



ASN Bank Report 2014

Sustainability report and financial results

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In the event of discrepancies between different versions of the ASN Bank Report 2014, the Dutch version shall prevail.

Preface by the Management Board



ASN Bank exists by the grace of its over 600,000 customers, who enable us to build tomorrow's fair, sustainable world. We often hear customers say: 'I am a member of ASN Bank'. It shows how committed they are to our bank. It is a commitment we cherish, not only by living up to our promise of sustainably managing our customers' funds, but also by engaging with them about our common ideals through panels and during events and other meetings. For example, we consulted customers in 2014 about our new animal welfare policy. We went 'on tour' with inspiring meetings of ASN Live in Zwolle and Nijmegen and TomorrowToday (MorgenVandaag) at the Westergasfabriek in Amsterdam. There, we met many customers and others who were interested – people who are dedicated to our common ideals and who inspire us to take new steps.

Long-term goals

In 2014, we invested considerable time and resources in setting our course for the long term both as regards our sustainability policy and in terms of our objectives as a bank. It is an ongoing process that we are continuously working on as a bank and also as a 'driving force' in collaboration with our partnering NGOs, our customers and our community For the World of Tomorrow (Voor de Wereld van Morgen). The object is first of all to find a sound purpose for the funds entrusted to us and to assess our banking activities in their own right. On top of that, however, it is also most certainly important to consider the many other activities we initiate and support, as well as the coalitions we enter into. In 2014, we devoted particular attention to ASN Bank's ambition to be carbon neutral by 2030. We were the first bank to issue and specifically pursue such a long-term goal. We also formulated long-term banking goals: our aims are one million satisfied customers as well as controlled growth of both the assets under management and the funding of sustainable sectors.

2014 was a good year in financial terms. Assets under management increased: growth was seen in savings as well as in the ASN Investment Funds and ASN Asset Management.

The growth in the number of new customers was again encouraging in 2014 and in line with expectations, as we were happy to welcome almost forty thousand new customers. The total customer base showed a limited drop following an administrative clean-up.

Climate change ambition

In 2013, we formulated our climate change ambition: ASN Bank is to achieve net carbon neutrality by 2030. This target applies both to our office and – having a much larger impact – to all our loans and investments. We aim to achieve this ambition by valuing all our loans and investments in terms of their carbon footprint. Then, we work towards reducing that footprint. Given the relatively small size of our bank, our impact on the climate is limited. Still, our ambition tran-

scends its importance to ASN Bank. We want to show the financial sector that this ambition is possible and feasible, for which we were greeted with interest and appreciation on many locations in 2014.

The major climate conference is set to take place in Paris at the end of 2015. We will be present there to highlight the importance of ambitious climate change targets for financial institutions to as many relevant parties as possible.

New sector: care & welfare

In ASN Bank's view, a sustainable society is also a caring society. It is fitting for our bank to finance the healthcare sector in this context. Despite having done so ever since our incorporation, we have decided to step up our lending efforts to the healthcare sector. An extensive, fundamental investigation has been completed that will guide our future healthcare funding activities. A caring society is explicitly about more than just 'white coat care'. We believe that solidarity, social cohesion and an eye for people's well-being in the broadest sense of the word are the building blocks of a safe and optimistic society. We also stay true to this view in our partnerships with organisations including the Royal Dutch Guide Dog Foundation (KNGF Geleidehonden) and the National Foundation for the Elderly (Nationaal Ouderenfonds), as well as in how we wish to treat our customers.

Plans for 2015

Last year, we announced here the launch of our new current account for small business clients. Sadly, though, we had to disappoint these customers as the work pressure from all our projects on legislation and regulations forced us to postpone this introduction. We are aware of the urgent need for this account, so we are making every effort to introduce it in 2015.

In 2015, we will again aim for controlled growth of our customer base and assets under management. Our perpetual challenge is to attract customers and to convince them of the benefits of banking with ASN Bank while at the same time capitalising on profitable, sound funding opportunities. We will again devote much attention in 2015 to further improving the quality, and our customers' appreciation, of our services. In addition, we will intensify and stimulate the direct engagement with our customers in 2015. To meet, sound out, inspire and surprise customers lies at the heart of our heightened dedication.

Lastly, we wish to set long-term human rights and biodiversity goals to complement our climate change target.

In memoriam: Piet Boef

Piet Boef died on 19 September 2014. He became Director of Algemene Spaarbank voor Nederland, as ASN Bank was called at the time, on 1 January 1980 and was the Managing Director of our bank from 1986 until his retirement in 1992. Piet was one of the persons responsible for formulating the general aspects of our investment policy and the mission of ASN Bank.

Piet was characterised by his solidarity with people who suffered injustice, which drove his strong commitment to the anti-apartheid movement and Nelson Mandela's release. His dedication and enthusiasm became the voice of ASN Bank. It was a special moment for him when he had the opportunity to meet Nelson Mandela during the latter's visit to the Netherlands. It marked the achievement of the 'long-term goal' of Piet and ASN Bank at the time. As Piet put it in ZAM Magazine: 'ASN sprang from socialist circles.

The Catholics and Protestants had their own banks; we were there for the working class. That changed in the 1970s and 1980s. The fight against apartheid was very widely supported – maybe it was in fact our commitment that enabled us to rise above the compartmentalisation of society and to keep on growing.' We are grateful to Piet Boef for his contribution to the bank and the personal example he set by showing compassion and engagement.



We would like to thank all those who, as ASN Bank's customers, 'members' or partnering NGOs, put their trust in us. Many thanks go out to our staff, who commit themselves to our customers and our ideals with such whole-hearted enthusiasm and dedication. Together, we will continue to build the just, sustainable world of tomorrow in 2015.

Ewoud Goudswaard

Jeroen Jansen

Joyce van der Est

Report

ASN Bank wants to be transparent about its objectives, methods and performance, both in the area of sustainability and with regard to its financial and economic results. The annual report is an important link in that process.

In this report, we report on how we implement our sustainability policy in our banking services and products, our operations and our engagement with diverse parties on matters of sustainability. In addition, in this report we render account of ASN Bank's financial results. These results are also incorporated in the consolidated financial statements of SNS Bank N.V.

This report is intended for our customers, staff and other stakeholders we work with, such as our associates, partnering NGOs, regulators, shareholder and all other individuals and organisations interested in ASN Bank's performance in 2014 and its plans for the future. Chapters 7 to 12, inclusive, give more details about our stakeholders.

GRI

ASN Bank reports in accordance with the new G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). The GRI table is available at www.asnbank.nl.

The G4 Guidelines place an emphasis on the materiality analysis, which means that we must answer the following questions:

- Which sustainability issues are important to ASN Bank in particular?
- To what extent do we let our stakeholders influence the choice for these issues?
- Does our report render account of the issues important to our stakeholders?

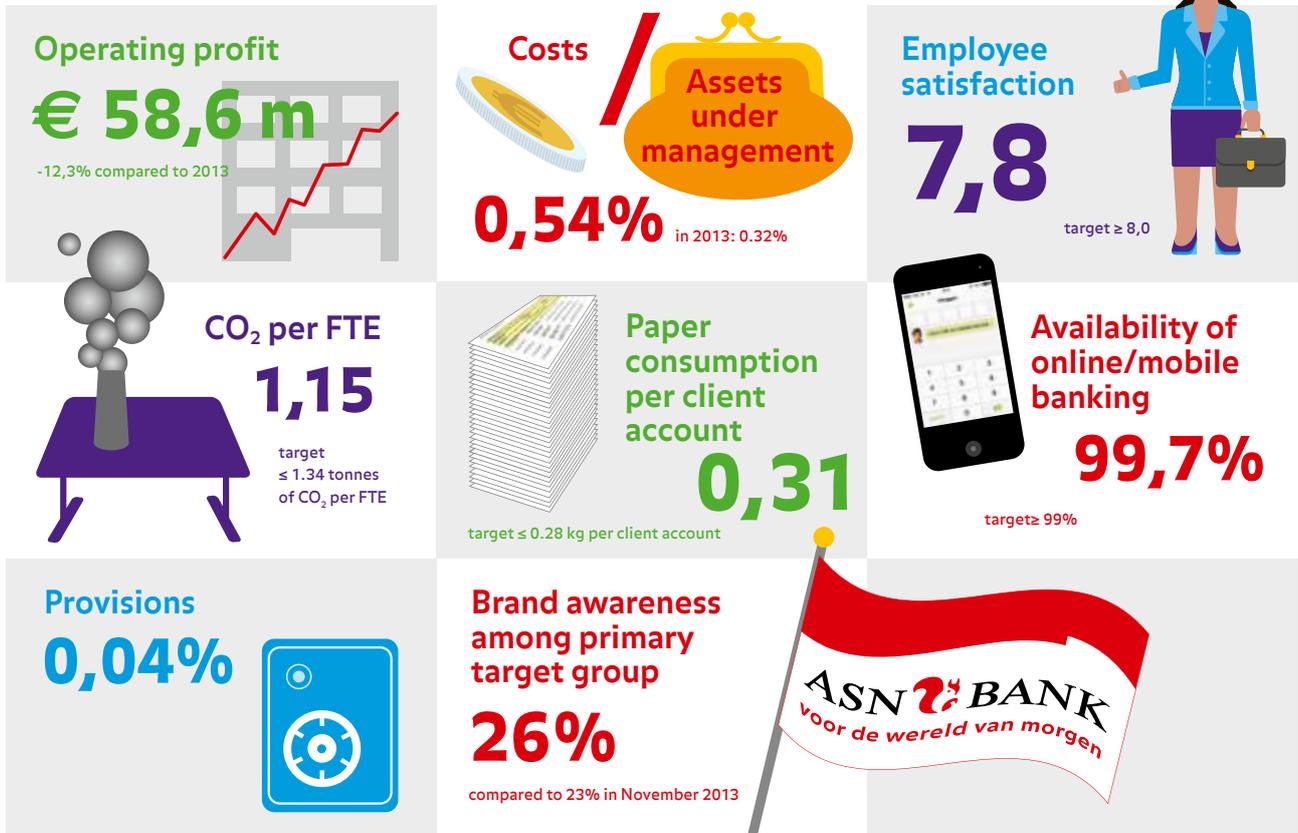
The materiality analysis answers these questions. More information can be found in Chapter 7 and in Appendix 6. The analysis reveals that all issues that we consider to be of material importance are sufficiently reflected in our reports and policy pillars.

Assurance Report

This is a sustainability report, supplemented with relevant financial information. We asked KPMG Sustainability to review the information about our sustainability performance included in this report. You will find the scope of the engagement and the conclusions in the independent Assurance Report. Please refer to the SNS Bank N.V. Annual Report 2014 for the audited financial statements.

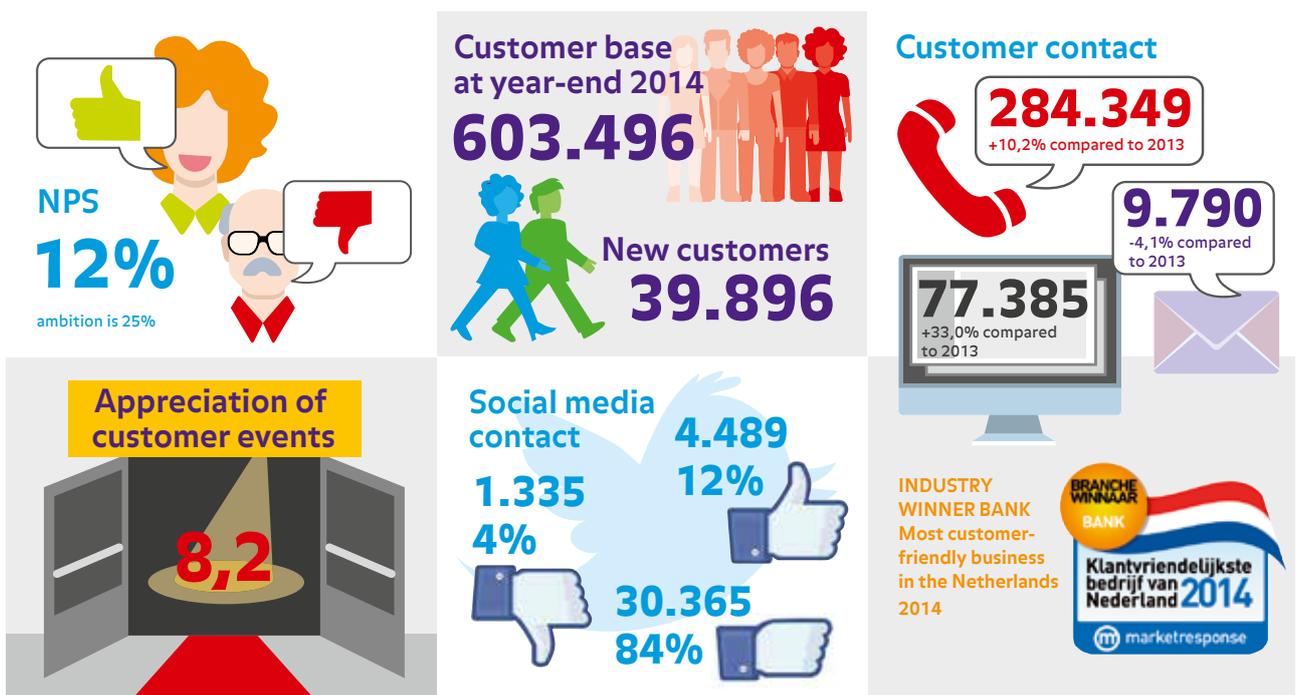
Key performance in 2014

Operations



6

Customers



Sustainability

Assets under management

€ 12.821 m

+7,9% compared to 2013



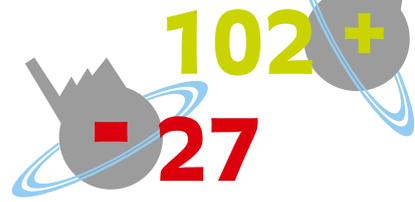
Carbon-neutrality ambition

45%

2013: 34%



Investment universe



Sustainability assessments

567

countries, companies and organisations assessed

AGM voting



220 AGM's

167 Companies

Recognitions

- Fair Bank Guide
- International recognition for climate change ambition
- Green Bull



Donations to partnering NGOs

€ 2,8 mln

176 partners

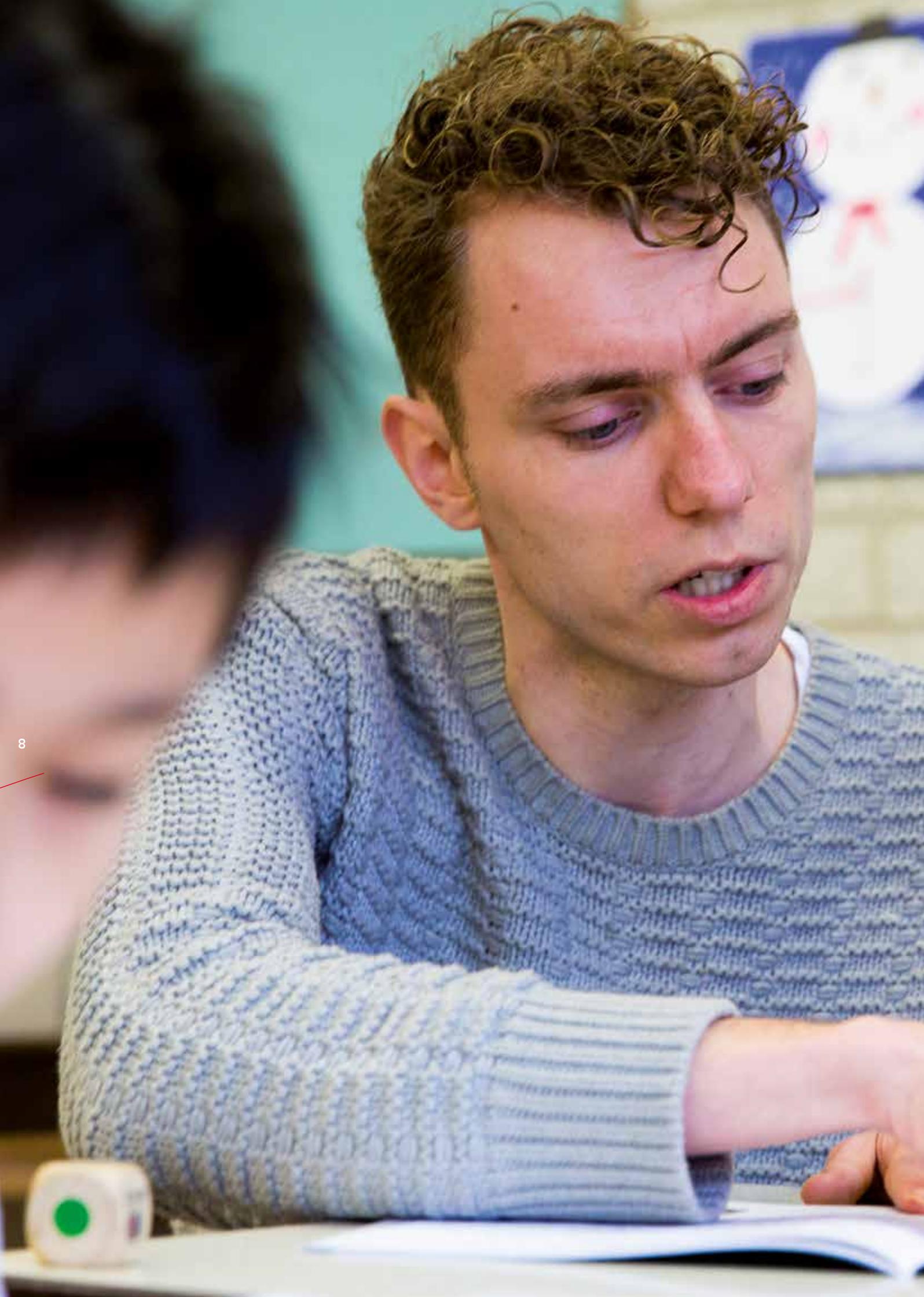


ASN BANK

Wereldprijs 2014

Wat doe jij voor de wereld van morgen?

Applications	176
Participants	100
Finalists	8
Winners	4
Voters	29.997



A Supervision



Report of the Supervisory Board

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

Preliminary advice

We are presenting you with the company's financial statements for the 2014 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 € 58.6 million generated in 2014 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.

Introduction

We fully endorse ASN Bank's sustainability mission and the ensuing policy. Consequently, we feel closely connected to ASN Bank's commercial, financial and sustainable development. The ASN Bank Supervisory Board and Management Board met four times in 2014. On those occasions, we discussed the financial and commercial reports, which give us clear insight into how ASN Bank is managed, how it achieves its results, the resources it deploys to that end, and how risks are controlled.

Some of the other topics discussed in the course of 2014 were the following.

Annual Report 2013

We adopted the 2013 Annual Report and approved the corresponding press release, which was issued on 19 March 2014.

Customer integrity

Throughout 2014, much attention was devoted to two customer integrity projects, focusing on corporate clients and retail customers. In the course of 2014, ASN Bank went through the files of all its corporate clients and retail customers, supplementing the incomplete files after contacting the relevant clients and customers. We followed the progress of the two projects with interest.

Appointment of ACTIAM N.V. as AIF manager

Following the Alternative Investment Fund Managers Directive (AIFMD), the ASN Bank Management Board appointed ACTIAM N.V. (formerly SNS Asset Management N.V.) as the AIF manager of the ASN Investment Funds. The Supervisory Board gave its consent to this. The AIFMD imposes more detailed requirements on the management of investment institutions like ASN Beleggingsinstellingen Beheer B.V. (ABB), the manager of the ASN Investment Funds. If ABB were to perform the management itself according to the AIFMD rules, this would necessitate a modification of its organisational model and a considerable increase of scale and the available expertise of ABB. This does not fit in with the preferred organisational model and ASN Bank's strategy. That is why ASN Bank decided to appoint ACTIAM, a professional party, as its operational fund manager with effect from 22 July 2014. ABB will continue to conduct the management of the ASN Investment Funds.

Bank balance sheet and risk management

We discussed ASN Bank's bank balance sheet together with the Management Boards of SNS Bank N.V. and ASN Bank. ASN Bank works from the principle of a sustainable society when building its balance sheet. This requires both a clear plan with assumptions about potential returns and risks and proper risk control. ASN Bank drafted a plan in 2014 to optimise the management of the loan and investment portfolio in terms of achieving sustainability objectives, so that its balance sheet will reflect even better the sustainable society it is pursuing.

ASN Bank strives for controlled growth of its corporate loans and investments in the next five years. Market conditions will remain a challenging factor in our efforts to strike the right balance between sustainability objectives, risks and returns.

New focus area: care

We spoke at length with the Management Board about how ASN Bank wishes to expand its (funding) activities in the (health)care sector. We recognise that the theme 'care' is fitting for ASN Bank and meets a great social need. However, we did explicitly point out the risks and the need to opt for a gradual, well-thought-out approach.

Advisory Council

We were informed of the departure of Femke Halsema as the Chair of ASN Bank's Advisory Council. Her successor is Jan van der Kolk, who was already a member of the Council. In addition, the Chairman of the Supervisory Board extensively talked with the new Chairman of the Advisory Council, including about long-term policy, the governance structure, the climate change ambitions and the common points of departure on various sustainability issues and how the various brands within SNS Bank N.V. (ASN Bank, SNS, Regiobank, BLG Wonen) can collaborate and learn from each other in this respect.

Operational plan for 2015-2017

We discussed the 2015-2017 operational plan with the Management Board. The key objective is: sustainable banking that meets the customer needs of today and contributes to the world of tomorrow. Important elements of the plan include ASN Bank's goal to grow to one million satisfied customers, increase its assets under management and ensure controlled growth of its loans and investments. In addition, ASN Bank sees a clear role for itself as a driver of sustainable choices.

Report on Banking Code monitoring

The Banking Code lays down guidelines to be complied with by all Dutch banks, unless they can explain their non-compliance on specific points. The monitoring conducted by Compliance has shown that, with a few exceptions, the Banking Code is fully applied at SNS Bank N.V. The website of SNS Bank N.V. provides information on these exceptions.

Performance and composition of the Supervisory Board

We discussed the Supervisory Board regulations, which are in part based on and further elaborate on the Banking Code. The regulations have been adopted.

By the end of the year under review, we evaluated our own performance and shared our findings with the ASN Bank Management Board.

The Supervisory Board's membership was as follows during the 2014 financial year:

- Rob Langezaal, Chairman
- Annemiek van Melick
- Bart de Ruigh (until 1 September)

Bart de Ruigh left the employment of SNS Bank N.V. on 1 September, thereby effectively giving up his seat on the Supervisory Board of ASN Bank. In 2015, three new members joined the ranks of the Supervisory Board: Dick Okhuijsen, Alexander Baas and Martijn Wissels.

We would like to thank our customers and other stakeholders for their confidence in ASN Bank. We express our appreciation of the efforts made by the employees and Management Board. We have every confidence that ASN Bank, demonstrating commitment, will successfully achieve its mission of being a sustainable bank in 2015 as well.

The Hague, 10 April 2015

On behalf of the Supervisory Board
Rob Langezaal, Chairman

Report of the Advisory Council

ASN Bank's Advisory Council comprises representatives with a wide range of social backgrounds. Created in 1993, the Council acts as the advisory body for ASN Bank. The Council critically monitors ASN Bank's 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. They met twice in 2014. They also met once with the ASN Bank Supervisory Board.

Some of the topics discussed during the Advisory Council meetings were the following.

Draft animal welfare policy

Introducing ASN Bank's draft policy on animal welfare, the Management Board met a need the bank had felt for a long time. Once an initial draft had been drawn up, the agency Schuttelaar & Partners assisted in the consultation of stakeholders. The Management Board also asked the Council for its input. This gave rise to the question whether ASN Bank has any views on excessive animal consumption. According to the Management Board, this is one of the many aspects of animal welfare; the talks might lead to the conclusion that they can be combined to form policy. The policy will be rediscussed in the Council once the stakeholders have been heard.

Care and welfare

The Management Board discussed the intention to make a care & welfare policy and answered the Council's questions and comments in this respect regarding the object, the depth of analysis, the focus and innovation. It is about promoting a caring society, about caring for each other. This might become one of ASN Bank's sustainability pillars. The draft policy will be discussed in 2015.

