuting), the Managing Directors are allocated a company car, for which they pay a personal contribution where applicable. The members of the ASN Bank Management Board receive a health insurance contribution.

Pension

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

Short-term variable remuneration

The Supervisory Board determines the short-term bonus based on the performance of the ASN Bank Managing Directors in three areas:

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

If a Managing Director achieves the pre-set objectives, he receives the variable remuneration. When selecting performance measures, the various stakeholders are borne in mind. The performance mea-

asures are aimed at long-term success for ASN Bank, with due regard to the desired risk profile. The standards for sustainability performance are related to the qualitative sustainability objectives described in Chapter 1. They also include other objectives, for example with regard to customer satisfaction and employee satisfaction.

Long-term variable remuneration

The long-term variable remuneration scheme introduced in 2007 was cancelled as from 2010.

Consequently, no new rights were granted in 2010 and 2011. The existing benefits for the members of the Management Board of ASN Bank were calculated annually in accordance with the old scheme in the form of a claim entitling the holder to payment in cash. Three years after the conditional granting, the actual bonus is calculated based on the extent to which the Managing Directors have satisfied the performance criteria. This long-term bonus as definitively granted is paid in cash. In 2011, payment was made for the 2008-2011 performance period.

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

	<i>Number of rights granted in</i>		<i>Fair value at the end of 2011</i>
	<i>2009</i>	<i>2010</i>	<i>2011</i>
Ewoud Goudswaard	5.968	0	€ 841
Jeroen Jansen	5.300	0	€ 747
Joyce van der Est	0	0	-

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11.3.2 Remuneration of the Supervisory Board for 2011

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

Independent Assurance Report

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Photograph: Van Beek Images

To the readers of the Annual Report of ASN Bank

Introduction

We were engaged by the Management Board of ASN Bank to provide assurance on selected information in the Annual Report 2011 (further: the Report).

The ASN Bank Management Board is responsible for drawing up the Report, including the identification of material issues to be reported. It is our responsibility to issue an assurance report on the selected information.

Our engagement was designed to provide limited assurance as to whether the information in Chapters 1.3 and 3 through 8 of the Report (further: the Selected Information) is fairly stated. The information, including the financial data, as presented in Chapters 1.1, 1.2, 2, 9, 10 and 11 of the Report was not included in our investigation. ASN Bank's financial data form part of the financial statements of SNS REAAL N.V., of which ASN Bank is a subsidiary. To obtain a thorough understanding of the financial results and financial position of SNS REAAL, the reader should consult the audited financial statements of SNS REAAL N.V. for 2011.

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

Which reporting criteria did ASN Bank use?

ASN Bank applies the 'Sustainability Reporting Guidelines' (G3) of the Global Reporting Initiative for drawing up the Report, as detailed on page 10 of the Report.

Which assurance standard did we use?

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

What did we do?

Our work included the following procedures:

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

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

What are our conclusions?

Based on our work, nothing came to our attention to indicate that the Selected Information (Chapters 1.3 and 3 through 8) is not fairly presented, in all material respects, in accordance with the G3 Guidelines of the Global Reporting Initiative.

Amstelveen, 29 March 2012

KPMG Sustainability,
part of KPMG Advisory N.V.

W.J. Bartels (partner)

Appendix 1 Investments by ASN Bank

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Government bonds	2,596,614
Germany	1,435,274
The Netherlands	616,449
Austria	288,192
Belgium	134,125
France	122,574
Banks	797,278
SNS Bank	733,083
FMO	50,825
CEB	8,039
Nederlandse Waterschapsbank	2,357
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden	1,744
Bank voor Nederlandse Gemeenten	1,230
Mortgages and other loans and advances to customers	4,392,885
ASN Bank Particulier	55,477
ASN Bank Zakelijk	1,564
ASN Bank: private customer debit balances	884
Mortgage-backed loan portfolios:	4,334,960
SNS Bank	3,200,000
BLG	550,000
SNS Regiobank	500,000
Storm BV	27,014
Colonnade	26,261
Candide Financing	19,501
Eleven Cities	7,954
Arena	4,230
Municipal and provincial councils	578,964
Gemeente Rotterdam	50,000
Gemeente Enschede	45,000
Gemeente Venlo	41,807
Gemeente Zwolle	35,500
Gemeente Middelburg	28,748
Gemeente Nieuwegein	26,000
Gemeente Kampen	26,000
Gemeente Apeldoorn	20,000
Gemeente Bergen op Zoom	20,000
Gemeente Groningen	16,000
Gemeente Almere	15,000
Gemeente Leeuwarden	15,000
Gemeente Zevenaar	15,000
Gemeente Veldhoven	14,286
Gemeente Haaksbergen	13,000
Gemeente Pijnacker	13,000
Gemeente Diemen	12,000
Gemeente Hengelo	12,000
Gemeente Alphen aan den Rijn	10,000
Gemeente Kaag & Braassem	10,000