Vision for the future of the sustainable bank balance sheet

The Management Board reported that it had talked with the Supervisory Board about ASN Bank's vision for the future of its sustainable bank balance sheet. The Supervisory Board endorsed the analysis, but was cautious about ASN Bank's ambition for growth within the group of SNS Bank N.V. The Advisory Council emphasised the importance of sustainability in relation to funding via the balance sheet.

The Management Board indicated that ASN Bank will have to strike a balance between the risks it is taking as a bank and the returns generated, while taking account of the interests of all stakeholders, including SNS Bank N.V.

ASN Bank governance

The Council and the Management Board discussed the governance of ASN Bank, in particular the position and composition of the Supervisory Board, and especially the level of independence. At the Advisory Council's request, a list was made of the formal requirements for the position and composition of the Supervisory Board. It will be used as a basis for ongoing talks with the Management Board and the Supervisory Board.

Operational plan for 2015-2017

The Council and the Management Board discussed the draft operational plan for the years ahead. The basic premise is for ASN Bank to pursue controlled growth and have one million satisfied customers ten years from now, and at the same time to increase the assets under management and the share of sustainable loans on its balance sheet. In addition, ASN Bank wants to exert influence in the area of sustainability as part of, as well as independently from, its banking activities. Extensive talks were held about the ambition to achieve healthy growth using corporate loans and investments, and about the consequences this ambition will have in today's market conditions. The Council drew attention to the importance of innovation in relation to the loans and investments. The final plan will be adopted in early January 2015.

Composition and powers of the Advisory Council

The draft of the updated version of the Advisory Council's regulations was adopted at the beginning of 2014. Once the Council's profile has been added, the final version will be formally adopted in early 2015.

Halfway through the year, Femke Halsema decided to retire from the Council for personal reasons. Jan van der Kolk took over her position as Chair with the Supervisory Board's consent. No new members joined the Council in 2014. However, the Management Board is looking for a new member.

The Council's membership was therefore as follows in 2014:

- Femke Halsema, Chair until 29 September 2014
- Maarten van Huijstee
- Hans Kamps
- Jan van der Kolk, Chairman as from 29 September 2014
- Willemijn Verloop

The Council believes that ASN Bank acted in line with its sustainability mission in 2014. We would like to express our appreciation for the manner in which the bank's Management Board and staff performed their duties in 2014.

The Hague, 10 April 2015

*On behalf of the Advisory Council,
Jan van der Kolk, Chairman*

Climate change

Climate stability is under heavy pressure from greenhouse gas emissions. These emissions are creating rapid global warming, which is harmful to nature and biodiversity as well as human rights and world peace. That is why we contribute to a safe, stable and liveable climate in a variety of ways.



Attention for climate change ambition

ASN Bank has an ambitious climate change objective: we want to be carbon neutral by 2030. The key challenge is to reduce the net carbon footprint of all our investments and loans to zero. We received much attention for this ambition in 2014, including during the annual meeting of the United Nations Environment Programme Finance Initiative (UNEP FI) in Geneva.



WakaWaka lamp for women

The ASN Foundation supported the WakaWaka Foundation, which provides the very poorest around the world with safe, sustainable, self-sufficient sources of energy and light. The donation was made to a project that supplies women in developing countries with solar lamps, enabling them to work at night. The solar lamps are safer, better, healthier and cheaper than traditional lighting.



Photo: Josje Deekens

Scouting Solar Battle

Introducing children and their parents to renewable energy in a positive way: that was the goal of the Scouting Solar Battle (*Scouting Zonnestrijd*) organised by Natuur & Milieu with ASN Bank's support. As many as 250 scouting clubs wanted to win free solar panels for their base. After an exciting round of voting, the first prize of ten panels went to the Albert Schweitzer Group from Woerden.



Photo: Josje Deekens

Voice for young people

Via National Youth Council NJR we sponsored the young sustainability ambassadors, enabling them to give young people a voice at the climate change conferences and organise workshops at schools. One of the young ambassadors, Ralien Bekkers, already has some great achievements to her name: she addressed the United Nations and ranked in the Sustainable 100 of Trouw newspaper.



Westermeerwind

Wind farm Westermeerwind will emerge from the IJsselmeer waters alongside the Noordoostpolder dikes in the next few years.

Due to be completed in 2016, the 48-turbine wind farm is expected to produce wind power for 160,000 households. ASN Bank is contributing 36.5 million euros to the funding.

15



Photo: Hollandse Hoogte/Wiebe Kiestra

Dutch Climate Coalition

In 2014 ASN Bank joined Nederlandse Klimaatcoalitie (the Dutch Climate Coalition), an initiative of MVO Nederland, Klimaatverbond Nederland and Stichting Natuur & Milieu, in collaboration with the Ministry of Infrastructure and the Environment.

This coalition brings together companies, governments, public institutions and NGOs to build a carbon-neutral society.



B Sustainability



1 Sustainability mission and objectives

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'.

ASN Bank's mission is in line with this definition. Our mission is: '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.'

Sustainable bank

Sustainability is about more than just having a sustainable office or sustainable production site: it is also vital to impose sustainability requirements on suppliers. This also holds true for banks. A bank may make its office organisation more sustainable – ASN Bank has already done so – but the influence it can exercise through its lending and investing activities is many times larger. That is why ASN Bank aims to achieve its mission by pursuing a higher level of sustainability in both its office organisation and its banking activities, i.e. the loans provided by ASN Bank and the investments made by the ASN Investment Funds and ASN Asset Management.

The three pillars of our policy: human rights, climate change and biodiversity

Sustainability and sustainable development are frequently only regarded as environmental objectives. To ASN Bank, however, 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;
- biodiversity.

All issues that matter to our customers and to us can be grouped under the umbrella of these three pillars. We regularly review our policy based on our day-to-day experiences. Is it still correct? Do we specify clearly what people mean? Are we seeing any new developments? If our insights or those of customers indicate

that the policy needs to be updated, we implement such updates on the basis of extensive stakeholder consultation (crowdsourcing).

Objectives

We formulate objectives for the sustainability performance of the office organisation, ASN Bank's banking activities and the activities of the ASN Investment Funds. For the short term, we define quantitative and qualitative goals. In addition, we set long-term goals.

Long-term goals

As a sustainable bank, ASN Bank wants to make an active contribution to processes that promote the sustainability of society. We achieve this ambition by means of our activities in the areas of selection, engagement and voting (see Chapter 2). The next, unique step in the development of our sustainability policy is the definition of long-term goals at the strategic level for the three pillars of our sustainability policy: human rights, climate change and biodiversity. The climate change target has now been set; goals for human rights and biodiversity are under development. The formulation of these goals is unique as no other bank has as yet set such sustainability objectives for the long run. We want to define goals that will allow us to incorporate our mission in all our activities (see Chapters 3, 4 and 5 for more information about these activities). In order to achieve our long-term goals we prefer to team up with others, including customers, civil society, companies, the government and other financial institutions.

Human rights

In 2014, we discussed a possible long-term objective in the area of human rights. We do not wish it to take the form of references to international conventions, but rather that of the clear-cut performance of our human rights investments and activities.

We apply strict human rights criteria when selecting our investments and loans. We actively engage with companies about human rights issues such as child-labour and working conditions. Furthermore, we wish to define a specific long-term goal to further expand our influence on the improvement of human rights. We do so without pursuing a quantitative goal, however, as experience has taught us that this is impracticable for us. Due to the complexity of the methods, more emphasis should be placed on measurement rather than results.

That is why we will adopt a specific long-term objective on a vital but clear segment in 2015 and implement it in an activist kind of way. Our goal is to drive demonstrable changes leading to identifiable, better performance in the area of human rights. Our activist attitude towards the pharmaceutical industry is in line with that approach.

Climate change

In 2013, we formulated our climate change target as our first long-term goal in the area of sustainability. The problem of climate change is highly urgent, requiring everyone to contribute to a solution. We aim for a maximum contribution by ASN Bank, if only because we want to set an example to other companies and financial institutions. For that reason, we included a fundamental goal for the longer term as we revised our climate change policy: we want both our organisation and all of our investments on the ASN Bank balance sheet and under management at the ASN Investment Funds to be carbon neutral by 2030. This works as follows. Our direct and indirect investments that emit greenhouse gases are offset by our direct and indirect investments that prevent greenhouse gas emissions. Our goal is that the sum of the emissions and the prevention of emissions will be zero in 2030, resulting in a net zero effect on the climate. Our office organisation is already carbon neutral. This is why the long-term climate goal is:

Long-term goal	2030	2014	See Chapter
Net zero carbon footprint of all investments	100%	45%	4

Contrary to human rights and biodiversity, our sustainability pillar ‘climate change’ does allow us to determine a long-term goal based on a clear, objectively quantifiable performance. After all, there is an international, unambiguous unit for measuring this performance: the emission of CO₂ equivalents. Increasingly better data has become available in recent years. Measurement is not easy, but it is possible.

Biodiversity

In our search for a long-term biodiversity goal, we encountered the same kind of objections as with human rights. Again, as we are a financial institution, we would have to consider too many factors and indicators to measure our biodiversity performance. We do believe that measurement within a subarea is possible, however, for example the amount of nature preserved or newly created. In 2015, we will explore how we can define a goal that is important both to ourselves and to our customers.

Short-term goals

For the short term, we define quantitative and qualitative goals. We express our quantitative goals in figures and our qualitative goals in ‘achieved or not achieved’.

Target for 2014	Achieved in 2014	Target for 2015	See Chapter
Qualitative short-term goals			
Climate change policy	Implementation of strategic objective ‘ASN Bank carbon neutral by 2030’	Implementation progress	4
Living and working policy	Completed	-	-
Animal welfare policy	Policy is in its completion phase	Completion in early 2015	5
Implementation of ISO 14001 for the office organisation	Certification received in early 2014	Maintain certification	6
-	-	Formulate long-term human rights goal	3
-	-	Formulate long-term biodiversity goal	5
Short-term qualitative goals			
Net Promoter Score (NPS)*	12%	20%	8
Social and environmental goals of the office organisation			
Carbon emissions ≤ 1.34 tonnes per FTE (scopes 1 and 2**)	1,15	Target unchanged	6
Paper consumption ≤ 0.28 kilos per account	0,31	Target unchanged	6
Employee satisfaction ≥ 8.0	7,8	Target unchanged	12

* See Chapter 8

** See Chapter 6

2 Sustainability in practice

Sustainability is part and parcel of all of ASN Bank’s activities. This chapter explains how we are actually bringing the sustainable world closer using our banking activities, such as our loans and investments, as well as all sorts of activities outside our role as a bank, often in collaboration with like-minded people.

Policy papers

ASN Bank’s sustainability policy has been laid down in policy papers containing the sustainability criteria for the selection of all direct and indirect investments, and the choice of suppliers, sponsor projects and projects for the ASN Bank World Award. The criteria apply to all loans extended by ASN Bank (see Chapter 14). ASN Beleggingsinstellingen Beheer B.V. (ABB), the director of ASN Beleggingsfondsen N.V. and the manager of ASN-Novib Microkredietfonds and ASN Groenprojectenfonds, has adopted these sustainability criteria in full as the basis for its investment policy. The same goes for ASN Asset Management. The policy for each pillar – human rights, climate change

and biodiversity – has been elaborated in separate policy papers. Sector-specific policy papers describe how we implement these policies in the various sectors. All policy papers are published on our website, asnbank.nl.

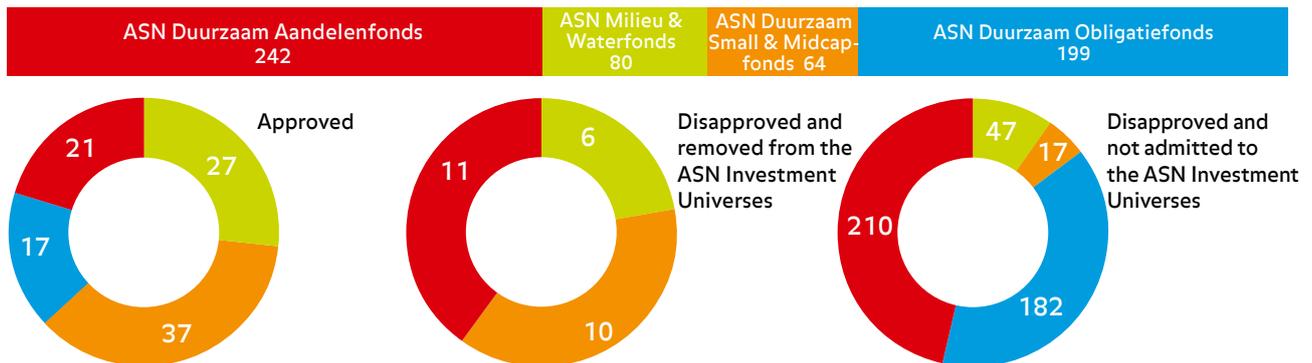
Instruments for sustainable choices

We implement the concept of sustainable investment and lending using three tools:

- A. the selection of loans, companies, institutions and national governments;
- B. engagement, or the dialogue with the companies or institutions in which we invest or may wish to invest;
- C. 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 disapproval of a company, project, institution or national government, the casting of a vote at a meeting of shareholders, or completion of engagement with a company. We will explain these procedures below.

Assessed in 2014: companies for the equity universe and countries for the government bond universe

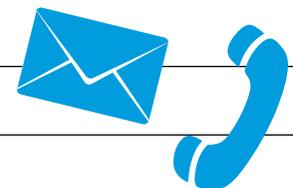


* 14 companies were assessed for more than one fund.

Engagement in 2014

Companies in the equity universe

42



Voting in 2014

Number of companies where votes were cast

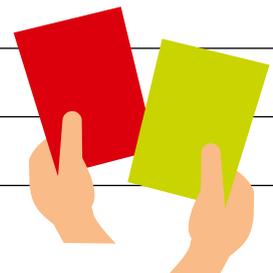
196*

Number of shareholders’ meetings where votes were cast

220*

Number of companies in which the ASN Investment Funds invested at year-end 2014

167



* These figures are different because:

- some companies have several shareholders’ meetings;
- we voted at meetings of companies that were no longer included in the fund portfolio at the end of the year, and vice versa.

The Sustainability & Research (S&R) Department is responsible for sustainability policy formulation, the assessments, the dialogue with companies and the execution of the voting policy. In addition, employees of this department regularly take part in (public) debates on a range of sustainability issues.

A. Selection

The selection process is one of the key procedures that we use to implement ASN Bank's mission for our customers. It is an intensive and thorough process that takes place according to a standard procedure. We continuously verify whether investments meet our sustainability criteria. In that process, we use information from the companies or countries themselves, as well as information provided by specialised research institutes, the media and NGOs. We discuss the assessments in the ASN Selection Committee after completion. The Committee consists of representatives of the Management Board of ASN Bank and of the Management Board of ASN Beleggingsinstellingen Beheer B.V. and the Head of S&R. The latter has a right of veto. The Committee is advised by the S&R Department. It met six times in 2014. The ASN Selection Committee is the only body that has the power to approve or disapprove a company, government or institution for the investment universe.

It is our goal to review every company and institution in the universe within three years. If new information shows that the review should be performed earlier, we will do so.

Companies, institutions and national governments that meet our sustainability criteria have been included in the ASN Investment Universes. This way, we create a list of investment opportunities that have been approved for their contribution to a sustainable society. When structuring their portfolios, the asset managers of the ASN Investment Funds, the managers investing the ASN Bank savings, and ASN Asset Management make a selection from these lists of approved companies and institutions. In 2014, many and diverse investments were assessed for their compliance with our sustainability criteria. The table presents the numbers of listed companies that were assessed. Another substantial category is the government bond category, for which we assessed approximately two hundred countries in 2014. We approved seventeen of them.

B. Engagement

We regularly contact the companies and institutions that we finance or that our funds invest in, with a question or a request. Our aim is to make them more aware of their performance in the areas of human rights, climate change and biodiversity and to improve this performance. It also gives us even better insight into the choices that companies face in practice. This regular contact helps

Engagement in 2014: Bangladesh

In 2013, we started an engagement process following the catastrophe in the Rana Plaza garment factory in Bangladesh on 14 April 2013. None of the fifteen clothing manufacturers included in the ASN Investment Universe at that time were involved in Rana Plaza, but they are active in low-wage countries. We have seen in practice that the chance of accidents happening is substantial there. That is why we asked them, together with other investors, to take their responsibility. Most companies answered sufficiently to extensively. Seven of them signed the Bangladesh Safety Accord, others took their own measures. We contacted the five companies that had not responded sufficiently or at all again in 2014. Three of those could sufficiently explain their position. Two clothing companies responded insufficiently and require further engagement. If an adequate response is not forthcoming, they will be removed from the universe.

In 2014, ASN Bank also signed a declaration of investors urging the companies concerned to actively implement the Bangladesh Safety Accord and to contribute money to the victims' compensation fund.

them to understand better what we – on behalf of our customers – expect of them. We primarily avail ourselves of this engagement in the following cases:

1. If we suspect that a company in the investment universe no longer meets our investment criteria. We will contact the company about this. If the desired response is not obtained, the ASN Selection Committee decides whether the company should be removed from the universe.
2. ASN Duurzaam Small & Midcapfonds may invest in companies that meet our absolute sustainability criteria but that do not yet score sufficiently on all relative sustainability criteria. By actively engaging them in dialogue, we steer them towards improvement.
3. Companies and institutions appreciate it if they are selected for our universe. We encourage them by informing them of their admission where possible.

In 2015, we will define a long-term goal for human rights. Engagement will be an important tool to achieve this goal. In the years ahead, our engagement with companies will be less frequent but more in-depth and effective.

C. 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.

Sustainability dilemma: the pharmaceutical industry

The concept of 'sustainability' is very comprehensive, which sometimes leads to discussion when we translate the concept into practice. Do we invest in a solar panel manufacturer without a human rights policy? What do we do 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.

One specific dilemma is posed by investments in the pharmaceutical industry. This industry is in part responsible for the availability and accessibility of medicines. Medicines raise the standard of living and improve health, which means that pharmaceutical companies are part of a sustainable world. Yet they are frequently a source of scandal, for example on account of malpractices in clinical trial procedures in developing countries, falsification of test results and illegal medicine marketing. To increase our effectiveness, we want to add focus to our engagement by convincing pharmaceutical companies to implement their human rights policy – they usually have a good policy in place but fail to properly execute it.

Lobbying activities, advocacy and declarations

As an advocate, we participate in national and international forums, such as the Carbon Disclosure Project, UNEP FI, Global Compact, Caring for Climate Initiative, De Groene Zaak, and Duurzame Energie Koepel. We promote climate-saving measures among all sorts of target groups and are a PRI member. Please refer to Chapters 3, 4 and 5 for more information.

Sharing knowledge

We actively participate in platforms, working groups, seminars and a range of other meetings where we share our knowledge of sustainable banking. Our mission is to make society more sustainable, and we are happy to help other banks and financial institutions with similar aims. Conversely, we also want to learn from the ideas and initiatives of stakeholders. For this reason, we take part in the Dutch Banking Association's Sustainability Platform (Platform Duurzaamheid) and in meetings about subjects like renewable energy and energy conservation measures in residential construction, healthcare funding and climate change. We ourselves regularly take the initiative to share knowledge, for example in the areas of biodiversity (see Chapter 5) and energy conservation measures in residential construction (see Chapter 11). We do this both in the Netherlands and at the international level, in 2014 mainly about the issues of climate change and human rights.

Promoting sustainability

We have various ways to initiate sustainable developments in society and support other people's initiatives in this field, for example via our partnering NGOs, the ASN Foundation and our community For the World of Tomorrow. More information can be found in Chapters 10 and 11.

3 Human rights

Human rights are universal values that apply everywhere, always and to everyone. Giving paramount importance to human dignity, justice, freedom and equality, the purpose of human rights is to protect the human dignity of all.

Our interpretation of ‘human rights’ includes every type of human rights: civil rights, political rights and economic, social and cultural rights. Human rights protect people against abuse of power by governments and organisations, which may take the form of discrimination, privacy violations and torture. Human rights also impose obligations on governments, for example the obligations to provide education and healthcare, freedom of speech and equal treatment. Human rights are laid down in international conventions.

In our human rights policy paper, we answer the question: how does ASN Bank treat people via its loans, investments and activities? 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 and have been incorporated in our policy paper.

In this document, we set strict criteria for assessing the companies and institutions in which ASN Bank, the ASN Investment Funds and ASN Asset Management invest. These companies are required to make considerable efforts to prevent any violations of human rights. We analyse companies and institutions on a range of issues, such as non-discrimination, child labour, freedom of speech and privacy, freedom of association, respect for local society and the local population, and consumer safety.

Global Compact

The Global Compact is an initiative of the United Nations that encourages companies to include and abide by ten principles in the areas of human rights, employment, the environment and corruption. As Ewoud Goudswaard, our Managing Director, puts it: ‘In 2007 ASN Bank signed the Global Compact to express its long-standing and continuous commitment to the ten goals of this international UN initiative. That commitment continues with full intensity. This report shows how we implemented it in 2014.’

Principles for Responsible Investment (PRI)

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 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. In that context, we took part in an engagement programme about labour rights in the chain of food companies in 2014. Members can also jointly submit agenda items, or shareholder resolutions, to shareholders’ meetings, for example about climate change and human rights.

We published PRI reports in 2014. The purpose of the reports is to be transparent about how ESG factors are part of our operations and how they are reflected in our policy, our procedures and our arrangements with the managers implementing our sustainability policy.

Arms Trade Treaty

On 2 April 2013, a historic step was taken for human rights: the United Nations adopted the Arms Trade Treaty. On 24 December 2014, the Treaty took effect in all ratifying countries. Each year, every country must provide a statement of the import, export and transit of arms. This step marked a huge change in the level of transparency, providing a much better understanding of the world’s arms flows. The Treaty also lays down clear standards on when a country may export weapons and when it may not. Countries must prevent ‘the risk of diversion’, i.e. weapons ultimately ending up in the wrong hands. Weapons export is subject to a mandatory risk analysis.

ASN Bank supported Control Arms Netherlands, a coalition of Amnesty International Netherlands, PAX and Oxfam Novib, in its fight for a strong arms trade treaty. We lobbied actively and also urged customers via our website to sign the global petition for a strong treaty.

Social development goals after 2015

In 2000, 189 United Nations member states adopted the eight Millennium Development Goals for 2015, which were to end extreme poverty, inequality, disease and hunger in the world. Much has been achieved, but many of the goals are yet to be reached. On a positive note, the goals have had a major impact on the efforts undertaken by the international community for sustainable development. This sparked the initiative to define goals to succeed the Millennium Development Goals: the Sustainable Development Goals, focusing on social development and an equal distribution of wealth in the world.

Their novel aspect lies in the fact that not only countries are committed to these goals, but also companies and non-governmental organisations (NGOs). We believe that collaboration between companies and NGOs – like ASN Bank itself is doing – can make a significant contribution towards achieving the goals. The talks resulted in the *Charter on the role of business, civil society and*

cross-sector partnerships in the Post-2015 Development Agenda. With this Charter, over fifty Dutch companies and NGOs wish to show that a joint approach is effective. ASN Bank is one of the signatories. The Dutch government will submit the Charter to the negotiations about the new agenda of the Sustainable Development Goals.

4 Climate

Convinced of the urgency of the problem of climate change, we have defined an ambitious long-term climate change target. We are working to achieve this target first of all as a financier and investor, but also as an activist and driving force, advocate and employer.

To climate scientists, it is beyond any doubt that the emission of greenhouse gases, mainly CO₂ (carbon dioxide), is causing today's rapid global warming. This climate change adversely affects nature and people's well-being. Floods, long periods of drought and other extreme weather conditions can lead to regional food insecurity and the displacement of large groups of people, creating refugee flows that may jeopardise peace, public order and safety. The poorest regions of the world will be hit the hardest. It is absolutely vital that the world reaches a turning point in its emissions by 2030 at the latest if we are to prevent the global warming from assuming disastrous proportions. After that, as soon as possible – but definitely no later than around 2050 – a net carbon-neutral situation must have been created, which means that no additional CO₂ is released into the atmosphere.

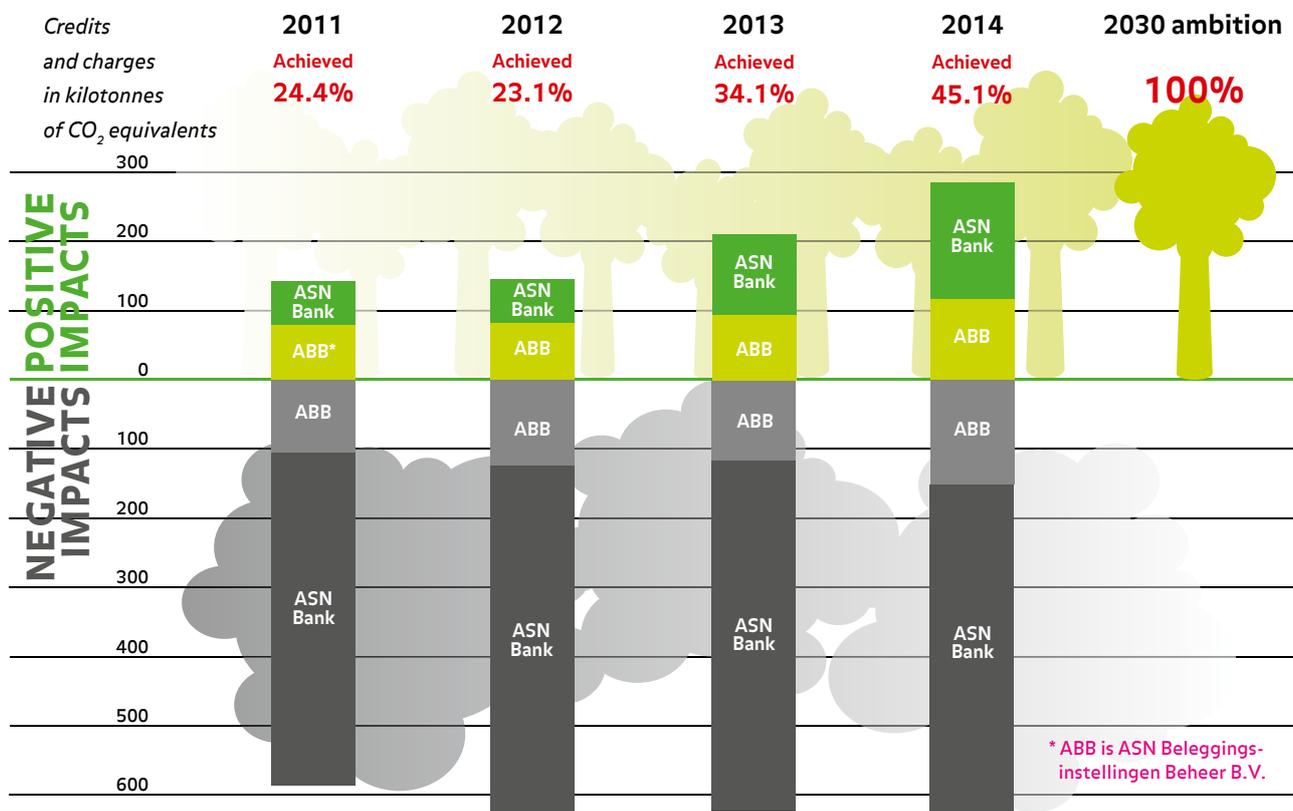
Carbon neutral by 2030

ASN Bank wants to take the lead by being the bank that makes a maximum contribution to reducing emissions. For this reason, we have made it our goal to achieve full net carbon neutrality in all our loans and investments (banking activities) by 2030. External experts have helped us calculate to what extent we have already reached this target for the years 2011 to 2014. In this respect, we distinguish between the investments of ASN Bank and those of investment company ASN Beleggingsinstellingen Beheer B.V. (ABB).

We reduce the carbon emissions of our banking activities as follows:

- We do not invest in the extraction and processing of fossil energy sources.
- We invest as much as possible in energy taken from renewable energy sources, as well as in energy-saving measures, low-energy buildings and energy efficiency.
- We avoid investments in energy-intensive companies and prefer companies delivering energy-extensive solutions.
- We have a climate change objective for ASN Duurzaam Aandelenfonds: the more CO₂ companies emit, the lower our investments in those companies.

Achieved portion of the carbon-neutrality objective in %



When the positive CO₂ impacts equal the negative, we have fully achieved the objective. Together with Ecofys, we further developed the methods used to calculate this in 2014 in as well. This produced the following data for the years 2011 to 2014, inclusive:

In 2014 we achieved a substantial net improvement. Both the bank and the ASN Investment Funds produced higher positive CO₂ impacts, while the net negative impacts rose only to a limited extent. The rise in negative CO₂ impacts at the investment funds is mainly the result of the absolute growth of the size of the funds. Although the bank also grew, its negative impacts dropped limitedly. The main reason for the net improvement is the increase of positive CO₂ impacts at the bank and, to a lesser extent, at the funds. This increase was driven by the growth of investment volume in renewable energy projects and green bonds with a focus on renewable energy and energy conservation.

Sharing knowledge

On Thursday 16 October 2014, we presented the carbon-neutrality objective during the annual meeting of the United Nations Environment Programme Finance Initiative (UNEP FI) in Geneva. We hope this will inspire other financial institutions, governments and policy-makers to follow our example. Charles Anderson, Director of UNEP FI, referred to ASN Bank as an important example of how things can be – and should be – done differently. We will continue to talk with UNEP FI representatives about how we can play our role as a driving force even better.

We also shared our knowledge in this area with many individual parties, including various financial institutions from the Netherlands and other countries. There is a

great deal of interest in our approach, which is considered to push the boundaries of the difference that banks can make in reducing global warming.

Dedication to the climate

We are also dedicated to the climate outside of our lending and investing activities. With Facebook posts, tweets, customer meetings and articles in *Ideaal*, we aim to heighten people's awareness about the importance of carbon-neutral living. In 2014, for example, we denounced the effects that the use of coal has on the climate and human rights. The same *Ideaal* issue also discussed Urgenda's website www.thuisbaas.nl, which helps consumers make their homes energy neutral. Together with *Natuur & Milieu*, we organised a competition in which scouting groups could win solar panels for their base. At ASN Live in Nijmegen on 9 September, we discussed the climate with people like weather forecaster Reinier van den Berg, journalist Olaf Koens, Timmo Terpstra of *Koffiebranderij Peeze*, and attending customers and other interested people.

Climate Coalition

In November we joined the partnership *Nederlandse Klimaatcoalitie* (the Dutch Climate Coalition), an initiative of MVO Nederland, *Klimaatverbond Nederland* and *Stichting Natuur & Milieu* in collaboration with the Ministry of Infrastructure and the Environment. The companies, governments, public institutions and NGOs in the coalition take initiatives to help build a carbon-neutral society. The coalition is pooling all initiatives in the run-up to the UN Climate Change Conference in Paris in December 2015, in order for the Netherlands to serve as an example and a source of inspiration for other countries on the road to a carbon-neutral society.

5 Biodiversity

Biodiversity is the diversity of living organisms and the variety of their interrelationships in ecosystems. As a sustainable bank, we hope to contribute to maintaining and strengthening biodiversity and ecosystems.

Biodiversity contributes to our prosperity, but only part of that contribution can be expressed in monetary terms. Many people enjoy nature, or value it from an aesthetic, religious or cultural point of view. But biodiversity also offers valuable economic services through ecosystems, for example in the production of oxygen, water purification, food, fuels, raw materials, medicines, protection and recreation.

A balance between the various animals, plants and micro-organisms exists in the ecosystems. Upsetting that balance can have serious consequences. It is therefore important to protect biodiversity so that this balance is not disrupted.

The protection of biodiversity and ecosystems is not only desirable for moral reasons, but even necessary from an economic perspective. Many services and products, such as food, strongly depend on biodiversity, in particular those for the poorest people. Over one billion people are directly dependent on natural resources like food, clean water and wood.

As a sustainable bank, we hope to contribute to maintaining and strengthening biodiversity and ecosystems. For that reason, we specified our biodiversity investment criteria in our biodiversity policy paper. We apply these criteria when selecting companies, projects and countries for our investing and lending activities.

International cooperation

We have endorsed the Natural Capital Declaration (NCD). In this declaration, banks, investors and insurance companies undertake to integrate natural capital into the financial sector's business model. The NCD is developing a method for the financial sector to measure biodiversity, in the absence of any ready-made, usable measurement method. We want to further develop our criteria for pollution, change of land use and overexploitation in order to provide insight into the impact on biodiversity.

The Netherlands: Community of Practice

We have been a member of the Business and Biodiversity Community of Practice (CoP) of the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland; RVO) for some years now. In this community we exchange ideas about the question what to do with this subject and forge new partnerships as a result. As companies share knowledge and embark on joint initiatives, the transition to policy and actions taking account of biodiversity is gathering pace. The CoP's insights resulted in the publication *Bedrijven en Biodiversiteit*, issued in 2014 and available at www.duurzaamdoor.nl.

ASN Bank also contributed to this publication.

As a bank has no physical products, we can only indirectly influence biodiversity by means of our loans and investments. However, the CoP does help us understand how companies deal with this issue. At our initiative, RVO facilitated the start of a biodiversity Community of Practice for the financial sector in 2014. In that community, financial institutions meet four times per year to discuss biodiversity and share their experiences. Apart from a few frontrunners, most banks only just started considering this issue.

Animal welfare policy

Animal welfare is very important to both our customers and ASN Bank. That is why we presented our updated draft animal welfare policy to customers and experts in 2014. In several sessions, we had intensive talks with them about the policy itself and the underlying dilemmas and choices. These talks produced some interesting points of view, which we have incorporated into the policy.

Subtitled 'For respectful interaction between people and animals', the policy document deals with the company selection criteria in respect of animal testing, genetic engineering, fur, livestock farming, fishery, wild animals and animals in captivity. The policy was approved at the beginning of 2015.

6 Sustainable office

In our office in The Hague we have over 140 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.

ASN Bank is located in a sustainably renovated office building. In 2014, the building was assigned EPBD energy label A (see Appendix 3) for reasons including the solar energy system installed on the roof. We also installed a thermal storage system in 2014, which is used to heat and cool the building. Thanks to the reduction in energy consumption this is set to produce, we are likely to receive an even higher energy label in 2015. The office building has a greywater sanitary system, and the company restaurant uses sustainable products. The main environmental impact of our office is created by the carbon emissions of our (office) activities, such as heating and travel, and paper consumption. Appendix 3 gives a comprehensive overview of our consumption in the past five years.

Greenhouse gas emissions

We distinguish various types of greenhouse gas emission:

- scope 1 emissions: direct greenhouse gas emissions by our own activities.
- scope 2 emissions: indirect greenhouse gas emis-

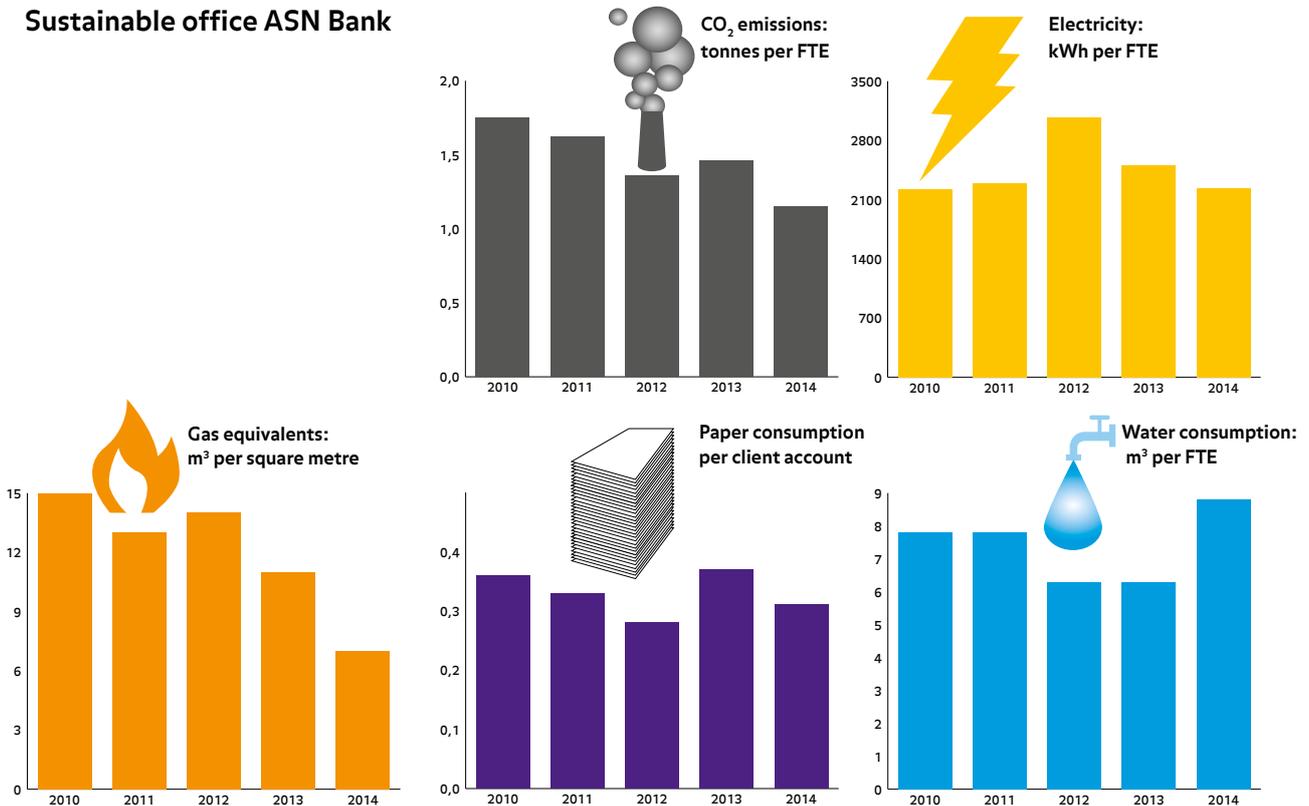
sions resulting from our own activities, such as the generation of electricity we use.

- scope 3 emissions: the emissions of greenhouse gases in the supply chain, such as the paper we use and the investments we make.

ASN Bank's office is carbon neutral for scope 1 and scope 2; our activities are carbon neutral for part of scope 3.

Our office activities lead to carbon emissions as we use fossil fuels for transporting employees, use gas through district 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, partly because we installed solar panels on the roof of our new building and use a supplier that generates electricity in a fully sustainable manner. Secondly, we are continuously working on a reduction of energy consumption, both in the office and in the transport of employees. For example, we annually finetune our lease policy by tightening emission requirements for the purpose of lowering the average carbon emissions per lease car in use. Effective 2014, we have again tightened the requirements in this respect. All new models were required to have emissions of less than 125 grams per kilometre. For 2015, the maximum will be 115 grams per kilometre. Our restrained use of airlines also translates into low carbon emissions per FTE.

Sustainable office ASN Bank



The office’s absolute CO₂ emissions (scopes 1 and 2) dropped from 183 to 153 in 2014, for two important reasons. Car emissions from commuting were substantially reduced as employees now drive cars with lower emissions. In addition, energy consumed for heating purposes fell sharply as 2014 was a warm year. Energy consumption in 2014 was much lower than in 2013 both in absolute terms and per FTE thanks to the use of more energy-efficient equipment. A lot of water was needed for the installation of the thermal storage system, which meant that water consumption was higher than usual in 2014.

We offset our remaining carbon emissions by supporting projects with a broader object than climate protection. Since 2013, we have done this via the Trees for All project in Bolivia. Certified by the CarbonFix Gold Standard, this project aims for the local population in Bolivia to plant new forest. The farmers involved use it as productive forest. Improved agricultural and livestock farming practices under the trees (including fruit trees) allow the farmers to increase their income and protect and connect natural forests. With this project, we offset 348 tonnes of CO₂ for heating and transport in 2014, as well as the carbon emissions related to the office’s paper consumption, waste and water consumption.

Reduction of paper consumption

It takes a lot of paper to inform all of ASN Bank’s customers (more than 600,000) through bank statements, letters, flyers and our customer magazine *Ideaal*. Our strategy is to continually reduce paper and envelope consumption in part by further developing as an Internet bank, so that customers require fewer paper bank statements. At the same time, we wish to meet the request of customers who prefer to receive information in writing. We encourage customers – in *Ideaal*, for example – to bank by laptop, tablet or mobile telephone. They themselves can reduce the number of bank statements they receive. In 2014 as well, investment customers were confronted with the large number of statements per transaction generated by Binck’s administrative systems.



Customers were given an option in 2014 to disable these statements by e-mailing a request to that end to ASN Bank.

Since early 2012, we offer an online version of *Ideaal* in order to further reduce paper consumption together with our customers. Almost everyone subscribing to the online version cancels the printed version. The ASN Bank report is published in hard copy in small numbers.

Supplier policy

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

Category	Comprises	Policy
A: high priority	Products that we purchase in large quantities and that involve a high risk or are easy to make sustainable	We examine these products on the basis of our sustainability criteria.
B: average priority	Products that have a large purchasing volume but do not involve high risks or are difficult to make sustainable, such as IT services and postal delivery	Companies must endorse our sustainability declaration.
C: low priority	Products representing small quantities, with low cost of purchase or low risks, such as office supplies	Basic assessment

Human rights

'Human rights' is a broad concept, including civil rights, political rights and economic, social and cultural rights. We critically analyse the institutions, companies and governments in which we invest in terms of how they deal with human rights. We are committed to human rights in other ways as well, as you will read below.



Arms trade treaty

In April 2014 the United Nations adopted the Arms Trade Treaty, which took effect on 24 December. The Control Arms Coalition – in the Netherlands consisting of Amnesty International Netherlands, PAX and Oxfam Novib – had fought hard for this treaty. ASN Bank supported them with a letter co-signed by a range of parties.



Better Life Option Program

In the context of our sustainability issue 'anti-child labour', we have been an active supporter of Plan's Better Life Option Program in Nepal since mid-2014. This project focuses on Kamaiya children working on the land. With ASN Bank's support, Plan aims to make 6,000 young people – especially girls – more assertive and more motivated to stay in school.



Photo: Sven Tarfinn van Enckevort / Hollandse Hoogte

Hall of Fame

In 2014, PAX published two reports about the multi-billion investments made by financial institutions in nuclear weapons and in cluster munitions. As ASN Bank does not invest in any weapons whatsoever, the bank was given a place in the 'Hall of Fame' in both reports.



25 years of children's rights

20 November 2014 marked the 25th anniversary of the UN Convention on the Rights of the Child. In that context, all ASN customers could download a free copy of the e-book *Kinderen die de wereld hebben veranderd* (Children who changed the world). The book contains 22 stories of children like Malala Yousafzai, Anne Frank and Kim Phuc, who underline the importance of children's rights and point out that the battle is far from over.



Nuclear weapons from the Netherlands

As many as 115 countries around the world have banned nuclear weapons. The Netherlands is not yet among them. PAX has organised a citizens' initiative to put the ban on nuclear weapons on the political agenda in the Netherlands. Via our website and our magazine *Ideaal*, we called on our customers to sign the petition to this end.

31



Nelson Mandela memorial magazine

Nelson Mandela died on 5 December 2013. In a special edition, Nelson Mandela's future, ZAM Magazine sketched a picture of him as a human rights advocate, person and politician. It also highlighted the anti-apartheid movement that ASN Bank supported. We gave free special copies of the magazine to all of our customers.



C Stakeholders



7 Consultation and engagement

For 2014, we report for the first time according to the G4 Guidelines of the Global Reporting Initiative. The G4 Guidelines place an emphasis on the materiality analysis: the methods we used to determine which sustainability issues are of material importance to us.

Investigation

In our materiality analysis, we identified how we engage with stakeholders in relation to our sustainability mission. A diagram of the outcome, reflecting the hierarchy of our sustainability policy, can be found in Appendix 6.

It shows the objective at each level and the role played by external stakeholders in that regard.

In 2014, we conducted an internal investigation to better identify our stakeholders. As part of that investigation, the ASN Bank employees – a major group of stakeholders – also talked about their knowledge of and involvement in our sustainability policy and its significance in contacts with their stakeholders.

Stakeholders

We distinguish the following stakeholders:

- Customers and ambassadors
- The shareholder: SNS Bank N.V.
- The ASN Bank employees and Management Board
- Partnering NGOs
- Experts and expert organisations
- Companies, industries, projects
- Advisory Council
- Supervisory Board
- Government

Stakeholder influence

Consultation with stakeholders plays a central role in developing and implementing our policy and our activities. During our regular contacts with stakeholders we have raised the question of materiality as a structural issue. Their opinions and comments are extremely

important in the drafting of our policy and in the assessment of existing policy. One example in 2014 was the crowdsourcing initiative for the animal welfare policy (see Chapter 5).

Below is a brief description of the topics we are currently discussing with the various groups of stakeholders:

- Our vision of a sustainable society is ASN Bank's *raison d'être*. This vision is the subject of discussion between the Management Board and the Supervisory Board and Advisory Council.
- Our mission indicates how we aim to achieve our vision. We discuss this mission with customers, management boards, employees, partnering NGOs, the Supervisory Board and the Advisory Council.
- Our sustainability policy provides guidelines and assessment criteria for our activities, investments and loans. Consisting of policies for our three sustainability pillars – human rights, climate change and biodiversity – the policy is applicable to ASN Bank, the ASN Investment Funds and ASN Asset Management. It is tailored to specific sectors and issues, and is the subject of discussion with all our stakeholders.
- The sustainability issues enable us to play a broader role in creating a more sustainable society, for example through our support to partnering NGOs and our support of social objectives. The four issues – fair trade, renewable energy, anti-child labour and anti-arms – were chosen on the basis of customer surveys. We communicate about these issues with all our stakeholders, except those belonging to the 'companies, projects and industries' category.

The following chapters (8 to 12) provide more information about our communication with the main groups of stakeholders.

8 Customers

The more than 600,000 retail customers and corporate clients of ASN Bank are our most important stakeholders. They make our existence possible and they enable us to contribute to a more sustainable society.

As a financial services provider, ASN Bank wants to do its part in achieving a sustainable society. In this spirit, we not only actively promote sustainability but also impose strict requirements on ourselves in terms of how we treat our customers. Integrity, transparency, expertise and reliability are paramount in that regard. We offer easy-to-understand banking products and good service, and communicate clearly about this. But customer communication is certainly not a one-way street, as we set great store by our customers' opinions and involve them in our mission and the development of our sustainability policy. We call on them during meetings, surveys and discussions about specific sustainability issues. We also consider signals received via our customer service and webcare when drawing up our sustainability policy and giving shape to our banking services. We greatly appreciate the engagement of customers who enter into discussions with us, whom we meet at events and who send us their comments.

A key indicator of customers' intention to recommend a company is the Net Promoter Score (NPS). To calculate this score, customers are asked: *What is the likelihood, on a scale from 0 to 10, that you will recommend ASN Bank to family, friends or colleagues?* ASN Bank achieved an NPS of +12% at the end of 2014. This means that the share of customers giving 9 or 10 exceeds the share of customers giving 0 to 6 by 12%. At the end of 2013, this percentage was 15%. Although it is not easy to give a clear explanation for this modest decline, some reasons can be discerned: continuous interest rate drops on savings, payment system disruptions, paper bank statements for investments and the tightening of administrative processes.

Service

Our customers can take their questions and comments to the staff of the ASN Customer Service Department. In 2014, they dealt with over 284,000 incoming phone calls through the free service number, 77,000 e-mails and 9,000 letters. A large part of customers' questions concerned their accounts, for example relating to online banking, transfer orders, contra account changes and activating the ASN Wereldpas. The ASN Customer Service Department helped around 4,500 people transfer their current account to ASN Bank. Unfortunately, waiting times for customers were sometimes longer than desired. We are taking measures to better respond to peaks in 2015.

Products and services

Retail customers can pay, save and invest at ASN Bank; corporate clients can save and invest. We devoted much attention to the development of mobile banking in 2014, in part prompted by customer comments and suggestions. The ASN Mobile Banking app was enhanced with a cash book, allowing users to keep track of payments made from their current accounts. This feature offers customers insight into how much money they spend each month in each category, and will be made available for online banking as well in 2015. The app now also enables users to schedule periodic payment orders and make transfers to unknown third parties. The daily limit for transfers using the mobile PIN was increased. At the request of customers, we provided the app with a balance check, which enables users to check the balance in a selected account without logging on. Opening new accounts online was improved. Customers can now easily open a new account after logging on, without having to re-enter all their details. The number of payment system disruptions was higher in 2014 than in previous years, causing negative experiences for customers. The availability of ASN Online Banking was 99.7% in 2014, well above the 99.0% target.