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Gemeente De Ronde Venen	9,600
Gemeente Heusden	9,167
Gemeente Weststellingervurf	9,000
Gemeente Maassluis	8,000
Gemeente Leiden	7,500
Gemeente Oldenzaal	7,333
Gemeente Culemborg	7,000
Gemeente Sluis	6,933
Gemeente Boxmeer	6,800
Gemeente Montfoort	6,000
Gemeente Utrechtse Heuvelrug	6,000
Gemeente Schijndel	5,667
Gemeente Bunschoten	5,040
Gemeente Gorinchem	5,000
Gemeente Papendrecht	5,000
Gemeente Tilburg	5,000
Gemeente Vlaardingen	5,000
Gemeente Vlissingen	5,000
Gemeente Krimpen	4,333
Gemeente Renkum	4,250
Gemeente Nijkerk	4,200
Gemeente Elburg	4,000
Gemeente Hellendoorn	2,600
Gemeente Hoogezand	2,200
Water boards and water companies	339,853
Waterschap Brabantse Delta	40,200
Waterschap Rivierenland	30,000
Hoogheemraadschap Hollands Noorderkwartier	25,967
Waterschap Hollandse Delta	25,500
Hoogheemraadschap van Rijnland	24,500
Waterschap Aa en Maas	20,000
Waterschap Rijn en IJssel	20,000
Waterschap Schieland & Krim	18,000
Waterschap De Dommel	15,000
Waterschap Reest en Wieden	15,000
Waterschap Scheldestromen	15,000
Wetterskip Fryslân	15,000
Waterschap Zeeuwse Eilanden	13,000
Waterleiding Maatschappij Limburg	12,581
Waterschap Roer en Overmaas	9,120
PWN Waterleidingbedrijf Noord-Holland	9,073
Waterschap Noorderzijlvest	8,000
Brabant Water	6,809
Waterschap Regge en Dinkel	5,000
Hoogheemraadschap De Stichtse Rijnlanden	4,667
Waterschap Veluwe	4,000
Waterleidingmaatschappij Drenthe	1,295
Stichting D.A.G. Friesland	1,232
Vitens, formerly Hydron Midden-Nederland	552
PT Air Manado	357

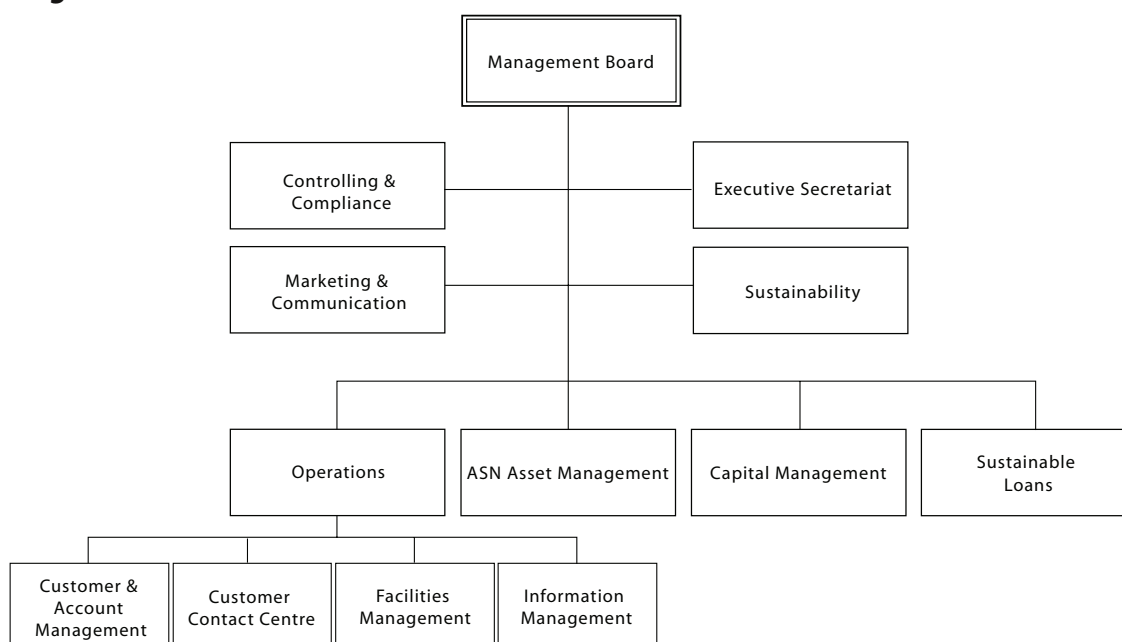
<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Healthcare / care of the elderly	422,470
Academisch Ziekenhuis Maastricht	46,193
Universitair Medisch Centrum Groningen (UMCG)	38,550
Stichting Zorggroep Noord- en Midden Limburg	20,165
Academisch Medisch Centrum	20,000
Stichting Dimence	19,727
Stichting Antonius Ziekenhuis	17,736
Stichting Volkaert SBO	17,525
Stichting Arduin	14,713
Vincent van Gogh voor geestelijke gezondheidszorg	14,400
Stichting Zorgzaam Zeeuws-Vlaanderen	13,000
Stichting Sint Elisabeth Ziekenhuis	12,750
GGZ Breburg	12,000
Stichting Zeevesta	11,000
Stichting Magenta Zorg	10,514
Stichting Franciscus Gasthuis	10,000
Stichting Protestants Christelijk Ziekenhuis Ikazia	9,750
VieCuri Medisch Centrum	9,000
Catharina Ziekenhuis	8,667
Christelijke Zorgcombinatie Zwolle	8,640
Stichting Parnassia Bavo Groep	8,434
Stichting Tragel	8,175
Stichting Argos Zorggroep	8,000
Stichting Antoni van Leeuwenhoek Ziekenhuis	7,500
Regionale Stichting Zorgcentra De Kempen	7,485
Stichting Verbeeten Fonds	7,453
Stichting De Blink	6,000
Stichting Geestelijke Gezondheidszorg Oost Brabant	5,000
Maastricht Clinic	4,950
Stichting Amphia	4,900
Stichting Revalidatie-Centrum 'De Hoogstraat'	4,821
Stichting De Stroom	4,084
Stichting Saxenburgh Groep	3,749
Stichting Reinaerde	3,220
Stichting Medisch Spectrum Twente	3,080
Stichting Rode Kruis Ziekenhuis	2,500
Zorggroep Noorderbreedte	2,000
Stichting Woon- en Leefcentra Lichamelijk Gehandicapten West-Brabant	1,921
Zeeuws Radio-Therapeutisch Instituut	1,768
Stichting De Vlasborch	1,620
Promens Care	1,563
Stichting Het GORS	1,400
Stichting Interakt	1,318
Stichting Odion	1,238
Stichting Woon & Zorgcentrum 'Herfstzon'	1,069
Stichting Zorgverlening 's Heeren Loo	649
Stichting Radar	611
Stichting Gelre Ziekenhuizen	528
Stichting Blixembosch	516
Stichting Mondriaan Zorggroep	515
Stichting Frion	472
Stichting Heliomare	434
Stichting Aveleijn/SDT	333