After a start-up period, the Netherlands switched from the traditional account numbers to IBAN (International Bank Account Number) on 1 August. It took some getting used to for many customers, as was evident from the responses received by the ASN Customer Service Department. The major advantage of IBAN is that European payments are now just as easy as domestic payments.

Legislation and regulations

Throughout 2014, much attention was devoted to the customer integrity of retail customers and corporate clients. The purpose of customer integrity policy is to ensure that the bank knows who its customers are and protects itself against being abused for criminal activities, such as money laundering and terrorism. It has to know its customers at the door: what are their wishes and characteristics, and which risks will the relationship entail? Banks are required not only to answer all these questions, but also to demonstrably record this. To this end, the administrative process in relation to new customers was tightened. In addition, we asked some of our current retail customers and corporate clients to re-identify themselves in the framework of legislation and regulations. Thanks to our customers' cooperation, only a small number of corporate clients and retail customers still required further identification at the end of 2014. We are well aware of the inconvenience, and sometimes – rightly – irritation, this process caused to

the customers concerned, especially to those who had been our customers for many years. We were happy to also receive a great deal of understanding for the legal necessity underlying this request, for which we are grateful.

Customer consultation

ASN Bank aims to act in its customers' interests. By seeking frequent contact with our customers, we can hear from them how they think about issues where their interests are at stake. We are already actively consulting customers, but not yet structurally in every area. That is why we developed policy on the basis of which we consult our customers in a responsible, structured manner about:

- ASN Bank's priorities in the development of its services;
- new products and services that customers need;
- the completeness of information about products and services and how easy it is to find and understand this information.

We will introduce these processes in 2015. We also consult customers about our sustainability policy, but that falls outside the scope of these processes.

Communication

We aim to be in touch with all our customers, irrespective of whether they prefer paper, the Internet, telephone or mobile banking. At the same time, we are looking for new ways to draw attention to information. We let 'old' and 'new' media exist side by side wherever possible, such as paper and the Internet. Our main online medium is our website, asnbank.nl, where customers can use the online banking facility and find information about ASN Bank. The information about savings, payments and investments on our website was much better organised in 2014 by the use of different tabs per product.

Online: webcare and social media

Social media such as Facebook, Twitter and LinkedIn are playing an increasingly prominent role in our communications with customers and other stakeholders. Communication through these media is brief and direct as well as reciprocal. Interested persons post positive, but also critical messages about ASN Bank. As these messages are repeated, they can reach very far. That is why we actively monitor all message traffic and answer questions about our services and the bank. The number of messages about ASN Bank was up 32% in 2014, rising from over 36,000 to 48,000. 91% more messages required a response as customers asked questions or made comments. In addition, we initiate messages, discussions and campaigns of our own on social media.

In December we passed the 10,000-follower mark on Twitter. We ended 2014 with 37,000 Facebook fans. We complemented our commercial campaigns with Facebook campaigns. One example of a successful Facebook campaign was 'Take the puppy exam and win a (dog) guided tour', in the context of our savings campaign with the Royal Dutch Guide Dog Foundation. The campaign yielded 13,000 interactions and 4,800 people participated. In December 2013, we launched the Facebook campaign *Newspaper for tomorrow*. Together with and for Facebook fans, we created a digital newspaper containing fictitious but positive and inspiring news. The newspaper was published online early in 2014.

Our online platform For the World of Tomorrow has over 9,000 followers on Twitter and almost 24,000 fans on Facebook.

Customer magazine

Our customer magazine *Ideaal* appeared five times in 2014, both as a hard copy and online. The contents of these two versions are practically the same. Customers may choose which of these two versions they prefer; they may also choose both. The online version is also available to interested people who are not, or not yet, ASN Bank customers. By year-end 2014 the online version had approximately 15,000 subscribers, 14,000 of whom have cancelled the hard copy version.

Annual and other reports

The annual and other reports of ASN Bank, the ASN Investment Funds and the ASN Foundation are used to inform customers and stakeholders about our policies and activities.

Meetings with customers

We are convinced that we can only be successful if we keep up the dialogue with our customers and frankly discuss with them the choices associated with sustainable banking. This is why we intensified our face-to-face contact with customers in 2014. We organised various meetings for customers and others who were interested. There, persons including customers and employees, young social entrepreneurs and people from the worlds of business, science, journalism, politics and from civil society gave their views on a sustainable society in a relaxed setting.

ASN Live

Under the title ASN Live, meetings were held in Nijmegen and Zwolle. The meeting in Nijmegen was all about the subject of clothing, while in Zwolle we talked about the climate. One Nijmegen visitor said: 'One of the most inspiring meetings I've been to. I went home with the book by Marieke Eyskoot (*Talking Dress*, ed.) and all sorts of ideas for living even more sustainably.'



*André Kuipers speaking
at TomorrowToday*

TomorrowToday

After thirteen editions of Ethical Investment Day, we embarked on a new course with TomorrowToday (MorgenVandaag). The background of this name is as follows: ASN Bank strives for a liveable world of tomorrow for future generations; to achieve this, we have to make the right choices today. During TomorrowToday, we initiated discussions about this using issues that we and our customers and business contacts greatly care about. This meeting on Saturday 11 October at the Westergasfabriek in Amsterdam attracted some 1,000 visitors, both customers and other interested persons. Speakers included scientist and astronaut André Kuipers, economist Bas Jacobs, Peerby initiator Daan Weddepohl, journalist Rena Netjes and presenter Eric Corton.

We posted reports and video compilations of the meetings on the website morgen-vandaag.nl. On social media (#morgenvandaag), we are fuelling a positive flow of messages around the events to create an online audience and, with it, inform a larger target group about ASN Bank and its themes. This was very successful in 2014. During TomorrowToday, the hashtag #morgenvandaag was in Twitter's top 5 of trending topics for a major part of the afternoon. At its peak, 350,000 Twitter users were reached.

Shareholders' meetings

Like every year, we received hundreds of investment customers at the shareholders' meetings and meetings of unitholders of the ASN Investment Funds on Friday 25 April. In a separate Q&A session the Management Board of ASN Bank answered questions about the bank. This proved to fill a great need.

ASN Asset Management

ASN Asset Management regularly organises small-scale events for its customers. In addition, ASN Asset Management started organising meetings about specific sustainability issues, with much room for discussion. The first meeting was held on 24 October and centred on the issue of climate change.

Value on the Map

In 2013 we launched the web page *WAAR(de) op de kaart* ('Value on the Map'). It shows how ASN Bank puts its mission into practice and what it does with the money that its customers have entrusted to it. The map is available on asnbank.nl, the website of our online community For the World of Tomorrow, and also appeared on our Facebook page in the course of 2014. The map shows a selection of activities: loans provided by ASN Bank, investments made by the ASN Investment

Funds and projects we support through sponsoring, collaboration, For the World of Tomorrow and the ASN Foundation. At the end of 2014, 200 activities were on the map. The website attracted an average of at least 1,300 visitors each month.

Four sustainability 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' and 'green'. Other aspects, such as human rights, follow at a great distance, although people did find it an equally important issue when they were asked to give their opinion. The social, human aspect of sustainability is essential to ASN Bank and its customers.

Since 2010, we have made the concept of 'sustainability' more tangible for our current and prospective customers by focusing on four issues in our communications. Surveys have revealed that our customers find these issues to be of greatest relevance to their savings. The four issues make the pillars of our sustainability policy more specific for customers and other stakeholders:

<i>This sustainability issue:</i>	<i>supports communication about these pillars of our sustainability policy:</i>
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Fair trade	human rights, biodiversity
Anti-child labour	human rights
Renewable energy	climate change
Anti-arms	human rights

The issues give our customers an opportunity to voice their personal preferences. The issues are linked to the ASN Credit Card and ASN Ideaalsparen. Customers who purchase these products may opt for one or more of the issues. A failure to make a selection automatically indicates a preference for all four of the issues. Each issue has two partnering NGOs linked to it, along with a project in the context of the issue. The projects receive a share of the fee that ASN Bank receives from Interchange for each payment customers make with the ASN Credit Card. The total contribution made on behalf of customers with an ASN Ideaalsparen account is a fixed amount; higher savings balances of customers who have chosen to focus on a particular issue raise higher contributions from ASN Bank for the corresponding projects. Through Ideaal, social media and our website, we keep our customers up to date of the results of our support of these projects.

At year-end 2014, 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	Sustainable cocoa from Nigeria
Anti-child labour	Plan Nederland and Plan Bangladesh	A future for house slaves in Bangladesh (until mid-2014) End child labour in Nepal's rural areas (from mid-2014)
	Cordaid Kinderstem	Help to children in Uganda and Congo
Renewable energy	Natuur & Milieu	'Shine a light on scouting' and the wind energy campaign
	Urgenda	Energy-neutral Texel
Anti-arms industry	Amnesty International Nederland	Special Programme on Africa
	War Child	Help to war children in Congo

9 Shareholder

ASN Bank is part of SNS Bank N.V., which is thus the sole shareholder of ASN Bank.

SNS Bank disentanglement

The disentanglement of the holding company and the Banking and Insurance activities of SNS REAAL required organisational adjustments in 2014. For example, the Group's senior management structure was changed, a new Management Board was appointed for the Bank and part of the employees of SNS REAAL transferred to the Bank in the course of 2014. Mutual connections still exist between the Bank and the Insurer, including in the areas of loans, solvency, finance and IT. The disentanglement is due to be completed in the course of 2015.

In February 2015, SNS REAAL reached agreement on the conditional sale of the Insurance activities to the Chinese insurance company Anbang. The sale, which is expected to be completed in the third quarter of 2015 subject to approval from the regulatory authorities, will be followed by the transfer of SNS Bank from SNS REAAL to the Dutch State. After that, SNS Bank will no longer be part of SNS REAAL. In due course SNS Bank will be privatised.

Manifesto

Five SNS brands work together under the flag of SNS Bank N.V.: ASN Bank, BLG Wonen, RegioBank, SNS and Zwitserleven Bank. These five brands share the same principles and common values. Their essence is: 'people to people' – banking with a human touch. The brands have laid this down in their Manifesto. Reaching back to our social roots, we are taking our responsibility to shape our financial services based on what customers truly need. We want to help customers to be financially resilient. This means that our financial services must focus on benefit rather than return. The five brands of SNS Bank N.V. offer people insight, clarity and prospects in finance. We want to make

'good housing' accessible and uphold personal contact as the cornerstone of banking. In addition, each brand, yet each in its own way, chooses to build a future based on the principle of sustainability. Please refer to the 2014 Annual Report of SNS Bank N.V. for more information about SNS Bank N.V.'s principles and strategy.

Sustainability at SNS Bank N.V.

Together – yet each in its own way – the five SNS Bank N.V. brands choose to build a future based on the principle of sustainability. To SNS Bank N.V., sustainability means that it does what is right, now and for future generations, such as sustainable investment and finance, monitoring the customer's interests by means of mortgage checks, and encouraging sustainable housing.

ASN Bank leads the way within SNS Bank N.V. where sustainability is concerned. In 2014, for example, we spoke at length about making the collaborating banks' mortgage portfolio more sustainable. As ASN Bank invests in these mortgages, it is of major concern to us to make them as sustainable as possible. We expect that specific plans will be made in 2015 to achieve this in due course. An important result of our collaboration is that SNS Bank N.V. will adopt ASN Bank's ambition to arrive at a carbon-neutral balance sheet.

Collaboration with SNS Bank N.V.

SNS Bank N.V. is not only ASN Bank's shareholder, but also its close partner in various areas. We are cutting costs by using the same IT infrastructure and corresponding security and by working together with the IT experts and with staff departments such as Legal Affairs and Tax Affairs. As ASN Bank operates within SNS Bank N.V.'s risk management organisation, it is also assured of its continuous compliance with regulatory authorities' ever more stringent requirements. The organisation of ASN Bank itself is kept relatively small and transparent as a result, allowing us to keep all our attention focused on our sustainability mission.

10 Partnering NGOs

In order to achieve our mission, we cooperate with partnering NGOs as much as possible. We make a positive contribution to each other's objectives and thus enhance our effectiveness.

Our partners are primarily NGOs, but also sustainably operating companies. We also frequently consult with NGOs in a wide range of forums and are present at events and seminars. We work together with partners in a variety of ways. The following organisations are strategic partners with which we also collaborate within the framework of the four sustainability issues (see Chapter 8): Amnesty International, Cordaid Kinderstem and Cordaid Memisa, Natuur & Milieu, Oxfam Novib, Plan, Solidaridad, Urgenda and War Child. We temporarily team up with other partners in the context of marketing campaigns; in 2014 those partners were FNV Mondiaal, the Royal Dutch Guide Dog Foundation and Stichting Goed Bezig. Two partners are linked to interest donations via savings products: Cordaid Microkrediet and Waddenvereniging.

New partner: Nationaal Fonds Kinderhulp

We support Nationaal Fonds Kinderhulp on behalf of ASN Jeugdsparen savings customers with effect from 2014. Almost 400,000 children in the Netherlands grow up in poverty. With modest financial contributions, Nationaal Fonds Kinderhulp creates a little more happiness for these children, so they can join a sports club, for example. Nationaal Fonds Kinderhulp receives donations from us in the form of an amount for each newly opened ASN Jeugdsparen account and a percentage of the total deposits on these accounts. Nationaal Fonds Kinderhulp is the second organisation we support with ASN Jeugdsparen. As the number of accounts and the balances on those accounts grow, the financial contribution becoming available via ASN Jeugdsparen every year is increasing. Until 2014, this contribution was donated entirely to Cordaid children's projects. The support we give to Nationaal Fonds Kinderhulp means that we use ASN Jeugdsparen to contribute to children's development both at home and abroad.

FNV

ASN Bank has close ties with Dutch trade union FNV. We continued the campaign with FNV Voordeel that we launched in 2012. Each FNV member who opened an account with ASN Bank received a € 15 welcome bonus. For each new customer, FNV Mondiaal received € 10. Combating school drop-out is one of the best ways to prevent child labour. FNV Mondiaal and the General Union of Education (Algemene Onderwijsbond; AOb) work together with teachers' unions in countries like Morocco, Albania, Turkey and Uganda to prevent children from dropping out of school to go to work.

In 2013, we contributed financially to the film *Dapper in de kinderschoenen*, which deals with child labour in the Turkish leather industry. The film made a great impression during the shareholders' meeting of the ASN Investment Funds on 25 April 2014.

Stichting Goed Bezig

In 2014 we supported Stichting Goed Bezig for the second year in a row, which foundation places bubble-gum machines filled with 'Goed Bezig' ('Well Done') badges at primary schools. Children may use the badges to pay each other compliments, which encourages positive behaviour and discourages harassment. Ultimately, we want to achieve that children give each other 25,000 compliments. Primary school CBS de Borg won the National Education Award of the Province of Groningen with the compliments machine.

Children who changed the world

20 November marked the 25th anniversary of the UN Convention on the Rights of the Child. On this occasion, ASN Bank sponsored the book *Kinderen die de wereld hebben veranderd* ('Children Who Changed the World') by photographer and publisher Peter de Ruiter. The book portrays twenty children who drew the public's attention to serious violations of children's rights, thus making the world a little bit better, like Malala and Anne Frank. We highlighted this injustice together with our five theme partners that are also committed to children's rights: Amnesty International, War Child, Cordaid Kinderstem, Nationaal Fonds Kinderhulp and Plan Nederland. ASN Bank customers and the supporters of these five NGOs were given the e-book version of the book. ASN Bank also sponsored the exhibition of the photographs and stories from the book, which is travelling along libraries.



Contributions to society

We offer two deposit accounts that have the option of donating the interest, which is 0.25% higher than the rate for similar deposits. Customers holding an ASN Vrouwenspaardeposito donate to Cordaid Microkrediet; customers holding an ASN Waddendeposito donate to Waddenvereniging. Since 5 June 2014, for administrative reasons it has not been possible – and it will be impossible for the time being – to open a new ASN Vrouwenspaardeposito or Waddendeposito.

Appendix 2 gives a list of ASN Bank's donations and sponsorship, which amounted to € 2.8 million in total. The biggest donation went to the eight theme partners, which jointly received € 1.5 million for their projects in the areas of fair trade, renewable energy, the fight against child labour and the fight against weapons. In the context of ASN Jeugdsparen, Cordaid Kinderstem, Cordaid Memisa and Nationaal Fonds Kinderhulp received over € 330,000 for children's projects. We contributed € 210,000 to the upbringing of pups of the Royal Dutch Guide Dog Foundation and donated € 300,000 to the ASN Foundation. The winners of the ASN Bank World Award jointly received € 40,000.

Cordaid

AMNESTY
INTERNATIONAL



Natuur
en
Milieu



Oxfam Novib
ambassadeurs van het zelfdoen.



Girls first

Solidaridad

urgenda
samen sneller duurzaam

WAR
child



nationaal
ouderen
fonds

FNV Mondiaal



Waddenvereniging

11 Society

Broadly promoting our mission, we aim to spur others to dedicate themselves to a just, sustainable world. Other methods we deploy are our support to and sponsoring of green and social initiatives.

Hearing at the Dutch House of Representatives

On 3 September, a hearing was held at the Dutch House of Representatives about sustainable banking. Banks, investors, scientists and experts talked with the members of the House of Representatives about the characteristics and importance of sustainable banking. Ewoud Goudswaard told the House of Representatives that, to ASN Bank, sustainable banking is about stability, service and reliability; about putting customers' and society's interests first. He also explained that sustainable banking takes account of what is sustainable in the long run in social and ecological terms. ASN Bank puts this into practice by:

- using sustainability criteria in the selection of loans granted and investments made by the bank and the ASN Investment Funds;
- involving customers in the sustainability policy to help them understand what we do and so that we do what they want;
- setting the right example by awarding moderate remuneration, not striving for profit maximisation and by providing easy-to-understand products and absolute transparency.

Ewoud Goudswaard asked politicians to contribute to building a sustainable society by assigning a key role to the circular economy in a new tax system. In such a system, use would take precedence over possession and the use of raw materials would be taxed more than labour. He emphasised the importance of long-term rather than short-term thinking, and of social return in addition to financial return.

Involvement in sustainable development

Almost sixty Dutch companies and NGOs signed the *Charter on the role of business, civil society and cross-sector partnerships in the Post-2015 Development Agenda* on 29 September 2014, committing themselves to more collaboration and efforts in order to achieve the new development goals. Managing Director Ewoud Goudswaard signed the covenant on behalf of ASN Bank. The signatories believe that companies and non-governmental organisations (NGOs) play an important role in sustainable development. The covenant describes what companies and NGOs can contribute. The signatories undertake to take a common stance in the form of collaboration between different sectors. It makes our country a global front-runner. The Ministry of Foreign Affairs uses this signal in negotiations in the United Nations.

Meeting with experts on more sustainable housing and real estate

On 26 June, the second meeting was held about how the financial sector can make an effective contribution to making residential development and the real estate sector more sustainable. It followed up on the meeting of April 2013. Organised by SNS and ASN Bank together with Rabobank and the Fair Bank Guide, the meeting was attended by more than sixty representatives of the financial sector, construction industry, energy sector, real estate brokerage, housing corporations, independent research agencies, mortgage brokers, NGOs and other parties. The emphasis was on the progress made in making the sector more sustainable in order to inform and inspire each other.

For the World of Tomorrow

Using our online community For the World of Tomorrow, we are intensifying our focus on sustainable start-ups: people who take action to contribute to solving a social problem in the Netherlands or abroad. The community helps them to develop initiatives and execute ideas, share information and meet new people. At year-end 2014, For the World of Tomorrow had more than 55,000 members (year-end 2013: approx. 53,000). We also use the For the World of Tomorrow platform to launch campaigns that help us flesh out our mission. Members of the site and strategic partners of ASN Bank can launch campaigns and post messages. We support these campaigns through the network sites Facebook and Twitter to reach an increasingly large audience.

The ASN Bank World Award

For the World of Tomorrow organised the ASN Bank World Award for the seventh time. From the one hundred best entries, the jury selected ten projects on each issue that went through to the next round. These initiators received coaching and workshops to further develop their plans. The jury chose the winners after a round of voting by 25,000 people.

We would like to thank the members of the jury, who have been major contributors to the ASN Bank World Award for several years: Jeroen Jansen (ASN Bank



Winners of the 2014 ASN Bank World Award	Sustainability issue:
<i>SlimBreken</i> makes new cement from old concrete, which prevents much carbon emission.	Renewable energy, nature and the environment
<i>FoodSharing</i> wants to create a community to encourage food sharing.	Safety and social cohesion
<i>Yoni</i> is going to offer an organic – and therefore healthier and more environmentally friendly – alternative to sanitary towels and tampons.	Fair trade, fair fashion and fair food
<i>IK circuLEER</i> translates sustainability experiences from actual practice and higher education for vocational education.	Children’s rights, education and the fight against child labour

Director and chairman of the jury), Ineke van Zanten (Greenwish and IdealenKompas), Ynzo van Zanten (GreenInc.), Olof van der Gaag (Natuur & Milieu), Lisette Kreischer (Veggie in Pumps), Rudolf Scheffer (Oxfam Novib), Tom van de Beek (Butch & Sundance Media and Stichting Tipping Point), Gerd Junne (War Child), Davina Feelus (Plan Nederland) and Marieke Eyskoot (Talking Dress).

Sponsorship

ASN Bank sponsors special 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. A few examples:

Movies that Matter

In 2014 we again sponsored the annual Movies that Matter Festival. Amnesty International organises this festival to open people’s eyes to human rights by means of films, documentaries and debates. We received customers at the showing of *Inequality for all*, a documentary about the enormous income gap in the United States.

Festival Mundial waste project

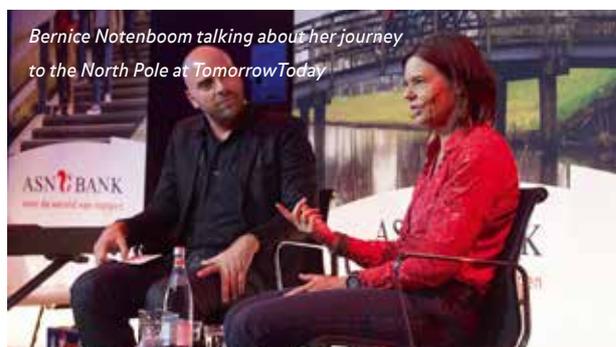
Festival Mundial in Tilburg aims to be a completely waste-free festival within three years, in part through the efforts of its visitors. ASN Bank sponsored this project. Out of the ten tonnes of waste produced at the festival in June, seven tonnes of plastic were collected for recycling thanks to playful initiatives like the Waste Tower.

Smiles4Sale

People who seemingly have little to offer sell good deeds on the website Smiles4Sale. As the recipients of the good deeds are also poor, the ‘smiles’ are paid by people who do have money. The buyer gives a good deed by one vulnerable person to another. As a thank-you, he receives a report about it.

Polar expedition

The Netherlands’ most famous polar explorer and climate journalist Bernice Notenboom tried to reach the North Pole on skis last spring. Her goal was to document the visible consequences of climate changes and release a film about this. We supported Bernice, who impressed during TomorrowToday with her story about the rough journey.



Welkom namens de ASN Bank bij

MOVIES THAT MATTER

Inequality for All

ASN BANK
VOOR DE WERELD VAN MORGEN

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. In 2014, ASN Bank donated € 300,000 to the ASN Foundation, which used the money to support 109 projects for a total amount of € 295,571. The donations ranged from € 100 to € 25,000. In 2014, large gifts were sent to foundations including Movies that Matter, Stichting Gered Gereedschap and Vereniging Nederlands Cultuurland. You will find more information in the ASN Foundation's annual report and on our website.

Recognition

In 2014, we received various honourable mentions and awards. We would like to thank everyone who contributed to this.

Good overall score in the Fair Bank Guide

On 22 April, the Fair Bank Guide published the fourteenth updated version of the sustainability policies of Dutch banks. ASN Bank was awarded good scores again this year. We received 10 points out of 10 for our policy in the fields of human rights, labour rights and arms, nature (biodiversity), taxation and corruption. Our score on 'Housing and Real Estate' was considerably better than in 2013 thanks to our new 'Living and Working' policy. This sector policy contains our choices for the investment in and financing of homes and buildings.

PAX Hall of Fame

In 2014, PAX published a report about the multi-billion investments made by financial institutions in nuclear weapons and a report about the financing of cluster munitions. As ASN Bank does not invest in any weapons whatsoever, the bank was given a place in the 'Hall of Fame' in both reports.