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Stichting De Driestroom	278
Stichting Dichterbij	258
Stichting Revalidatie Centrum Roessingh	104
Stichting Wende	87
Brabantzorg	57
Stichting Groenhuysen	46
Stichting Pameijer Keerkring	4
Residential construction	331,100
Woningstichting Rochdale	35,971
Stichting Duwo	25,000
Stichting Ymere	25,000
Woningcorporatie R&B Wonen	20,000
De Woonmensen	15,000
Woonstichting SSW	15,000
Woningcorporatie de Alliantie, formerly SCW	14,952
Stichting Woongroep Holland	13,000
Stichting Woonzorg Nederland	11,021
Stichting Waterweg Wonen	11,000
Stichting Portaal	10,000
Stichting Woonbedrijf SWS	10,000
Woningbouwvereniging St. Laurentius	10,000
Woningstichting Servatius	10,000
Stichting Sociale Woningbouw en Beheer	8,000
Woningbouwvereniging Onze Woning	8,000
Woningstichting Haag Wonen	7,941
Stichting Woonbeheer Betuwe	7,500
Woningstichting SWZ	7,500
Woonstichting Triada	7,500
Intervolve Credit B.V.	5,506
Woningstichting Omnivera	5,500
Woningstichting Groninger Huis	5,000
Woningstichting Weststellingwerf	5,000
Stichting Woonzorg West Zeeuws-Vlaanderen	4,800
Stichting Woonpunt	4,538
Woningcorporatie Weller	4,538
Woonstichting Domesta	4,538
Woonstichting Vaals	4,000
Stichting Wonen Wierden	3,500
Woningcorporatie de Alliantie, formerly Atrium	3,398
Woningcorporatie Staedion	2,269
Woningbouwvereniging Ons Doel	2,098
Vieya, formerly DWV Woningcorporatie	2,046
Stichting Dutch International Guarantees for Housing (DIGH)	1,126
Stichting Habion	627
Stichting Mooiland Vitalis	231
Education, culture and leisure	22,793
Erasmusacademie	11,550
Nationaal Groenfonds	4,854
Stichting Texels Museum	1,796
Bibliotheek Vlissingen	1,636
Stichting Kinderopvang 2Samen	1,622

<i>Accounts Receivable</i>	<i>Amounts x € 1,000</i>
Stichting Vrijburg	1,275
Den Haag Centraal B.V.	60
Shares	650
Triple Jump	568
Oikocredit	82
Renewable energy	188,775
Wind energy	70,275
Belwind N.V.	31,001
C-Power N.V.	21,896
Windpark Rijnwoude B.V.	6,611
Windpark Logistiekweg B.V.	5,254
Sailwind B.V.	2,500
Global Tech I Offshore	1,499
Offshore Windpowercentre Nederland	1,320
Vaanster Services B.V.	172
Kriekewind B.V.	22
Solar energy	101,986
Lavansol II SAS	19,330
Centrale Photovoltaïque Du Gabardan	16,952
Newsolar SAS	15,999
Lavansol M7 SAS	10,275
Belfuture CVBA	10,171
SECP OLMO2 SAS	8,092
FPV Pascialone SAS	7,908
NPG Willebroek N.V.	7,314
FPV Santa Lucia SAS	5,945
Other	16,514
Unica Financial Services B.V.	8,123
Dif Renewable Energy Fund	4,735
Dif Infrastructure Fund	3,619
Impax New Energy Investors II	37
Other	51,596
Foreign public and semi-public institutions	10,345
Land Nordrhein-Westfalen	10,345
Microfinance	1,452
BlueOrchard Loans for Development	1,452
Other	39,799
TenneT	22,278
CAIW	16,714
Wereldwinkels	245
Stichting Chizone	165
Algemeen Verbond van Volkstuinders Verenigingen in Nederland (AVVN)	120
Groen Vervoer	119
Basic Water Needs B.V.	100
Nuon energiebesparende investeringen in het MKB	41
Almeerse Reddings Brigade	17

Appendix 2 Organisation and history

Organisation



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Explanation of the organisational chart