Marketing award for 'ASN Bank carbon neutral by 2030' ASN Bank won the Knight/Amazon Award ('Ridder/ Amazone Award') with its objective to have a net zero carbon footprint by 2030. This award is presented to a person or organisation doing groundbreaking work in the financial sector – making people sit up and take notice, identifying challenges and presenting solutions. According to the jury, with our climate change target

we show that things need to change. Even though it is not yet entirely clear how exactly we are to reach the target, we will not let that stop us. Our 'can-do mentality' is unique in the financial sector, says the jury.

Most customer-friendly bank

ASN Bank was elected the most customer-friendly bank in the Netherlands for the fifth time in a row. This news was announced on 23 September 2014 by research agency Marketresponse, which annually conducts a representative online survey among more than 4,000 Dutch consumers.

Financial website of the year 2014

We were awarded the prize for Best Financial Website of the Year for the fourth year in a row. This public award is presented every year and the election is organised by MetrixLab in collaboration with Emerce. They measure both the popularity and the quality of the nominated websites.

Green Bull award for ASN Milieu & Waterfonds

On 13 November, ASN Milieu & Waterfonds was awarded the Groene Stier ('Green Bull') for the most sustainable investment fund in the Netherlands. The fund had won this award five times before, from 2007 to 2011. The jury praised the fund and ASN Bank for their clear criteria, transparency, focus on the website and investments in the real economy. The jury also lauded ASN Bank's ambition to have a net zero carbon footprint by 2030, which it aims to achieve partly through ASN Milieu & Waterfonds.

Morningstar nominations

On 4 February, Morningstar nominated two ASN funds for the annual Morningstar Awards: ASN Duurzaam Aandelenfonds in the 'global equity' category and ASN Duurzaam Mixfonds in the 'neutral mixed funds' category. Even though we did not win the awards, these nominations are of great significance as Morningstar is the world's leading authority in independent investor information about investment funds.

Tree on leadership lane

Trees for All invited directors of Dutch companies to plant trees at the end of November as a symbol of their dedication to a sustainable world. On behalf of ASN Bank, Jeroen Jansen planted a tree on 'leadership lane' in the Bentwoud sponsor forest. Extended every year, the lane will grow into a path to be enjoyed for generations to come.

12 Staff

In our office in The Hague we have over 140 people working with a passion to achieve a sustainable, liveable world.

Each in their own area of expertise, the ASN Bank employees are actively working to create a sustainable society. They execute ASN Bank’s sustainability mission and spread this mission among customers and other stakeholders. This makes them important ambassadors of ASN Bank and the ideals we jointly stand for. Our mission is also reflected in the way management and staff treat each other. At the basis lie mutual concern, open dialogue and interaction, both vertically and horizontally in the organisation. We create a positive environment in which people are given development opportunities and responsibilities. Where possible, we also encourage staff to make their own contributions to a sustainable society by doing voluntary work, for example.

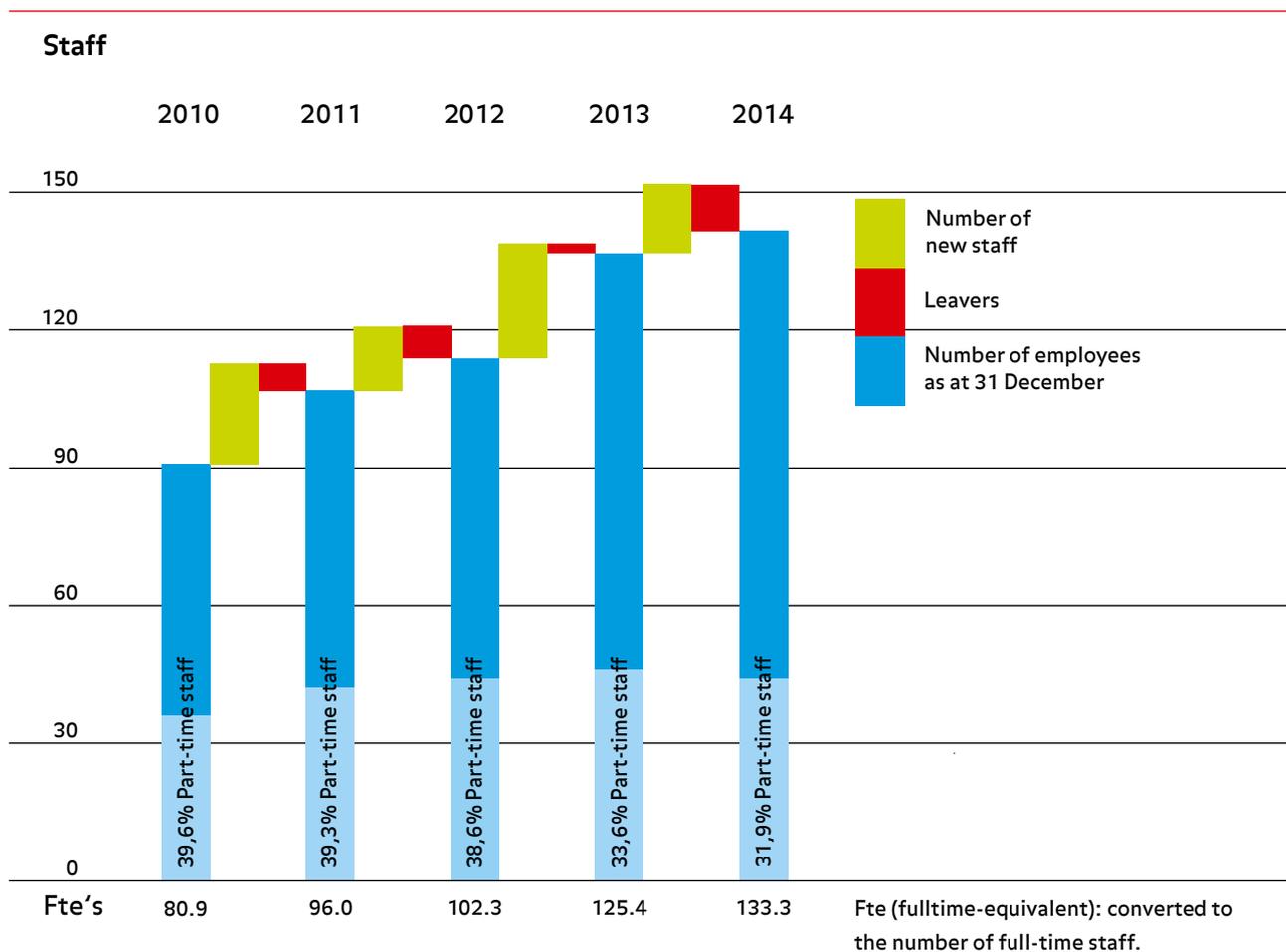
Remuneration, objectives, competencies and development

ASN Bank’s remuneration policy is grafted onto that of SNS Bank N.V. The SNS Bank N.V. Collective Labour

Agreement, which contains good primary and secondary benefits that comply with the market standard, also applies to our bank.

We provide our staff with proper development opportunities and aim to be an accessible organisation for everyone in the labour market. 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. During the annual planning meeting, employees provide specific targets that they aim to achieve in the year ahead, how they aim to achieve them and which training courses are necessary to that end. They also focus on the development of competencies in view of the employee’s current position and ambitions.

Our performance and competency assessment cycle partly focuses on generic competencies and partly on competencies specifically aimed at the individual employees. As a business, ASN Bank is using a specific competency: cooperation. We can deliver better performance if we cooperate, both within departments and between the bank’s various departments.



Employee satisfaction

SNS Bank N.V. conducts an employee survey every year. In 2014, almost 85% of the ASN employees completed this survey. General satisfaction was 7.8 (on a scale of 1 to 10): a good score, but lower than the 8.6 of 2013. Accordingly, we did not achieve the Management Board's permanent target, i.e. a score of at least 8 out of 10. Employees indicate that they are satisfied with their work, are proud of ASN Bank and know much about the sustainability mission. Lower scores were given to efficient working methods, collaboration within the bank and the open discussion of mistakes and feedback. The results were discussed in the teams. The management team will implement the improvements in 2015.

Nine points for the company restaurant

In the context of a series of articles about company canteens, a journalist from NRC Handelsblad visited ASN Bank's canteen. She praised the good atmosphere and the tasty dishes, and gave the canteen 9 points out of 10. It is a well-deserved compliment to our permanent staff, Bas of Bastienfoods and Ada, who make healthy lunches using fair, sustainable ingredients every working day.

Communication with employees

An Internal Communications Programme was introduced at the end of 2013. The programme states our definition of internal communications, identifies the relevant responsibilities and the persons to whom these are assigned and describes our focus for the time ahead. The key purpose of internal communications is to retain the ASN culture by sharing knowledge and nourishing experience and inspiration. In 2014 we did so, for example, in seven lunch sessions including presentations held by colleagues and strategic partners such as Oxfam Novib and Amnesty

International. Arvind Ganesan of Human Rights Watch gave an inspiring lecture and UN Young Ambassadors spoke about the work they do. In November, around fifteen colleagues went for a walk with a forester in the Haagse Bos forest near our office building and learned about the history of this ancient woodland. Attention was also given to the colleagues supporting Fairfood International by running the 'Damloop by Night'. Lastly, we started an introduction programme for new employees in 2014.

Staff meetings

Four meetings for all staff members were held in 2014. At two meetings, colleagues including the Management Board shared topical issues with the entire organisation. The matters addressed included the results, current issues regarding the investment operations, the climate change ambition and volunteering activities. At a special meeting entitled *A look to the future*, the Management Board and employees discussed ASN Bank's long-term objectives and plans for the future.

Representation

The SNS Bank N.V. works council also represents the ASN Bank employees. Three members of the works council have ASN Bank as their area of attention.

In-house workforce

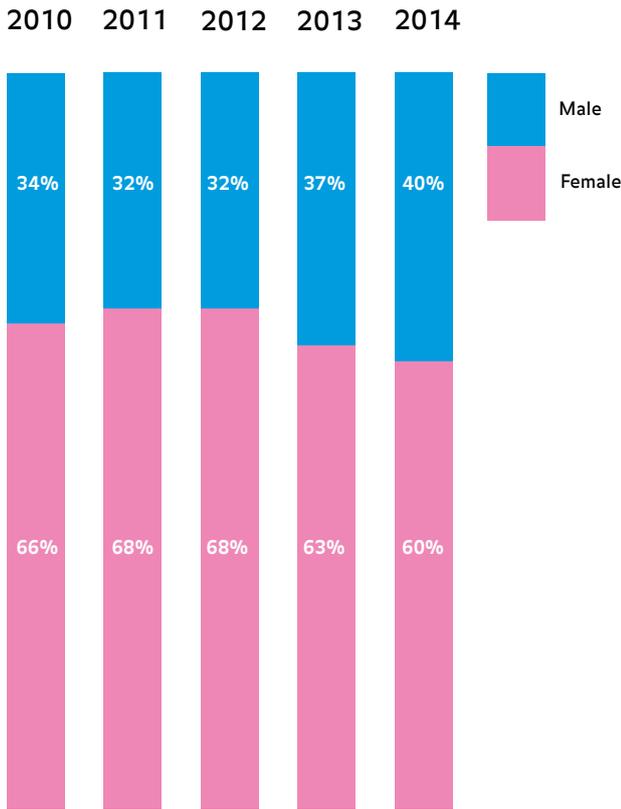
The number of employees increased by 7 to 144. The number of FTEs increased to 133.3. Absenteeism was low in 2014: 2.7%. Absenteeism meetings and, where necessary, proper support from the occupational physician take centre stage in our sick leave policy.

Formally, there is no balanced distribution of seats between men and women on the ASN Bank Management Board. However, as the Management Board does include one woman, there is a balanced distribution in material terms.

	2014	2013	2012	2011	2010
Number of new staff	15	25	14	22	7
Number of employees as at 31 December	144	137	114	107	91
Number of FTEs* as at 31 December	133.3	125.4	102.3	96.0	80.9
Part-time staff (in %)	8	2	7	6	5
Absenteeism (in %)	2.7%	3.9%	2.6%	3.2%	2.9%
Workplace health and safety costs (in euros)	39,520	33,262	24,273	25,530	27,316
Training costs (in euros)	140,801	104,981	79,256	68,208	87,592

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

Composition of personnel:



FOR THE WORLD OF TODAY

ASN Bank employees performed voluntary work by the name 'VOOR DE WERELD VAN VANDAAG' (FOR THE WORLD OF TODAY) in and around The Hague, where the bank is based. In 2014, too, we were active with the volunteering programme for residential care centre Het Anker in Voorburg. Sixty employees took part in this programme in 2014. They went out for the day with their 'buddies' from Het Anker to the Dutch Parliament, Keukenhof, Avifauna, Blijdorp, Madurodam and Museon. These were unforgettable days for the elderly, but for us as well. In 2015, we will dedicate ourselves to the Surfrider Foundation, making a Hague contribution to the reduction of the garbage patch in the oceans.

Biodiversity

Biodiversity – the variety of living organisms and their correlations within ecosystems – contributes to our well-being and our welfare. It is vital to valuable matters such as oxygen, drinking water and food. This page provides some examples of the efforts we made in 2014 to maintain biodiversity.



Photo: Immeke

Urban beekeeping course

Our platform For the World of Tomorrow organised an introductory urban beekeeping course for customers in Amsterdam and Rotterdam. We were surprised by the many applications and the participants' enthusiasm.



Photo: Walter Stetings

Seepje

The project got to the finals of the ASN Bank World Award but only just failed to win: Seepje. A fully natural detergent made of peels of the fruit of the Sapindus tree from Nepal, hypoallergenic and without chemicals. Participating in the World Award was a step towards the launch of Seepje Vloeibaar.



A Seed Europe

The ASN Foundation donated to A Seed Europe in 2014. The goal of this annual 'seed weekend' is to involve people in the fight for agricultural biodiversity. The weekend's organisers, Reclaim the Seeds, aim for robust, sustainable agriculture that is independent from the concentration of power in the seed trade.



Photo: Cor Kuwenhoven

Plastic Whale

Building a boat of plastic litter to highlight *and* tackle the 'plastic soup' problem – that was the challenge that Marius Smit had set himself. He mobilised people to dredge up plastic in the Amsterdam canals. It was such a success that the boat became a reality – the Plastic Whale – with financial support from ASN Bank.



Support to the squirrel

2014 was the Year of the Squirrel, the symbol of ASN Bank. That is why the ASN Foundation made a donation to the Dutch Mammal Society in 2013 to help it pay more attention to squirrels. The Society put together a learning module and an identification sheet and showed citizens and governments what they can do for squirrels.



Photo: Hielco Kuipers

Naturalis after dark

Biodiversity, evolution, climate change, animal welfare: these subjects fascinate not only biologists but also other scientists. Six of them were given the floor in a series of 'flash lectures'. The goal: to get new ideas by viewing familiar themes from a whole new perspective. ASN Bank sponsored the series of lectures.



D Economic performance



13 Raising capital

We want to grow in order to contribute more money to sustainable businesses, governments and projects, as well as to maintain a healthy financial basis as a bank that safeguards our continued existence.

We welcomed 39,896 new customers in 2014, bringing the total customer base to 603,496. This is a drop of 4,177 customers compared to the number reported at year-end 2013, as a substantial number of customers left us. The Money Laundering and Terrorism Financing (Prevention) Act (*Wet ter voorkoming van witwassen en financieren van terrorisme; Wwft*) obliges banks to verify their customers' identities and to keep customer

files that are in compliance with statutory requirements. This means that the records must be accurate and up to date. In 2014, we contacted all customers whose identification was not properly recorded or whose files were incomplete. The relationship with customers who were unable to identify themselves after repeated requests – in many cases 'dormant accounts' – was terminated. As a result, 15,496 customer relationships were terminated and 7,641 customers are not included in the number of customers at year-end 2014. Finally, we lost 20,936 customers because they terminated their contractual relationship or passed away. As from 2014, the files of customers on whom we report meet all requirements.

	2014	2013	2012	2011	2010
Customer base	603,496	607,673	587,549	575,344	516,902

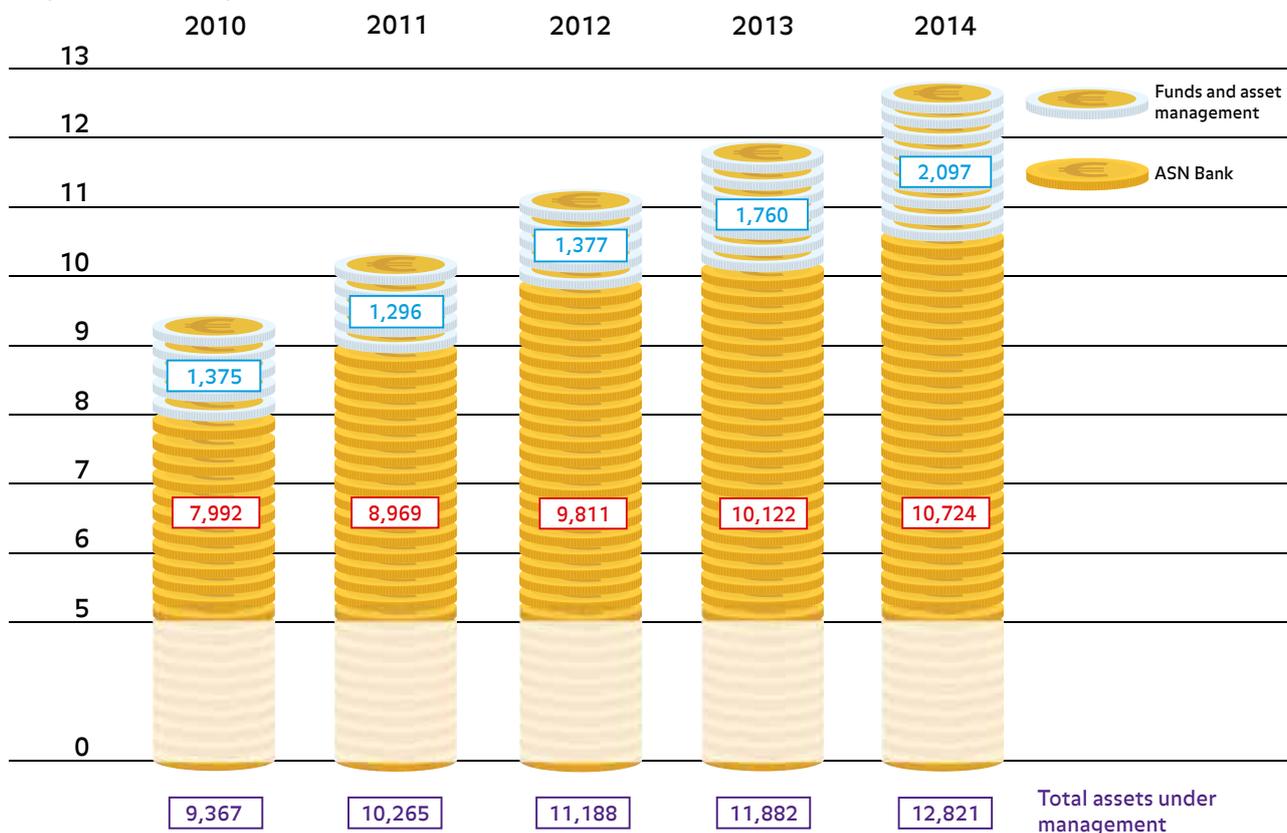
Sustainable savings and investments market share

The 2014 figures on the Dutch sustainable savings and investment markets were not yet known at the time this report was written. In 2013, the total retail market for sustainable savings and investment products rose to € 25.1 billion. Our share in the total sustainable savings market stood at 63.5% in 2013. Our share in the total

market for sustainable investments was 26.7%. These figures were provided by the Dutch Association of Investors for Sustainable Development (*Vereniging van Beleggers voor Duurzame Ontwikkeling; VBDO*). VBDO expanded the definition of sustainable savings and investment in 2013. For this reason, we do not present the comparative figures for 2012 and earlier here.

Assets under management

(in millions of euros)



Savings

Despite stagnation in the Dutch savings market, savings at ASN Bank rose by 4.9% from € 9.3 billion to € 9.7 billion. This growth was mainly achieved in our

instant-access savings products for the retail market (ASN Ideaalsparen) and the commercial market (ASN Sparen Zakelijk). ASN Jeugdsparen also showed solid growth again.

	2014	2013	2012	2011	2010
Savings market share	2.9%	2.8%	2.8%	2.7%	2.5%

Source: CBS

ASN Ideaalsparen

With ASN Ideaalsparen, we actively support four sustainability issues, promoting fair trade and renewable energy and fighting child labour and the arms industry (see Chapters 8 and 10).

Puppy campaign

From 1 February to 15 April, we organised the campaign 'Help raise KNGF pups'. For every new ASN Ideaalsparen account or € 1,000 deposit on an existing ASN Ideaalsparen account, we supported the upbringing of KNGF guide dogs. The campaign yielded € 130,000 for KNGF Geleidehonden, sufficient for the upbringing of 26 pups. Another 16 pups were raised thanks to customers we contacted with the request to re-identify themselves (see Chapter 8). As compensation, they could choose between a sum of money, a DVD or a donation for the

KNGF pups. More than 10,000 customers opted for the donation.

ASN Jeugdsparen

In 2014, 4,464 new ASN Jeugdsparen accounts were opened. Deposits grew by 16.9% from € 222 million to € 259 million. Using ASN Jeugdsparen, our customers invest in the future of their children and grandchildren and the future of many children who are less fortunate, as ASN Bank donates € 5 to Cordaid and € 5 to Nationaal Fonds Kinderhulp for every new ASN Jeugdsparen account. Each year, we also donate an amount to these two organisations that is based on the total savings balance of all ASN Jeugdsparen accounts. The donation in 2014 totalled € 330,000. Since the start of ASN Jeugdsparen in 2002, we have donated more than € 2.5 million for vulnerable children in this



From left to right: Karlijne Kuipers and Peter van der Heijden of the Royal Dutch Guide Dog Foundation receiving the donation from Micky Bakker and Henk de Ligf of ASN Bank.

way. Cordaid invests this money in children's projects in the Central African Republic and Congo that ensure that children can go to school and stay in school. Cordaid also ensures that children have a home and receive medical care and adequate nutrition. On 1 January 2014, we also teamed up with Nationaal Fonds Kinderhulp as our partner for ASN Jeugdsparen. The fund helps children in the Netherlands who are growing up in poverty and are therefore on the sidelines of society.

Current accounts

At the beginning of 2009, we introduced our current account for private customers, the ASN Bank Account. This is a comprehensive, inexpensive online current account for customers from the age of 18. Customers receive interest on positive balances and pay only low monthly costs. In 2014, the (net) number of accounts increased by 11,372. In part as a result of this, a total of 120,425 ASN Bank Accounts were recorded in our books at year-end 2014. In addition, since May 2011 we offer the ASN Jongerenrekening account especially for young people aged 12 to 25. This account allows young people to make payments without providing an overdraft facility. The account is free of charge. At year-end 2014, 17,029 of these accounts were registered.

The total number of customers holding one or more current accounts as sole or joint account holders was 157,271 by year-end 2014.

ASN Credit Card

The ASN Credit Card is a Visa Card administered by credit card expert ICS. Almost 27,000 cards were in use at the end of 2014. As with 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 deducted from ASN Bank's revenue; customers do not have to pay anything extra. This brought in € 129,282 for the relevant projects for the full year 2014.

ASN Investment Funds

Our investment funds achieved strong growth in 2014, in part thanks to historically low interest rates on savings,

our investment campaigns, strong investment performance and the recognisable sustainability profile of our investment funds. We closed 2014 on a high with total fund growth of over € 348 million, or 21.7%.

Sustainable investment campaign

In November 2014, we introduced the website *eenanderrendement.nl* to support our investment campaigns. This site explains to investors and other interested people the difference that sustainable investment in the ASN Investment Funds can make for them. Key in this respect is that the ASN Investment Funds offer an opportunity for 'different returns': returns earned while respecting people, planet and climate.

In the context of this campaign, we placed an app on our Facebook page in November and December that assessed brands in terms of their sustainability. This way, we made clear that the ASN Investment Funds only invest in companies that meet all criteria. The game was visited 60,000 times, introducing many people to our sustainability criteria.

ASN Groenprojectenfonds

ASN Groenprojectenfonds is the only ASN Investment Fund that is tax efficient. At the end of 2014, it experienced an unexpectedly large inflow of money. As a result, the portion of the investment portfolio that was invested in green projects threatened to be reduced to less than 70 percent. If this were to happen, the fund might lose its status of green institution. This is why, on 25 November, we had to temporarily close the fund to new investments.

Asset management

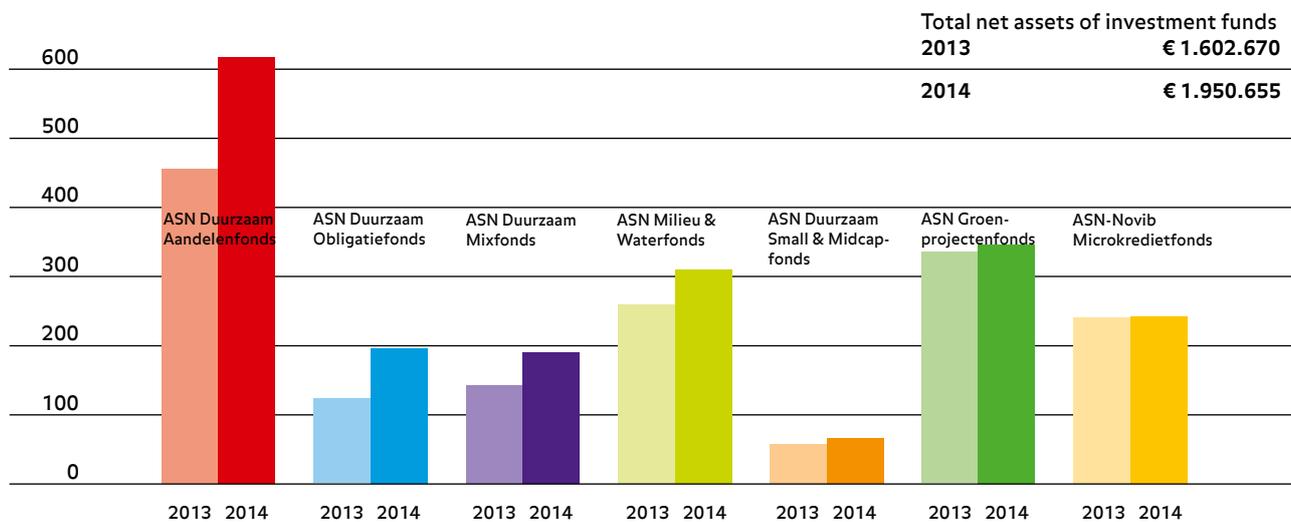
ASN Asset Management is intended for private individuals, foundations, associations and social institutions that do not want to manage their investment portfolios themselves. The services are aimed at customers with investable assets of € 250,000 or more. ASN Asset Management invests these assets on the basis of ASN Bank's sustainability policy.

2014 was a good year for ASN Asset Management. Its customer base grew to 214 private individuals and institutions at year-end 2014. Assets under management also showed good growth. The investment performance was satisfactory.

Development of ASN Investment Funds

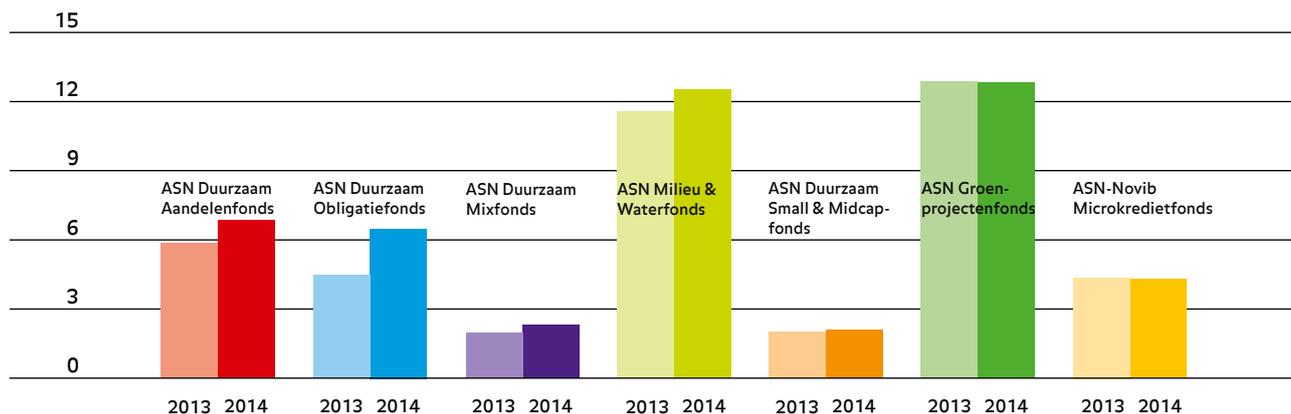
(amounts x 1,000/€ 1,000)

Net assets



(amounts x 1,000/€ 1,000)

Number of shares/units



14 Exposures: loans and other investments

It ensues from ASN Bank's mission that we help create a social, just and sustainable society.

ASN Bank exists by the grace of its customers and their trust. The bank invests customers' savings, while the ASN Investment Funds invest customers' investment money. Our customers must be able to depend on us to invest their money in a careful, risk-averse manner. Key categories of ASN Bank are bonds and private loans to governments (countries, provinces and municipalities), as well as residential mortgages, 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 and a diversification of risks. Appendix 1 to this report shows where we invest your money; Chapter 15, in the Notes to the balance sheet, shows the spread across sectors of our investments and loans. Here, you will find notes to the main categories.

Principles and policy

Our objective as a bank is to contribute to a just, sustainable society. 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 the parameters of our policy to a great extent.

As shown by the list of our loans and investments, private home loans are the main category. This is because, through Woonhuishypotheek B.V., we finance mortgages that meet our sustainability criteria (see the ASN Bank Living and Working policy paper). By financing such mortgages, we ensure that people can buy a home of their own – as with financing in the social housing sector. In doing so, we are increasingly focusing on the reduction of energy consumption and the use of renewable energy for these homes. This benefits both the climate and the occupants' disposable income. In collaboration with third parties, we measured the energy consumption of the homes in our portfolio in 2014. Based on this baseline measurement, we drew up plans to start making the homes more sustainable in 2015.

We particularly focus on investing in the renewable energy sector. Taking account of our low risk profile, we can finance a limited number of projects directly in this sector every year. As we value renewable energy projects, in addition to these project loans we are looking for other types of financing that keep the financial risks under control, such as green bonds. Green bonds entail lower risks and at the same time form an investment in renewable energy.

Quality review

In preparation of the transition to European banking supervision, an asset quality review was conducted to analyse the quality of all loans on the balance sheet. The project plan for this, which applied to SNS Bank N.V. as a whole, was first submitted to the Dutch Central Bank. In the course of 2014, ASN Bank went through the files of all its corporate clients and supplemented them where necessary.

Developments in 2014

Our loans and investments increased by € 569 million in 2014, from € 10,299 million to € 10,868 million. ASN Bank's exposures consist of loans and advances to customers and investments (bonds and a small equity portfolio). Investments increased by € 749 million in 2014, while loans and advances to customers dropped by € 180 million.

Loans and advances to customers

Loans and advances to customers consist of business loans, private loans, mortgage loans, and loans and advances to private individuals.

Change in loans and advances to customers (in millions of euros)

Business loans	+ 8
Private loans	- 181
Loans and advances to private individuals	- 7
Residential mortgages	-
Change in loans and advances to customers	- 180

Business loans

We provide business loans for ASN Bank itself and, on the instructions of ASN Beleggingsinstellingen Beheer B.V., for ASN Groenprojectenfonds and Energiefonds Overijssel.

(in millions of euros)

	31-12-2014	31-12-2013	Change
Loans and advances to customers	6,414	6,594	- 180
Investments	4,454	3,705	+ 749
Total loans and investments	10,868	10,299	+ 569

Market developments

In ASN Bank's view, a sustainable society is also a caring society. It is therefore fitting for our bank to finance this sector. Despite having done so ever since our incorporation, we have decided to step up our lending efforts to the healthcare sector. That is why we developed our own proposition for this sector in 2014. We also provided various loans to healthcare institutions. The aim is to expand the number of loans to this sector in 2015.

We were experiencing some difficulties from falling interest rates and narrow margins in 2014. In addition, we faced fierce competition between banks, especially in the case of sustainable projects that are also financially feasible, which created immense pressure on margins. On top of that, certain sectors like housing corporations feel the need for loans with extremely long terms. Combined with today's low interest rates, this sometimes meant that we were unable to meet the demand for finance.

ASN Bank's new loans

In 2014, ASN Bank signed loan agreements representing more than € 98 million. In all, investments in business loans rose by € 8.4 million to € 348.4 million. In addition, outstanding commitments amount to over € 74 million. Important new loans in 2014 were:

- **Nationaal Energiebespaarfonds**
ASN Bank undertook to fund € 50 million for Nationaal Energiebespaarfonds. This fund was created to enable private home owners to take energy-saving measures with an inexpensive loan. The costs saved on the energy bill as a result must be at least equal to the costs of the loan. The State and Rabobank also take part in this fund, which has a total of € 300 million in cash. Unfortunately, private borrowers have made little use of the fund so far.
- **Westermeerwind BV**
ASN Bank takes part in a consortium of five financial institutions that, together, enable the construction and operation of the largest nearshore wind project in the Netherlands: Westermeerwind. The project consists of 48 Siemens wind turbines, which will be placed 520 metres from the coast in the IJsselmeer. Siemens is to supply, install and maintain the wind turbines. The share of the funding that ASN Bank undertook to provide amounts to more than € 36.5 million. More than € 12 million of this amount was paid in 2014.

- **Stichting Beheer Gebouw 3X Factoren**
We entered into a loan agreement with Stichting Beheer Gebouw 3X Factoren, affiliated with the university hospital in Maastricht (Academisch Ziekenhuis Maastricht; AZM). The contract concerns a € 4.8 million loan to expand the building, which is owned by 3X Factoren and located on the Maastricht Health Campus. 90% of the building is used by the AZM's Clinical Genetics Department and 10% by the Maastricht Thrombosis Clinic.
- **RW OG BV**
In Almere, a former office building is being converted into a care home. Private entrepreneurs and healthcare provider Reedewaard work together in this new healthcare institution for the elderly. The loan amounts to € 3.2 million.
- **Stichting Eindhoven Beheer**
Verpleeg- en Gasthuis St. Elisabeth in Amersfoort is operated in Stichting Eindhoven Beheer. In 2014 we extended the loan, which was about to expire, by a few years after consultation. The amount involved is more than € 2.6 million.

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 the converted amount of € 8 million as a limit). 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 and assess any projects from category A. We did assess one project in category B in 2014, which we approved.

Private loans

In 2014, a total sum of € 181 million was repaid on the private loan portfolio. No new private loans were provided in 2014. By means of such private loans, ASN Bank finances companies and institutions in project categories including the following:

- Water management

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 some 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.

- Healthcare 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 financing activities. 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 financing by ASN Bank.

Residential mortgages

We use a substantial portion of the savings entrusted to us to finance residential mortgages. This is in line with our vision of a sustainable future, when people will want to live in high-quality, affordable and energy-efficient homes. As ASN Bank itself does not offer any residential mortgages, we finance mortgage portfolios via private loans to Woonhuishypotheken B.V., which manages mortgages provided by Regiobank, SNS and BLG Wonen. Together with them, we create a more sustainable portfolio. We select these portfolios on the basis of our own criteria, which are currently mostly of a social nature.

We prefer to finance energy-efficient homes built of sustainable materials. In practice, however, this is not possible on a large scale, which is why we also contribute in other ways to making homes in the Netherlands more sustainable. We contribute to initiatives under which mortgage lenders offer their customers the opportunity to make their homes more sustainable.



Water boards are responsible for water quantity and quality and dike maintenance.

To this end we provided a loan to Nationaal Energiebespaarfonds, which assumed its work in 2014. The fund allows home owners to take out cheap loans to finance energy-saving measures in their homes.

In the third quarter of 2013, we changed the manner in which ASN Bank finances residential mortgages. We set up a separate legal entity to this effect, named Woonhuishypotheek B.V. Only residential mortgages that meet our criteria have been transferred to this private company. We finance these mortgages by

providing a private loan to Woonhuishypotheek B.V. Together with SNS Bank N.V., we are making this portfolio more sustainable.

Investments

The cost of investments rose by € 460 million in 2014. Investments are measured at market value in accordance with IFRS guidelines. The market value of investments rose by € 289 million in 2014. Together, this translates into an increase of investments by € 749 million.

<i>Change in investments (in millions of euros)</i>	<i>Change in cost</i>	<i>Change in market value</i>
Government bonds	+ 304	+ 239
Green bonds and sustainable bonds	+ 141	+ 10
Other investments	+ 15	+ 40
Total	+ 460	+ 289

Government bonds

The Dutch Central Bank requires all banks to maintain part of their assets in readily marketable investments such as government bonds. Government bonds are loans extended to countries' governments, which play an important role in promoting sustainability and in the functioning of a just society. They provide basic facilities such as housing, education and healthcare and rules to protect nature, for example. We invest in the government bonds of countries that meet our sustainability criteria.

As we do not wish to run any currency risk on our government bond investments, only government bonds denominated in euros qualify for inclusion in our investment universe. We assess the countries that issue these bonds first on the basis of our absolute criteria for human rights, climate change and biodiversity. A number of countries are excluded automatically. We assess the sustainability performance of the countries that meet our absolute criteria on the basis of sixteen relative indicators.

The Government Bonds policy paper, published on our website, contains an explanation of these indicators. The countries of which ASN Bank owned government bonds as at 31 December 2014 are stated in Appendix 1. In 2014 the government bond portfolio grew by over € 300 million. We mainly expanded the stakes in Belgium (+ € 113 million), Germany (+ € 94 million), France (+ € 72 million) and the Netherlands (+ € 96 million). In addition, we spent € 20 million on the purchase of Swedish government loans. We reduced our stake in Austria by approximately € 89 million.

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.

Green bonds and sustainable bonds

'Green bonds' allow us to invest in fixed-income securities in the fields of renewable energy, energy reduction and biodiversity. This fairly new category is a welcome addition to the bank's balance sheet. These bonds contribute considerably to achieving the objective of being fully carbon neutral by 2030.

In 2014, ASN Bank spent an amount of € 141 million on the purchase of green bonds and sustainable bonds from NRW Bank and the European Investment Bank (EIB) in particular. Owned by the 28 European Member States, the AAA-rated EIB finances projects that tackle climate change, such as projects in the areas of wind, tidal and solar energy and energy efficiency. NRW Bank is a development bank of the German state North Rhine-Westphalia. NRW Bank uses the green bonds to finance environmentally friendly water and energy projects.

ASN Investment Funds

The assets of the seven ASN Investment Funds, managed by ACTIAM N.V. as AIF manager, are regarded as part of ASN Bank's assets under management. ASN Beleggingsinstellingen Beheer B.V. (ABB) adopts relevant policy, including the sustainability guidelines and criteria. Below, we describe how these funds' investments contribute to a sustainable society. More information about the funds can be found in the annual reports of ASN Beleggingsfondsen N.V., ASN Groenprojectenfonds and ASN-Novib Microkredietfonds.

ASN Duurzaam Aandelenfonds

ASN Duurzaam Aandelenfonds invests in equities of around 150, primarily listed, companies across the globe. ABB selects companies that meet the sustainability criteria and have sound financial prospects. Its policy's main focus is on rising equity prices. The manager is also guided by companies' climate change performance: it determines the size of its stake in sustainable companies in part on the basis of their CO₂ emissions.

ASN Duurzaam Obligatiefonds

ASN Duurzaam Obligatiefonds invests in euro bonds issued by governments that meet the sustainability criteria of the ASN Investment Funds. The fund is unique as governments are assessed both in terms of their social and environmental performance and on the basis of a fundamental financial criterion, which is their repayment capacity (the ratio between a country's tax revenues and interest payment commitments). For example, governments are assessed on aspects including the amount of protected natural areas, carbon emissions per capita and the country's income inequality.

ASN Duurzaam Mixfonds

The portfolio of ASN Duurzaam Mixfonds consists of equities from the ASN Duurzaam Aandelenfonds universe and bonds from ASN Duurzaam Obligatiefonds, which meet the sustainability criteria of the ASN Investment Funds. The spread between the two investment categories is, in principle, 55% bonds and

45% equities. The manager may deviate from this to a limited extent according to current market conditions.

ASN Milieu & Waterfonds

ASN Milieu & Waterfonds is a sector fund investing worldwide in around sixty equities of listed companies that primarily offer technologically advanced solutions to environmental problems. The fund invests in companies operating in the water, waste and renewable energy sectors. Examples include companies that produce solar cells and LED lights, purify water, make buildings more energy efficient and produce renewable energy.

ASN Duurzaam Small & Midcapfonds

ASN Duurzaam Small & Midcapfonds invests in equities of small to medium-sized listed European companies. These companies meet the sustainability criteria of the ASN Investment Funds or are required to meet these criteria within three years of admission to the ASN Investment Universe. The fund manager actively encourages businesses to put corporate social responsibility on the agenda. The portfolio includes a diverse range of companies, such as transport companies, healthcare providers, electronics manufacturers and IT companies.

ASN-Novib Microkredietfonds

In developing countries, regular banks generally make hardly any funds available to finance small-scale projects in the informal sector. ASN-Novib Microkredietfonds lends monies to, or participates in, microfinance institutions (MFIs), allowing the MFIs to provide loans to



Bioenergy project Overijssel, Empyro BV.

small and medium-sized local businesses. This way, the fund helps to combat poverty. Special attention is devoted to the social aspects of the loans that the fund provides.

ASN Groenprojectenfonds

ASN Groenprojectenfonds makes a significant contribution to our climate change objective. It 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).

Energiefonds Overijssel

ASN Beleggingsinstellingen Beheer B.V. (ABB), ASN Bank's investment business, has been the manager of Energiefonds Overijssel of € 250 million since 2012.

In 2014 the management was transferred to ASN Bank on account of an organisational change as a result of the new European Directive for investment fund managers, the Alternative Investment Fund Managers Directive (AIFMD). The Province of Overijssel uses this fund to work towards its ambition that renewable energy sources should provide for 20% of the province's total energy requirement by 2020. Energiefonds Overijssel offers entrepreneurs, housing corporations and other social organisations the opportunity to finance their projects in the areas of energy saving and producing new energy. Not in the traditional way with subsidies, but by means of participating interests, loans and guarantees. ASN Bank manages Energiefonds Overijssel together with Royal HaskoningDHV and Start Green Venture Capital.

Care and welfare

A sustainable society is also a caring society. We believe that solidarity, taking care of each other, social cohesion and an eye for people's well-being in the broadest sense of the word are the building blocks of a caring society. We contribute to this in a variety of ways.



42 pups for the Royal Dutch Guide Dog Foundation

Thanks to ASN customers, the Royal Dutch Guide Dog Foundation is raising 42 pups. We donated money for 26 pups in connection with a successful ASN Ideaalsparen campaign. Another 16 pups can be raised as over ten thousand customers preferred a donation to the Royal Dutch Guide Dog Foundation over a small personal reward as a thank-you for their response to our administrative request.



ZorgSaam Twenterand

The ASN Foundation donated a sum to ZorgSaam Twenterand for Eetmee. Under the motto 'Eating together is fun', Eetmee provides healthy, inexpensive meals at four locations in the Municipality of Twenterand. The project is run by volunteers. The donation was used, among other things, for the Eetmee vegetable gardens in Vroomshoop and the Village Garden in Den Ham.



Nationaal Fonds Kinderhulp

With effect from 2014, ASN Bank makes a yearly donation to Nationaal Fonds Kinderhulp on behalf of ASN Jeugdsparen account holders. Close to 400,000 children in the Netherlands are at risk of becoming marginalised due to poverty and serious problems at home. With modest financial contributions, Nationaal Fonds Kinderhulp creates a little more happiness for these children.

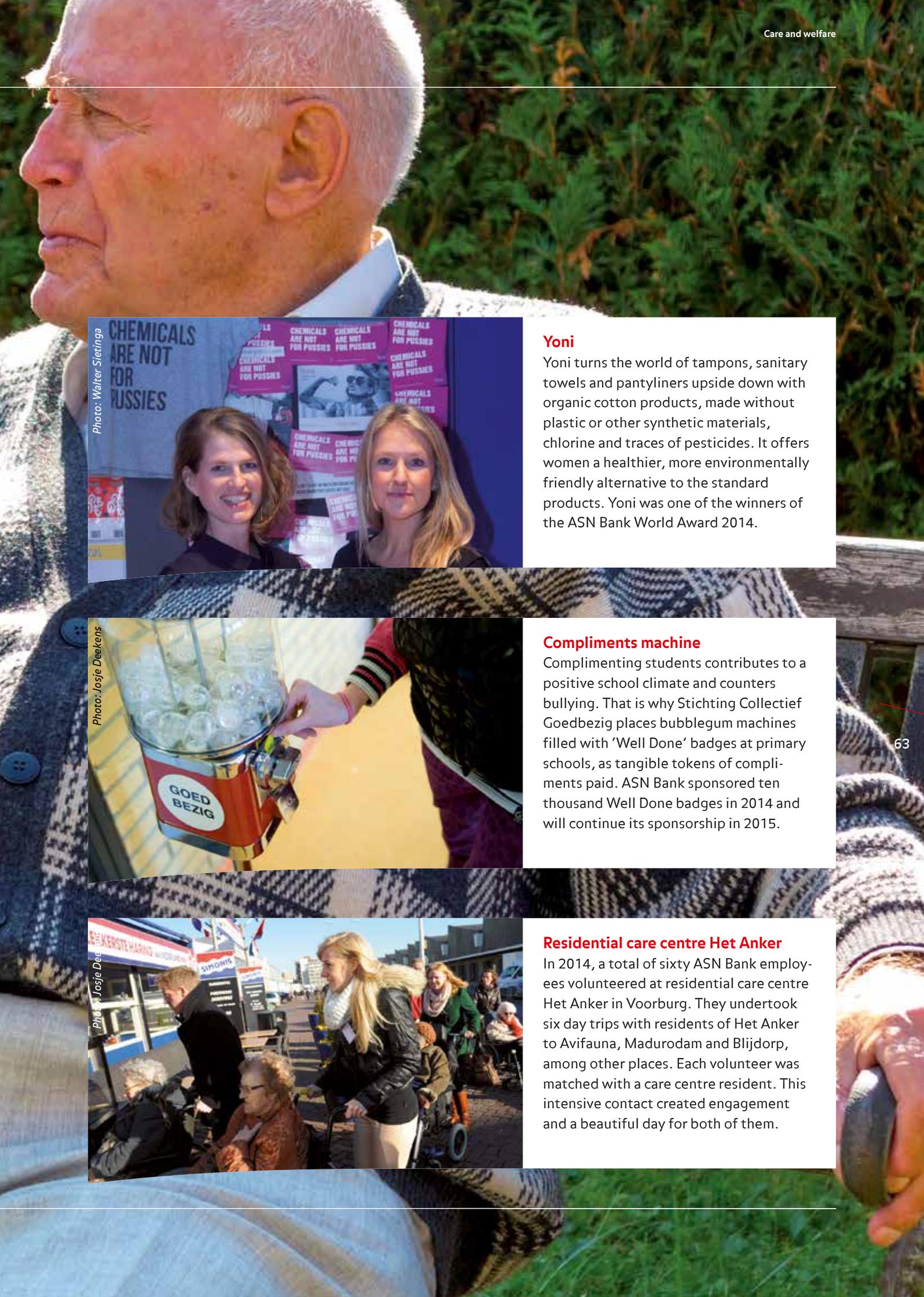


Photo: Walter Sietinga

Yoni

Yoni turns the world of tampons, sanitary towels and pantyliners upside down with organic cotton products, made without plastic or other synthetic materials, chlorine and traces of pesticides. It offers women a healthier, more environmentally friendly alternative to the standard products. Yoni was one of the winners of the ASN Bank World Award 2014.



Photo: Josje Deekens

Compliments machine

Complimenting students contributes to a positive school climate and counters bullying. That is why Stichting Collectief Goed bezig places bubblegum machines filled with 'Well Done' badges at primary schools, as tangible tokens of compliments paid. ASN Bank sponsored ten thousand Well Done badges in 2014 and will continue its sponsorship in 2015.



Photo: Josje Deekens

Residential care centre Het Anker

In 2014, a total of sixty ASN Bank employees volunteered at residential care centre Het Anker in Voorburg. They undertook six day trips with residents of Het Anker to Avifauna, Madurodam and Blijdorp, among other places. Each volunteer was matched with a care centre resident. This intensive contact created engagement and a beautiful day for both of them.