- **Controlling & Compliance** is responsible for all financial flows, including information, financial reporting and analyses, the annual and interim reports of the investment funds and the annual report of the bank. Controlling also supervises compliance with regulations, risk management, accounting procedures and internal control.
- **Marketing & Communication** is responsible for communicating ASN Bank's policy and sustainable values, and for customer acquisition and retention through campaigns. The department develops and creates distribution channels for the ASN products and maintains relations with our partners.
- **Sustainability & Research** is responsible for formulating and implementing ASN Bank's sustainability policy. The department writes ASN Bank Issue Papers, conducts research with regard to countries and companies in which ASN Bank and the ASN Investment Funds may invest, carries out the voting policy and engages in dialogue with companies. It also advises on the bank's sustainable operations.
- **Operations** comprises several components. Information Management's activities include ensuring that all systems and resources, such as telephone and Internet access, are available in the various workspaces. Customer & Account Management processes customer and account details and sends out requests for information. ASN Customer Service provides services to customers by telephone, e-mail and correspondence. Finally, Facilities Management makes sure that all ASN staff have the space and resources they need for their work.
- **ASN Asset Management** manages capital of € 250,000 or more for private customers and institutions based on ASN Bank's sustainability criteria.
- **Capital Management** is responsible for the development and sale of savings and investment products. In addition, this department is responsible for implementing legislation and regulations to the extent they relate to customers and products. It manages the day-to-day affairs of the ASN Investment Funds and also represents ASN Bank and the ASN Investment Funds at meetings for intermediaries and interested parties.
- **Sustainable Loans** lends money on behalf of ASN Groenprojectenfonds, ASN Bank and ASN Groenbank, and manages those loans.

Triple Jump

ASN Bank holds 25% of the shares of Triple Jump, which is responsible for the investments of the ASN-Novib Microcredit Fund in its capacity as project manager. Oxfam Novib, NOTS Foundation and

management are the other shareholders. The aim of Triple Jump is to invest capital in developing countries mainly through microfinance institutions (MFIs) to facilitate the fight against poverty. Triple Jump:

- supports MFI start-ups by providing expertise and loan capital;
- provides high-risk loan capital and equity to MFIs that are growing from start-up to maturity;
- provides low-risk loan capital and equity to mature, stable MFIs.

In addition to the loans provided by the ASN-Novib Microcredit Fund, Triple Jump manages the loan portfolios of Oxfam Novib, Calvert Social Investment Foundation and SNS Institutional Microfinance Fund. At present Triple Jump manages an equity and loan portfolio of approximately € 270 million.

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The ASN Foundation

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

History

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

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

ASN grew to become a truly idealistic bank in the 1980s and 1990s, with regard to both its products and its office setup. It introduced sustainable investment funds, the first one being ASN Aandelenfonds in 1993. ASN's 'special investment criteria' in

the areas of human rights and the environment were formulated as a point of departure in the selection of the funds' investments as well as the investment of savings deposits.

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

ASN Bank increased the number of investment funds to seven, including a green fund and a socio-ethical fund. However, the main emphasis was still on saving, and the bank introduced several successful savings accounts. It also developed considerable expertise in financing sustainable construction and renewable energy production.

In 2009, it introduced a current account (ASN Bank Account), followed by the ASN Credit Card in 2010. In 2010, ASN Bank also acquired a majority interest in ASN Asset Management, which manages capital starting from € 250,000 on the basis of ASN Bank's sustainability criteria. As a result, ASN Bank has positioned itself as a comprehensive financial services provider for customers who look for simplicity, transparency and ideals.

Appendix 3 Supervisory Board, Advisory Council and Management Board

Supervisory Board

Mr Ernst-Jan Boers
Mr Rob Langezaal (Chairman)
Mr Bart de Ruigh

Advisory Council

Ms Saskia Noorman-den Uyl (Chair)
Mr Hans Kamps
Mr Jan van der Kolk

Management Board of ASN Bank N.V.

Mr Ewoud Goudswaard
Mr Jeroen Jansen
Ms Joyce van der Est

Personal details

Supervisory Board

Mr Ernst-Jan Boers

Ernst-Jan Boers (1966) has been the CEO of SNS Retail Bank since January 2012. He started working at SNS Reaal in 2007 as the Group Finance Director. As from 2009, he acted as CFO of SNS Retail Bank. He worked for Ernst & Young during the first seven years of his career, and then joined REAAL Verzekeringen, where he worked for six years. Subsequently, he held the position of Managing Director of ABN AMRO Hypotheken Groep and its legal predecessors for eight years. Ernst-Jan Boers is also Chairman of the Supervisory Board of ASN Groenbank.