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E Financial accounts



15 Financial results

Balance sheet

<i>In thousands of euros before profit distribution</i>	<i>Notes</i>	<i>31-12-2014</i>	<i>31-12-2013</i>
Assets			
Cash and cash equivalents	1	677,017	329,448
Loans and advances to customers	2	6,413,991	6,594,030
Investments	3	4,453,749	3,705,135
Property and equipment	4	9,883	9,973
Associates	5	1,101	-
Deferred tax assets	6	1,887	3,935
Other assets	7	78,576	106,378
Total assets		11,636,204	10,748,899
Liabilities			
Savings	8	9,708,491	9,255,867
Other amounts due to customers	9	951,194	886,138
Deferred tax liabilities	6	65,396	49
Other liabilities	10	232,884	205,861
Other provisions		121	-
Share capital		11,350	11,350
Other reserves		608,187	322,817
Profit for the year		58,582	66,817
Shareholders' equity	11	678,119	400,984
Total equity and liabilities		11,636,204	10,748,899

Income statement

<i>In thousands of euros</i>	<i>Notes</i>	<i>2014</i>	<i>2013</i>
Income			
Net interest income	13	137,348	113,030
Net commission income	14	15,946	14,483
Investment income		403	57
Exceptional income		344	-
Total income		154,041	127,570
Expenses			
Staff costs	15	13,106	11,464
Depreciation of property and equipment	4	528	503
Other operating expenses	16	31,665	24,060
Impairment charge	17	1,266	1,112
Other expenses	18	22,025	1,287
Total expenses		68,590	38,426
Result before taxation		85,451	89,144
Taxation	19	26,869	22,298
Net result for the period		58,582	66,846
Minority interests		-	29
Net result attributable to shareholders		58,582	66,817

Statement of changes in 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 2013	11,350	115,886	99,054	154,927	34,920	-125	416,012
Transfer of net result 2012				34,920	-34,920		
Transfers 2012				34,920	-34,920		
Change in revaluation reserve			-81,970				-81,970
Other movements						125	125
Amounts charged directly to total equity			-81,970			125	-81,845
Net result 2013					66,817		66,817
Total result 2013					66,817		66,817
Total changes in equity 2013			-81,970	34,920	31,897	125	-15,028
Balance as at 31 December 2013	11,350	115,886	17,084	189,847	66,817	-	400,984
Balance as at 1 January 2014	11,350	115,886	17,084	189,847	66,817	-	400,984
Transfer of net result 2013				66,817	-66,817		
Transfers 2013				66,817	-66,817		
Change in revaluation reserve			218,553				218,553
Other movements							
Amounts charged directly to total equity			218,553				218,553
Net result 2014					58,582		58,582
Total result 2014					58,582		58,582
Total changes in equity 2014			218,553	66,817	-8,235		277,135
Balance as at 31 December 2014	11,350	115,886	235,637	256,664	58,582	-	678,119

Cash flow statement

<i>In thousands of euros</i>	2014	2013
Cash flow from operating activities		
Operating profit before tax	85,451	89,144
Adjustments for:		
Depreciation and amortisation of tangible and intangible assets	528	503
Changes in other provisions	121	-
Impairment charges	1,266	1,112
Tax (paid)/received	42,952	-41,438
Changes in operating assets and liabilities:		
Change in advances and liabilities to customers	244,495	-4,530,093
Change in advances to banks	-	4,453,027
Change in savings	452,624	310,645
Change in investments	-94,798	28,654
Change in other operating activities	52,397	6,349
Net cash flow from operating activities	785,036	317,902
Cash flow from investment activities		
Sale and redemption of investments	1,480,183	1,328,576
Purchase of investments	-1,917,212	-1,935,328
Purchase of intangible assets	-	-323
Purchase of property and equipment	-438	-179
Net cash flow from investment activities	-437,467	-607,254
Cash flow from finance activities		
Minority interests	-	96
Net cash flow from finance activities	-	96
Cash and cash equivalents as at 1 January	329,448	618,704
Change in cash and cash equivalents	347,569	-289,256
Cash and cash equivalents as at 31 December	677,017	329,448

Accounting principles for the financial results

General information

ASN Bank N.V., incorporated and established in the Netherlands, is a public limited liability company incorporated under the laws of the Netherlands. ASN Bank N.V.'s registered office is located at Bezuidenhoutseweg 153, 2594 AG The Hague.

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 Utrecht.

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.

The following subsidiaries have been consolidated in the financial results of ASN Bank N.V.:

- ASN Beleggingsinstellingen Beheer B.V. (100%)
- ASN Vermogensbeheer B.V. (100%)

Any reference in this report to ASN Bank also includes its subsidiaries.

Basis of preparation

ASN Bank's figures have been incorporated in the consolidated financial statements of SNS Bank N.V. The consolidated financial statements of SNS Bank N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted within the European Union (EU). The information included in the consolidated financial statements of SNS Bank N.V. has been used for the separate financial results of ASN Bank N.V. ASN Bank's separate financial results include the most important information. Please refer to the consolidated financial statements of SNS Bank N.V. for the comprehensive financial results.

The ASN Bank Management Board released ASN Bank's financial results for the year ended 31 December 2014 after approval by the Supervisory Board on 10 April 2015.

Changes in principles, estimates and presentation Below, only the changes relevant for ASN Bank are set out.

Changes in presentation

A few changes were made to the classification of balance sheet items.

- *Amounts due to banks* were recognised separately on last year's balance sheet and pertain to a current account with SNS. This year this balance sheet item has been offset against the *cash and cash equivalents* item, which also includes the other current account relationships with SNS. The 2013 figures have been adjusted accordingly.
- Last year a balance sheet item called *funds entrusted* was included, comprising savings and other funds entrusted. The savings item is a separate balance sheet item this year. The other funds entrusted are now incorporated in the balance sheet item *other amounts due to customers*, under demand deposits. The 2013 figures have been adjusted accordingly.

Accounting principles used in the preparation of the financial results

Below, only the principles that are most important for ASN Bank are set out. Please refer to the consolidated financial statements of SNS Bank N.V. for a complete overview of the accounting principles.

The accounting principles set out below have been applied consistently to all the periods presented in these financial results.

Accounting principles applied to balance sheet items In preparing the financial results, the accounting principles 'fair value', 'amortised cost' and 'historical cost' are used. Fair value is used for:

- land and buildings in own use;
- investments classified as available for sale

All other financial assets (including loans and advances) and liabilities are measured at amortised cost.

Non-financial assets and liabilities are generally measured at historical cost. Except for the cash flow information, the financial results have been prepared on an accrual basis.

Functional currency and reporting currency

The financial results have been prepared in thousands of euros (€). The euro is the functional currency of ASN Bank N.V. All financial data presented in euros are rounded off to the nearest million, unless stated otherwise.

Main accounting principles, estimates and assumptions

The use of estimates and assumptions in the preparation of the financial results

The preparation of the financial results requires ASN Bank to make estimates and assumptions based on complex and subjective opinions and estimates. These estimates have a significant impact on the reported amounts of assets and liabilities and the contingent assets and liabilities at the balance sheet date, and the reported income and expenses for the financial year. In this regard, management judges situations on the basis of available information and financial data which is subject to change in the future. Although the estimates are made to the best of management's knowledge, actual results may differ from these estimates and the use of other propositions or data can lead to materially different results.

Estimates and underlying assumptions are reviewed on a regular basis. The resulting impact is recognised in the period in which the estimate is revised or in the period of revision and future periods if the revision impacts both the reporting period and future periods. The main accounting principles involving the use of estimates concern the methods for determining the provisions for bad debts, determining the fair value of financial assets and liabilities and determining impairments.

For detailed information and disclosure of the accounting estimates and assumptions we refer to the next sections and the notes to the financial results.

Provision for bad debts

A provision for impairment is made for loans and advances if there are objective indications that ASN Bank will not be able to collect all the amounts to be received in accordance with the original contract. For loans and advances that are individually significant, the provision made equals the difference between the book value and the recoverable value. The recoverable value equals the expected future cash flows, including the amounts realised by virtue of guarantees and collateral, discounted at the initial effective interest rate of the loans and advances.

The criteria for impairment are applied to the entire loan portfolio. Homogenous groups of loans and advances with smaller amounts per individual loan or advance (and corresponding credit risk) are tested collectively for impairment. The provision with respect to the collective approach is calculated using models. The loss factors developed using these models are based on historical loss data of ASN Bank and are adjusted according to current information that, in the opinion of management, can affect the recoverability of the portfolio on the assessment date.

The provision for impairment also covers losses where there are objective indications of losses likely to be incurred in the loan portfolio. These losses are estimated on the basis of historical loss patterns and the creditworthiness of the borrowers.

If the amount of the impairment subsequently decreases due to an event occurring after the impairment, the provision is released to the income statement. When a loan is uncollectible, it is written off against the relevant provision for impairment. Amounts that are subsequently collected are deducted from the addition to the provision for impairment in the income statement.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is determined on the basis of quoted list prices where available. Such quoted list prices are primarily derived from transaction prices for listed instruments. If transaction prices are not available, market prices from independent market participants or other experts are used. ASN Bank applies a transfer price when determining fair value; therefore financial assets are initially recognised at their bid prices and financial liabilities at their offer prices.

In markets where activity has decreased or in inactive markets, the range of prices from different sources can be significant for a certain investment. Selecting the most appropriate price requires judgement. Available market information on the fair value of the instrument is taken into account.

For certain financial assets and liabilities, no market price is available. The fair value of these financial assets and liabilities is determined using valuation techniques, which vary from discounted cash flow calculation to valuation models that use accepted economic methodologies. Input into the models is as far as possible based on observable market information. All valuation methods used are assessed and approved in-house according to SNS Bank N.V. governance procedures.

Impairment of investments in financial instruments

Each reporting date, ASN Bank assesses whether there are objective indications of impairment of investments classified as available for sale. Impairment losses are recognised directly in the income statement under 'impairment charges'. With investments available for sale, any positive revaluation reserve of shareholders' equity is first deducted.

Specific balance sheet principles

Cash and cash equivalents

Cash and cash equivalents include loans and advances to credit institutions with a remaining term to maturity of less than one month.

Loans and advances to customers

Loans and advances are measured at amortised cost using the effective interest method.

A provision for impairment is made if there are objective indications that ASN Bank will not be able to collect all the amounts due in accordance with the original contract. For loans and advances that are individually significant, the provision made equals the difference between the book value and the recoverable value. Homogenous groups of loans and advances with smaller amounts per individual loan or advance (and corresponding credit risk) are tested collectively for impairment.

Investments

ASN Bank only has investments classified as 'available for sale'.

After initial recognition, investments available for sale are restated at fair value in the balance sheet. Unrealised gains and losses resulting from fair value adjustments of these investments are recognised in the other reserves (shareholders' equity), taking account of deferred taxes. The investments are recognised at fair value. When the investments are sold, the related fair value adjustments are recognised in the income statement as 'investment income'. ASN Bank uses the average cost method to determine the results.

Interest income earned on securities is recognised as interest income under 'net interest income'. Dividend received is recorded under 'investment income'.

Property and equipment

Land and buildings in own use

Property in own use comprises ASN Bank's office, which is measured at fair value (revaluation model) based on yearly valuations performed by external, independent valuers with sufficient professional

expertise and experience in the specific location and category of the property.

Any increase in the fair value exceeding the cost price is added to the revaluation reserve in shareholders' equity, less deferred taxes. Positive revaluations, insofar as these result in the reversal of earlier write-downs on the same asset, are credited to the income statement.

Decreases in the fair value, insofar as these result in the reversal of prior positive revaluations of the same asset, are charged to the revaluation reserve. The revaluation reserve cannot be negative. All other decreases in the fair value are accounted for in the income statement.

Buildings are depreciated over their economic life using the straight-line method, with a maximum of fifty years, taking into account the possible residual value. Land is not depreciated. Regular impairment tests are carried out on land and buildings.

Repairs and maintenance expenses are recognised under 'other operating expenses' at the moment the expenses are incurred. Expenses incurred after the acquisition of an asset that increase or extend the future economic benefits of land and buildings in own use in relation to their original use are capitalised and then amortised.

Upon the sale of a property, the part of the revaluation reserve related to the sold property is transferred to 'other reserves' within equity.

IT equipment and property and equipment

All other assets included in this item are measured at cost net of accumulated depreciation and, if applicable, accumulated impairment losses.

The cost price comprises the expenses directly attributable to the acquisition of the assets and is depreciated on a straight-line basis over the useful life, taking into account any residual value. The estimated useful life can vary from 3 to 10 years.

Periodic impairment tests are performed on the other assets.

Taxes

Deferred tax assets

Deferred tax assets and liabilities are recognised for tax losses carried forward and for temporary differences between the tax base of assets and liabilities and the book value. This is based on the tax rates applicable as at the balance sheet date and the tax rates that will apply in the period in which the deferred tax assets or tax liabilities are settled. Deferred taxes are carried at face value. Deferred tax assets are only recognised if sufficient tax profits are expected to be realised in the near future to compensate these temporary differences.

Deferred tax liabilities

Deferred tax liabilities concern tax payable in future periods in connection with taxable temporary differences. The treatment is in accordance with the disclosure in the previous section.

Other assets

Other assets consist of VAT, other receivables and accrued assets. The net amount of advances and provisions in relation to the Deposit Guarantee Scheme (DGS) is accounted for under other receivables.

Savings, amounts due to customers and amounts due to banks

Savings consist of balances on (bank) savings accounts, savings deposits and term deposits of retail clients. Amounts due to customers primarily represent demand deposits and cash of business customers insofar as it does not concern credit institutions.

Upon initial recognition, savings, amounts due to customers and amounts due to banks are measured at fair value, including transaction costs incurred. Thereafter, they are measured at amortised cost. Any difference between the measurement at initial recognition and the redemption value based on the effective interest method is recognised under 'interest expenses' in the income statement during the term of these savings and amounts owed.

Other liabilities

Other liabilities primarily consist of interest accrued on financial instruments that are stated at amortised cost. This item also includes creditors, other taxes and accrued liabilities.

Specific income statement accounting principles

Income and expenses are allocated to the period to which they relate. Costs are recognised in the cost category to which they relate.

Interest

Interest income comprises interest earned on receivables and investments that is attributable to the period. Interest expenses comprises interest paid on savings and other amounts due to customers attributable to the period. SNS Bank N.V. hedges interest rate risks for ASN Bank. The settlement of the costs for hedging interest rate risks is charged to the interest income.

Fee and commission income

Fee and commission income includes income from securities transactions for clients, fund management and asset management. This is recognised in the reporting period in which the services are performed. Commission and management fees due are included under 'fee and commission expense'. These costs are recognised in the reporting period in which the services are acquired.

Investment income

Investment income consists of dividend and capital gains realised.

Expenses

Expenses are recognised in the income statement on the basis of a direct relationship between the costs incurred and the corresponding economic benefits. If future economic benefits are expected to be derived across different reporting periods, expenses are recognised in the income statement using a systematic method of allocation. Expenses are directly included in the income statement if they do not generate any future economic benefits.

Off-balance sheet liabilities

Contingent liabilities are liabilities not recognised in the balance sheet because their existence is contingent on one or more uncertain events that may or may not occur in the future not wholly within the control of ASN Bank. It is not possible to make a reliable estimate of such liabilities.

The maximum potential credit risk arising from pledges and guarantees is stated in the notes. In determining the maximum potential credit risk, it is assumed that all the counterparties will no longer live up to their con-

tractual obligations and that all the existing collateral is without value.

Cash flow statement

The cash flow statement is prepared according to the indirect method, and distinguishes between cash flows from operational, investment and finance activities. With regard to cash flow from operating activities, the operating profit before tax is adjusted for gains and losses that did not result in income and payments in the same financial year and for movements in provisions and accrued and deferred items.

Investments in (consolidated) subsidiaries and associates are stated under cash flow from investment activities. The cash and cash equivalents available here at the acquisition date are deducted from the purchase price. In the context of the cash flow statement, cash and cash equivalents are equal to the balance sheet item cash and cash equivalents.

Notes to the balance sheet

1. Cash and cash equivalents

Cash and cash equivalents consist entirely of demand deposits.

2. Loans and advances to customers

Loans and advances to customers are broken down in two ways:

- by counterparty: this breakdown is based on the nature or core business of the enterprise or organisation;
- by funded activity: this breakdown is based on the nature of the project. This nature is generally equivalent to the nature of the company or institution, but there are a few exceptions.

Breakdown by counterparty

<i>In thousands of euros</i>	2014	2013
Financial institutions	4,509,142	4,510,005
Local governments	443,558	543,389
Health and welfare services	357,438	395,050
Residential construction	469,905	472,012
Water extraction and management	290,083	322,311
Energy	250,399	246,151
Retail customers	35,877	43,050
Education, culture and leisure	14,911	19,280
Other	42,678	42,782
Total loans and advances to customers	6,413,991	6,594,030

Breakdown by funded activity

<i>In thousands of euros</i>	2014	2013
Home loans	4,535,878	4,541,826
Residential construction	475,893	478,226
Local governments	443,558	543,389
Health and welfare services	360,373	398,289
Water extraction and management	290,297	322,525
Renewable energy	271,406	252,859
Education, culture and leisure	16,371	20,800
Other	20,215	36,116
Total loans and advances to customers	6,413,991	6,594,030

The home loans include a € 4.5 billion private loan that ASN Bank has provided to Woonhuishypotheek B.V., involving mortgage collateral with a value of € 4.5 billion.

Movements in loans and advances to customers are as follows:

<i>In thousands of euros</i>	2014	2013
Balance as at 1 January	6,594,030	2,073,274
Advances	34,184	4,707,497
Disposals/redemptions	-210,655	-182,909
Amortisation	-3,050	-2,661
Other movements	-518	-1,171
Balance as at 31 December	6,413,991	6,594,030

3. Investments

Just like loans and advances to customers, investments are broken down both by counterparty and by funded activity.

Breakdown by counterparty

<i>In thousands of euros</i>	2014	2013
Government bonds	3,649,759	3,106,119
Financial institutions	385,153	240,156
Local governments	190,391	148,898
Rail transport	202,666	186,384
Energy	25,780	23,578
Total investments	4,453,749	3,705,135

Breakdown by funded activity

<i>In thousands of euros</i>	2014	2013
Government bonds	3,649,759	3,106,119
Local governments	162,039	148,898
Rail transport	202,666	186,384
Renewable energy	242,127	109,468
Development assistance	87,221	70,873
Other	109,937	83,393
Total investments	4,453,749	3,705,135

Investment listings

<i>In thousands of euros</i>	Shares		Fixed-income investments		Total	
	2014	2013	2014	2013	2014	2013
Listed	-	-	4,445,041	3,694,066	4,445,041	3,694,066
Unlisted	8,708	11,069	-	-	8,708	11,069
Total	8,708	11,069	4,445,041	3,694,066	4,453,749	3,705,135

Valuation of investments

<i>In thousands of euros</i>	Shares		Fixed-income investments		Total	
	2014	2013	2014	2013	2014	2013
Amortised cost	10,096	9,845	4,079,931	3,619,827	4,090,027	3,629,672
Revaluation	-1,388	1,224	312,926	21,555	311,538	22,779
Accrued interest	-	-	52,184	52,684	52,184	52,684
Total	8,708	11,069	4,445,041	3,694,066	4,453,749	3,705,135

Movements in investments

<i>In thousands of euros</i>	Shares		Fixed-income investments		Total	
	2014	2013	2014	2013	2014	2013
Balance as at 1 January	11,069	10,350	3,694,066	3,199,423	3,705,135	3,209,773
Investments	541	814	1,916,671	1,934,514	1,917,212	1,935,328
Disposals	-1,168	-	-1,480,183	-1,328,576	-1,481,350	-1,328,576
Revaluations	33	672	324,847	-109,965	324,879	-109,293
Impairment	-665	-767	-	-	-665	-767
Amortisation	-	-	-9,860	-10,065	-9,860	-10,065
Other movements	-1,102	-	-500	8,735	-1,602	8,735
Balance as at 31 December	8,708	11,069	4,445,041	3,694,066	4,453,749	3,705,135

4. Property and equipment

<i>In thousands of euros</i>	2014	2013
Buildings	7,532	7,664
IT equipment	46	11
Other property and equipment	2,305	2,298
	9,883	9,973

At the end of March 2012, ASN Bank relocated to the renovated building at Bezuidenhoutseweg 153. The building is being depreciated as from April 2012. In last year's report, the costs of renovation and costs of installations were included in the 'buildings' item. This year, these costs are recognised in other property and equipment. The 2013 figures have been adjusted accordingly.

Movements in property and equipment

<i>In thousands of euros</i>	<i>Buildings</i>	<i>IT equipment</i>	<i>Other</i>
Accumulated acquisition costs	7,895	74	3,260
Accumulated depreciation	-363	-28	-955
	7,532	46	2,305
Balance as at 1 January	7,664	11	2,298
Investments	-	61	384
Divestments	-	-7	-
Depreciation	-132	-19	-377
Balance as at 31 December	7,532	46	2,305

5. Associates

ASN Bank has a 25% interest in Triple Jump. This participating interest was included in the investments until 2013.

6. Deferred tax assets and liabilities

<i>In thousands of euros</i>	2014	2013
Deferred tax asset	1,887	3,935
Deferred tax liability	65,396	49
Total	-63,509	3,886

Deferred tax assets and liabilities resulting from differences between balance sheet value and tax value are carried at face value.

7. Other assets

<i>In thousands of euros</i>	2014	2013
Accrued interest	27,649	31,076
Other accrued assets	29,022	67,898
Accrued assets	56,671	98,974
Other receivables	21,905	7,404
Total	78,576	106,378
Total	78,576	106,378

8. Savings

<i>In thousands of euros</i>	2014	2013
Due on demand	9,305,907	8,864,774
Other	402,584	391,093
Total	9,708,491	9,255,867

Savings consist of balances on savings accounts, bank savings accounts, savings deposits and term deposits of retail clients. The interest payable on savings is included under other liabilities.

9. Other amounts due to customers

<i>In thousands of euros</i>	2014	2013
Non-current debt	50	100
Demand deposits	932,572	866,214
Mortgage deposits	11,795	13,014
Savings deposits	6,777	6,810
Total	951,194	886,138

The demand deposits comprise deposits of business customers insofar as it does not concern credit institutions.

10. Other liabilities

<i>In thousands of euros</i>	2014	2013
Other liabilities	74,004	25,281
Accrued interest	158,880	180,580
Total	232,884	205,861

11. Shareholders' equity

For notes to shareholders' equity, see the 'statement of changes in equity' earlier in this chapter. The changes comprise the net result 2014 and the change in revaluation reserve. Unrealised gains and losses as a result of changes in the fair value of assets that are classified as available for sale are recorded in this reserve, net of taxes.

12. Off-balance sheet liabilities

<i>In thousands of euros</i>	2014
Liabilities from pledges and guarantees given	29,598
Liabilities from committed facilities	74,373

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 mainly consist of credit facilities pledged to customers, but against which no claim has yet been made. These facilities are pledged for a fixed term and at a variable interest rate. Collateral has been secured for the majority of the committed credit facilities.

13. Net interest income

<i>In thousands of euros</i>	2014	2013
Interest income	308,212	307,108
Interest expenses	170,864	194,078
Total net interest income	137,348	113,030

Interest income includes the proceeds derived from lending money and related transactions, as well as related commissions and other interest-related income.

Interest expenses comprises interest paid on savings and other amounts due to customers attributable to the period. Interest rate risks are fully hedged at group level.

14. Fee and commission income

Fee and commission income

<i>In thousands of euros</i>	2014	2013
Money transfer, payment and investment charges	3,371	2,166
Management fees	24,851	23,832
Total fee and commission income	28,222	25,998
Fee and commission expense	12,276	11,515
Total	15,946	14,483
Total	15,946	14,483

Income from money transfer, payment and investment charges includes income from customers' current and investment accounts. Management fees comprise income from the management of investment funds.

15. Staff costs

<i>In thousands of euros</i>	2014	2013
Salaries	7,682	6,807
Pension costs	1,393	1,231
Social security	1,119	910
Other staff costs	2,912	2,516
Total staff costs	13,106	11,464

Staff costs increased due to the larger number of FTEs. The average number of FTEs was 132.6 in 2014 (2013: 117.1). All staff members work in the Netherlands.