Mr Rob Langezaal

Rob Langezaal (1958) has been a member of the SNS Retail Bank Management Board since November 2007. He is responsible for the marketing and sales portfolio and the labels SNS, ASN Bank, Regiobank and BLG Hypotheken. Rob Langezaal has more than thirty years' experience in various positions in the retail and business markets, such as CEO, division manager and general manager. Rob Langezaal is a member of the Advisory Council of XS4all Internet B.V., member of the Supervisory Board of ASN Groenbank, member of the Supervisory Board of Regiobank, Chairman of the Supervisory Board of SNS Beleggingsfondsen Beheer B.V. and a member of the Board of Stichting Weet Wat Je Besteedt.

Mr Bart de Ruigh

Bart de Ruigh (1956) has been COO and a member of the SNS Retail Bank Management Board since 2010. He is responsible for product management and transaction processing by different service centres and holds the IT and facilities management portfolios. Bart de Ruigh has worked in management positions in the financial services sector, i.e. at banks and insurance companies, for almost thirty years. He has extensive experience in operations, IT, product management and organisational issues, as well as in finance & control, risk management and facilities management.

Advisory Council

Ms Saskia Noorman-den Uyl

Saskia Noorman-den Uyl (1946) joined the Heemstede town council in 1978 and became alderwoman for welfare, culture, social affairs, employment and staff in 1985. She was appointed Director of Social Services in Leiden in 1990 and Director of the city's Economic and Social Affairs department in 1992. She was a member of the Dutch Lower House for the labour party Partij van de Arbeid from 1994 to 2007, with Social Affairs and Finance as her focus area. She was also Chairman of the standing committee for the Ministry of the Interior and Kingdom Relations. Saskia Noorman-den Uyl was appointed Chairman of the Supervisory Council of Koninklijke Visio effective 1 January 2008. She has been a member of the Supervisory Council of Stichting De Jutters, a centre for youth mental health in The Hague, since 2009. She also holds various other positions: Chairman of Landelijke Organisatie Sociaal Raadslieden, Chairman of the Board of feminist monthly Opzij, and Secretary of the Board of Stichting Dr. J. M. den Uyl-lezing.

Mr Hans Kamps

Hans Kamps (1952) combines numerous positions. He is Chairman of Algemene Bond Uitzendondernemingen (ABU), Chairman of Jeugdzorg Nederland, the Netherlands Museums Association and Crown member of the Social and Economic Council of the Netherlands (SER). His other positions focus on – but are not limited to – youth, the labour market and business acumen. He is a member of several supervisory boards and a member of the Advisory Council or Supervisory Council of different companies, including KPC Groep, FD Mediagroep and Staatsloterij.

Mr Jan van der Kolk

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

Management Board of ASN Bank N.V.

Mr Ewoud Goudswaard

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

Mr Jeroen Jansen

Jeroen Jansen (1962) has been Director of ASN Bank since 2005, primarily focusing on marketing, communication, public relations, asset management, sustainability policy and research. Jeroen Jansen started his banking career at Triodos Bank. He joined Hollandse Koopmansbank (currently SNS Asset Management) in 1995, where he developed asset management services and sustainability research for institutional investors, social institutions and ASN Bank. He took up his position as manager of Social

Strategy at SNS REAAL Corporate Communications in 2000. He was also part of the ASN Bank Management Board's support staff. He was appointed deputy Director of ASN Bank in 2001. Among other positions, Jeroen Jansen is treasurer of Stichting Avondster and a member of the programme council of CSR Netherlands.

Ms Joyce van der Est

Joyce van der Est (1965) has been deputy Director of ASN Bank since 2011 and is responsible for the bank's operations, which includes customer service, customer and account management and IT. In this position, she creates the conditions for professional services to customers. Joyce van der Est has years of experience in managing operational and IT processes in branch banking. She started her career at Robeco in 1988. After nearly ten years, she continued her career at Bank Labouchere, where she also professionalised customer and IT processes. Since 2003, she has managed ASN Bank's operations. Her focus is on the continuous development, professionalisation and innovation of the internal organisation with the objective of achieving high-quality service and transparent products.

ASN Bank

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