Other staff costs consist largely of the costs of temporary staff, fleet, travel costs and education and training costs.

The remuneration of individual members of the ASN Bank Management Board and Supervisory Board is set out in the 'Remuneration report' section of Chapter 17.

16. Other operating expenses

<i>In thousands of euros</i>	2014	2013
Business accommodation costs	1,132	1,207
Information technology costs	5,083	4,978
Marketing and public relations costs	7,227	6,575
Consultancy costs	617	694
Other costs	17,606	10,606
Total other operating expenses	31,665	24,060

The increase in other costs is mainly attributable to an increase in cost allocations from staff departments. In addition, the other costs rose due to ASN Bank's increased activities.

17. Impairment charges / (reversals)

<i>In thousands of euros</i>	2014	2013
Goodwill	-	323
Investments	665	767
Loans and advances to customers	601	23
Total	1,266	1,112

18. Other expenses

<i>In thousands of euros</i>	2014	2013
Bank tax	1,109	1,287
Resolution levy	20,916	-
Total	22,025	1,287

Bank tax has been charged to banking institutions operating in the Netherlands since 2012. The resolution levy was charged in 2014 by way of a contribution made by the industry towards the bailout of SNS REAAL.

19. Taxes

ASN Bank N.V. and its subsidiaries constitute part of the SNS REAAL N.V. tax unit and pay the relevant corporate tax thus calculated each year. The bank tax and resolution levy are not deductible expenses for corporation tax purposes.

16 Risk management

ASN Bank's activities involve risks. ASN Bank recognises these risks, which are controlled by the risk management organisation of SNS Bank N.V.

Governance

ASN Bank is an integral part of SNS Bank N.V.'s risk management organisation. As a result of SNS Bank N.V.'s new organisational structure, a new risk governance and risk management organisation was set up in July 2014, geared entirely to the Bank. SNS REAAL's risk management organisation was organised on the basis of the three lines of defence model. This structure has been improved and translated into the risk management organisation of SNS Bank N.V. ASN Bank received what is known as a 'solo waiver' from the Dutch Central Bank on the basis of Article 7 CRR, giving it an exemption from solo supervision (exemption from independent obligation to report on solvency requirements, stress tests, etc.). Please refer to the annual report of SNS Bank N.V. for a complete description of risk management, liquidity and capital management. This chapter contains a concise summary of a few relevant topics.

Risk governance – Three lines of defence

Risk governance was restructured last year based on the three lines of defence model. In this model, ASN Bank is responsible for the risk control of its own processes. It is supported by the second line, which provides frameworks, issues advice to ASN Bank and monitors whether ASN Bank operates within these frameworks. The third line is the audit function, which determines whether interaction between the first and second lines functions properly.

First line – ASN Bank

ASN Bank is responsible for structuring and executing its own processes, for the risks it is taking and for the ensuing results. This is done within the parameters of the risk management policy and the risk appetite agreed.

Second line – Risk Management / Compliance

Risk Management and Compliance determine, each for their own focus area, the boundaries for the first line by developing the details of policy frameworks and concrete policy. In addition, the second line supports, advises, coordinates and monitors whether management is taking its responsibilities, and reports on this. ASN Bank closely collaborates with the second line and has its own local compliance officer, for example, who reports to the Compliance Director of SNS Bank N.V. In addition, ASN Bank's first-line credit analysts work closely with the second-line risk managers appointed specifically for ASN Bank but hierarchically coming under the Chief Risk Officer (CRO) of SNS Bank N.V.

Third line – Internal Audit

Internal Audit periodically reviews the organisation and functioning of the first and second lines. Internal Audit also evaluates the effectiveness of governance, risk management and control processes and presents an independent opinion in this regard to the Management Boards of ASN Bank N.V. and SNS Bank N.V.

Risk committees

As ASN Bank is under consolidated supervision, the risk committees have been set up centrally:

- The Bank BRC (Bank Risk Committee) defines the desired risk profile for financial and non-financial risks and determines the risk appetite, risk policy frameworks and risk management framework for SNS Bank N.V. and all legal entities that come under the Bank.
- The purpose of the Bank PARC (Product Approval and Review Committee) is to approve and periodically evaluate the products that we offer to our customers. In this process, the PARC also assesses whether the products are in compliance with the Manifesto (see Chapter 9).
- The Bank NFRC (Non-Financial Risk Committee) is responsible for controlling the risk frameworks and risk appetite for non-financial risks.
- The Bank ALCO (Asset & Liability Committee) identifies, monitors and manages ALM risks with a view to controlled long-term value growth of SNS Bank N.V.'s balance sheet.
- The Bank CC (Credit Committee) is responsible for controlling credit risks.
- The Bank MPC (Management Pricing Committee) aims for a sustainably profitable portfolio by weighing volume, risk and return within the frameworks of external regulations and risk policy; the MPC also assesses whether the Manifesto is being complied with.
- The Bank MGC (Model Governance Committee) monitors the quality and uniformity of all financial risk and valuation models.

The Managing Director of ASN Bank, Mr Goudswaard, is a member of the Bank ALCO and the Bank CC.

In addition to the risk committee structure, a Regulatory Board was formed in 2014. Its purpose is to identify and implement new legislation and regulations and to ensure their correct implementation. An Information Board was also set up, which adopts data management policies and monitors their implementation.

The Regulatory Board and the Information Board are both supervised by the CRO and the CFO and are formed by representatives from the Risk domain, the Finance domain and the IT Department for the Information Board.

At ASN Bank, the ASN Credit Committee is responsible for taking decisions aimed at controlling credit risks (including: debtor risk, counterparty risk, transfer risk and concentration risk). The ASN Credit Committee works closely with, and is supervised by, the Bank CC. The ASN Investment Committee monitors the development of ASN Bank's balance sheet and advises the Bank ALCO on transactions with the aim of achieving controlled value growth of a sustainable ASN Bank balance sheet. Its scope is ASN Bank, excluding the ASN Investment Funds.

Risk classification

This section provides an overview of the various risks that have been identified and brought together in a risk classification. The structure of the risk classification forms the framework for the risk control and risk appetite organisation. Each type of risk is further detailed in underlying sub-risks and in measures. The risk classification is evaluated every year to determine whether all relevant risks have been identified and specified in the risk profile.



The table below lists the definitions used for these types of risk:

Type of risk	Definition
Strategic risk	Strategic risk is the risk that strategic objectives are not achieved due to lack of response or inadequate or late response to changes in the environment and the business climate.
Capitalisation risk	Capitalisation risk is the risk that the capital position is insufficient to serve as a buffer for unexpected losses that may arise if one or more risks to which the company is exposed manifest themselves.
Liquidity risk	Liquidity risk is the risk that there are insufficient liquid assets available in the short term to meet financial obligations, whether under normal circumstances or in times of stress. In addition, liquidity risk is understood to mean the likelihood that the balance sheet structure will develop in such a way that the company is excessively exposed to disruptions in its funding sources.
Credit risk	Credit risk is the risk that a borrower/counterparty does not meet a financial or other contractual obligation.
Market risk	Market risk is the risk that equity, the result or continuity is threatened by movements in the level and/or volatility of market prices to which the company is exposed.
Operational risk	Operational risk is the risk of direct or indirect losses resulting from inadequate or deficient internal processes and systems, from inadequate human behaviour or human error, or from external events (such as fraud and crime risks manifesting themselves).
Reporting risk	Reporting risk is the risk that the company provides its internal and external stakeholders and the regulatory authorities with unreliable information.
Compliance risk	Compliance risk is the risk that the company's integrity is harmed by actions (or omissions) that are contrary to its internal (core) values, social standards and value-related or behavioural laws and regulations or requirements to be observed by the company when providing its financial services or translating these into internal rules.
Legal risk	Legal risk is the risk that the company is held liable for current and future losses.
Reputation risk	Reputation risk is the risk that objectives are not achieved or cannot be achieved because insufficient account is taken of the picture and opinion that external parties (including customers, counterparties, shareholders and regulatory bodies) have of the company.

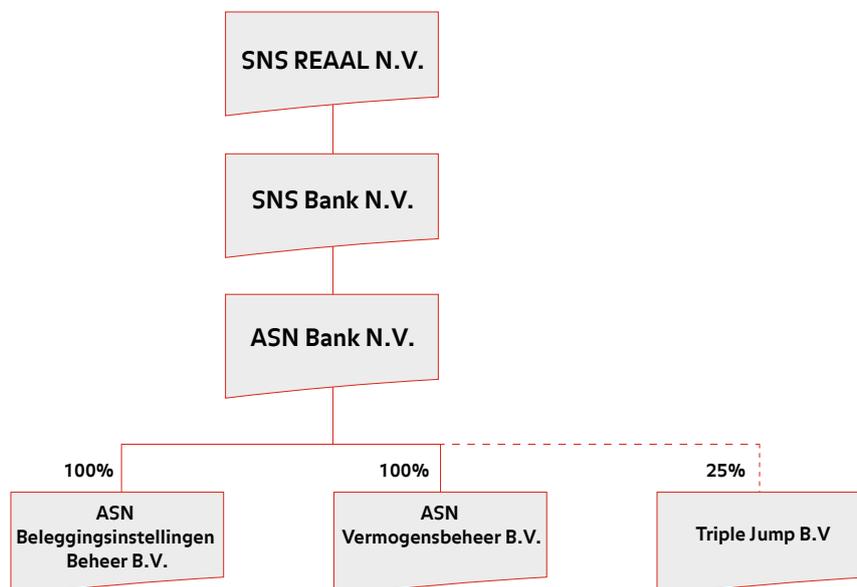
Please refer to the annual report of SNS Bank N.V. for a description of how the risk appetite is prepared and how it influences our decisions.

17 Corporate governance

Capital structure

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

The simplified legal structure was as follows on 31 December 2014::



Since 22 July 2014 ASN Beleggingsinstellingen Beheer B.V. (ABB) has to comply with a new European directive for managers of investment institutions, the Alternative Investment Fund Managers Directive (AIFMD), as implemented in Dutch regulations.

These new regulations had such a tremendous impact on the organisation of ASN Bank (and ABB as fund manager) that ASN Bank took the strategic decision to transfer the management function to an external manager. ACTIAM N.V. (ACTIAM) was selected for this function because, being a sustainable asset and fund manager, this licensed entity fits ASN Bank's profile and ASN Bank and ABB had positive experiences with ACTIAM's services.

Following the implementation of this decision, ACTIAM now manages the investment funds offered by ASN Bank in close collaboration with ABB.

ASN Vermogensbeheer B.V. provides asset management services to ASN Bank customers.

ASN Bank holds 25% of the shares of Triple Jump B.V., which is responsible for the loans and investments of ASN-Novib Microkredietfonds in its capacity as project manager. Oxfam Novib, NOTS Foundation and management are the other shareholders. The participating interest in Triple Jump is not included in the consolidation.

Corporate governance

Banking Code

On 9 September 2009, the Board of the Dutch Banking Association (NVB) adopted the Banking Code. In doing so, the NVB built on the findings and recommendations of the report entitled *Restoring Trust*. This report was published by the Advisory Committee on the Future of Banks in the Netherlands on 7 April 2009. The Banking Code contains principles that relate to the supervisory committee and the executive board, risk management, audit and remuneration policies. The Code came into effect on 1 January 2010.

The Banking Code applies to all banks with a banking licence. Banks that are part of a group can apply parts of the Banking Code at group or consolidated level. At SNS Bank N.V. the Banking Code applies to all legal entities with a banking licence, including ASN Bank. Right after the publication of the *Restoring Trust* report in April 2009, SNS Bank N.V. started implementing the recommendations from the report within its organisation where necessary.

SNS Bank N.V. aims to contribute to restoring trust in the Dutch financial sector by implementing the Manifesto and its strategy and, in doing so, to stabilise and improve the functioning of the financial sector.

The Banking Code uses the 'comply or explain' principle, which means that banks shall, theoretically, apply the principles of the Banking Code. However, applying the principles also depends on the activities and other specific characteristics of the bank and the group of which it is part. Departures from the Code, if substantiated, can therefore be justified.

In 2014, SNS Bank N.V. made great strides in monitoring compliance with the Banking Code by the first line. This has provided more insight into the way in which the Code's principles were implemented. These insights were used as a basis for internal monitoring by the second line. Monitoring has shown that, with a few exceptions, the Banking Code is fully applied at SNS Bank N.V. The website of SNS Bank N.V. provides information on these exceptions.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code is a code of conduct for listed companies. The aim of this Code is to promote good corporate governance in Dutch listed companies through increased transparency in financial reporting, improved accountability to the supervisory board and strengthened shareholder influence and protection.

Although the shares of SNS Bank N.V. are not listed on any stock exchange, SNS REAAL N.V., parent company of SNS Bank N.V., applies the Dutch Corporate Governance Code, rendering account of its compliance in its annual report according to the 'comply or explain' principle. For more relevant information on the way in which SNS REAAL N.V. applies the Dutch Corporate Governance Code, please refer to the website of SNS REAAL N.V.

ASN Bank Advisory Council

ASN Bank has an Advisory Council that – solely in the interests of ASN Bank and its customers – 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 composition, (re)appointment and methods of the Council are laid down in rules.

The Chairman of the Advisory Council receives an annual fee of € 9,000, and the members of the Advisory Council each receive € 6,000 per year.

Remuneration report

The remuneration report deals with the remuneration, remuneration policy and developments in the remuneration policy of the ASN Bank Management Board in 2014. The members of ASN Bank's Supervisory Board perform their duties by virtue of their position at SNS Bank N.V. They do not receive a separate fee for these duties and, therefore, are not included in this remuneration report.

The remuneration policy of the ASN Bank Management Board is in line with SNS REAAL's remuneration policy. The remuneration is composed of a fixed annual income, a pension scheme, a variable remuneration scheme and other remuneration components.

The highest gross salary at ASN Bank is 5.9 times higher than the lowest gross salary.

Remuneration of the ASN Bank Management Board

In thousands of euros	Fixed		Pension		Variable remuneration		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
salary								
Ewoud Goudswaard	198	190	33	32	0	0	231	222
Jeroen Jansen	164	160	27	27	0	0	191	187
Joyce van der Est	132	130	22	24	0	5	154	159
Total	494	480	82	83	0	5	576	568

Fixed annual income

The fixed annual income of the ASN Bank Management Board members consists of twelve monthly salaries, holiday allowance, a thirteenth month's salary and a contribution to health insurance premiums. The table presents the fixed annual income, including social security charges and contribution to health insurance.

Pension

The Management Board of ASN Bank participates in the pension scheme included in the SNS REAAL Collective Labour Agreement. The member's contribution to the pension premium, which is charged on the pensionable earnings, is 4.5%. Pensions are not awarded on a discretionary basis.

Variable remuneration

A variable remuneration scheme was in place for the ASN Bank Management Board until the end of 2014, under which up to 15% of the fixed annual income could be earned in variable remuneration. At least 30% of the variable remuneration is linked partly to sustainability targets.

When setting the targets, the various stakeholders are borne in mind. The targets 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.

As SNS REAAL is now a state-owned bank, no variable remuneration is paid to members of the ASN Bank Management Board. This means that no variable remuneration has been, or will be, granted to the ASN Bank Management Board for 2014 (as was also the case for 2012 and 2013). This variable remuneration scheme did not yet apply to deputy Director Joyce van der Est in 2013; she received a result-related bonus in 2013. No variable remuneration components relating to previous years are yet to be distributed.

Other remuneration components

For business travel (including commuting), the Management Board members are allocated a company car, for which they pay a personal contribution. The other fringe benefits are in line with the sector and the conditions that apply to the majority of the employees.

Independent Assurance Report

To the readers of the ASN Bank Report 2014

We were engaged by the Management Board of ASN Bank to provide assurance on Chapters 1 to 14 and the Appendices 2 and 3 (further also: the Sustainability Information) of the ASN Bank Report 2014 (further also: The Report). The Management Board is responsible for preparing The Report, including the identification of material issues. Our responsibility is to issue an assurance report based on the engagement outlined below.

What was included in the scope of our Assurance Report

Our engagement was designed to provide limited assurance on whether the Sustainability Information is presented, in all material respects, in accordance with the reporting criteria.

We do not provide any assurance on the achievability of the objectives, targets and expectations of ASN Bank. 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.

Which reporting criteria did ASN Bank use?

For the Sustainability Information ASN Bank applies the 'Sustainability Reporting Guidelines' (G4) of the Global Reporting Initiative (GRI) in conjunction with internally developed guidelines as described on page 5 of The Report. It is important to view the Sustainability Information in the context of these criteria.

Which assurance standard did we use?

We conducted our engagement in accordance with the Dutch Standard 3810N: "Assurance engagements relating to sustainability reports". This standard requires, among others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure their independence.

What did we do?

Our procedures included the following:

- A risk analysis, including a media search, to identify relevant issues for ASN Bank in the reporting period;
- Reviewing the suitability of the internal reporting guidelines;
- Evaluating the design and implementation of the systems and processes for the collection and processing of the Sustainability Information in The Report;
- Interviewing relevant management and staff responsible for the sustainability strategy and sustainability information;
- Evaluating internal and external documentation, based on sampling, to determine whether the Sustainability Information is supported by sufficient evidence.

Additionally we determined, as far as possible, whether the information concerning sustainability in the other sections of The Report is consistent with the Sustainability Information.

During the assurance process we discussed the necessary changes to The Report with ASN Bank and we determined that these changes have been included in the final version.

What are our conclusions?

Based on our procedures, nothing has come to our attention to indicate that the Sustainability Information is not presented, in all material respects, in accordance with the G4 Guidelines of the Global Reporting Initiative.

Comparative information included in relation to the long term Climate Goal not examined

We have not conducted an assurance engagement on the comparative information for 2011 and 2012 as presented in chapter 4 in the paragraph "Climate neutral in 2030". Therefore, we do not provide assurance on this comparative information.

Amstelveen, 8 April 2015

KPMG Sustainability,
part of KPMG Advisory N.V.

W.J. Bartels RA, Partner

Living and working

This is our vision: in the sustainable future, we will live in good, affordable homes and work in pleasant buildings. These homes and buildings will be energy efficient and use renewable energy. They will be built of responsible materials in a sustainably used environment. What did we do in 2014 to contribute to this future?



Photo: Josje Deekens

Zorgboerderij Dijkgatshoeve

Wooncompagnie in the Province of Noord-Holland received a loan from ASN Groenprojectenfonds to add sustainability measures to the shop and the care and meeting rooms of Zorgboerderij Dijkgatshoeve. This care farm is a small-scale living and working community in the Wieringermeer polder, providing work to 25 people with intellectual disabilities or psychosocial needs.



SlimBreken

Concrete is flexible and versatile, can be shaped in any form and is resistant to external influences. However, its production causes a high level of carbon emissions. With the SlimBreek technique, cement can be produced from concrete rubble in a carbon-neutral way. SlimBreken wants to introduce this technology all over the world. SlimBreken won the ASN Bank World Award 2014 with this idea.



Nationaal Energiebespaarfonds

On 21 January 2014, Nationaal Energiebespaarfonds kicked off. This public fund provides cheap loans that enable private homeowners to finance energy-saving measures in their homes. The fund holds 300 million euros, 50 million euros of which were contributed by ASN Bank.



Homeplan

The ASN Foundation again supported a Homeplan project in 2014: the construction of wooden houses for the very poorest in the slumps of Managua, Leon and Chinandega (Nicaragua). Families living in appalling conditions, without electricity, sewerage or sanitary facilities, are thus given a safe home.



Green Sustainability Bond

The French region Île de France issued a *green bond* with a social component in April 2014. The bond is used to finance projects aimed at, for example, protecting biodiversity, renovating buildings, developing public transport and promoting social housing. ASN Bank invested 25 million euros in this bond.



Photo: Josje Deekens

Carbon-neutral school in Haarlem

ASN Groenprojectenfonds financed a climate-friendly new building for primary school M.L. King and special school for primary education Hildebrand in Haarlem. The school generates its own energy with five hundred solar panels, solar collectors for domestic hot water and thermal storage for heating and cooling. It is a light, fresh building providing an enjoyable learning and working environment.



Appendices



Appendix 1 ASN Bank's exposures

Accounts Receivable

amounts x € 1,000

Government bonds	3,649,759
Germany	1,224,811
The Netherlands	1,153,206
France	585,759
Belgium	448,842
Austria	216,506
Sweden	20,635
Home loans and other loans and advances to customers	4,535,878
Woonhuishypotheek B.V.	4,500,000
Various retail customers	35,878
Local governments	605,597
UNEDIC (France)	110,207
Caisse d'Amortissement de la Dette Sociale (France)	51,833
Gemeente Enschede	45,000
Gemeente Venlo	40,445
Gemeente 's-Hertogenbosch	30,000
Gemeente Zwolle	27,500
Gemeente Middelburg	26,495
Gemeente Nieuwegein	26,000
Gemeente Rotterdam	25,000
Gemeente Apeldoorn	20,000
Gemeente Zevenaar	15,000
Gemeente Hengelo	12,000
Gemeente Kampen	10,500
Gemeente Kaag & Braassem	10,000
Gemeente Pijnacker	10,000
Gemeente Zwolle	8,000
Gemeente Weststellingwerf	7,500
Gemeente Leeuwarden	7,500
Gemeente Schijndel	7,167
Gemeente Boxmeer	6,800
Gemeente Heusden	6,667
Gemeente Maassluis	6,500
Gemeente Leiden	6,000
Gemeente Haaksbergen	6,000
Gemeente De Ronde Venen	6,000
Gemeente Montfoort	6,000
Gemeente Oosterhout	6,000
Gemeente Veldhoven	5,714
Gemeente Sluis	5,333
Gemeente Oldenzaal	5,333
Gemeente Vlissingen	5,000
Gemeente Vlaarding	5,000
Gemeente Gorinchem	5,000
Gemeente Papendrecht	5,000
Gemeente Rijn & IJssel	5,000
Gemeente Bunschoten	4,320
Gemeente Culemborg	4,000
Gemeente Nijkerk	3,600
Gemeente Elburg	3,400

Accounts Receivable

amounts x € 1,000

Local governments (continuation)	
Gemeente Krimpen	3,333
Gemeente Renkum	1,700
Gemeente Hoogezand	1,600
Gemeente Groningen	1,500
Gemeente Hellendoorn	650
Renewable energy	513,533
Wind energy	123,668
Northwind N.V.	28,993
Global Tech I Offshore Wind GmbH	27,046
Belwind N.V.	22,643
C-Power N.V.	19,184
Westermeerwind B.V.	12,151
SFE-Parc Eolien de Leffincourt	8,962
Trianel Windkraftwerk Borkum GmbH & Co. KG	3,838
VAANSTER XIV BV "Terras aan de Maas"	760
VAANSTER SERVICES BV "Green Packages"	91
Solar energy	126,202
Sonnedit Rosières	22,976
Centrale Photovoltaïque de Toul-Rosières 2	21,472
Lavansol II SAS	14,327
Centrale Photovoltaïque du Gabardan 2	14,216
Newsolar SAS	11,570
Belfuture 2 CVBA	8,622
Lavansol M7 SAS	7,747
SECP OLMO SAS	6,913
FPV Pascialone SAS	6,852
NPG Willebroek N.V.	6,248
FPV Santa Lucia SAS	5,259
Other renewable energy	263,663
Europese Investeringsbank (Greenbond)	123,140
NRW Bank (Sustainable bond)	82,012
IDF	28,352
Energiefonds Overijssel I B.V.	12,000
Unica Financial Services B.V.	6,677
Dif Infrastructure Fund	4,501
Dif Renewable Energy Fund	2,727
Eteck B.V.	2,274
Impax New Energy Investors II	1,395
BTES Art Court BV	585
Residential construction	475,893
Woonstichting SSW	46,245
Stichting Eigen Bouw	25,395
Stichting Ymere	25,000
Stichting Duwo	25,000
Woningcorporatie R&B Wonen	20,000
Woningstichting Rochdale	20,000
Woonstichting Domesta	16,112
Woningcorporatie Eigen Haard	15,904
Stichting De Woonmensen	15,000

Accounts Receivable

amounts x € 1,000

Residential construction (continuation)

Stichting de Alliantie	14,951
Stichting Area Wonen	13,888
Stichting Woonbeheer Betuwe	13,000
Stichting Woongroep Holland	13,000
Woningbouwvereniging Bergopwaarts	11,300
Stichting Waterweg Wonen	11,000
Woningcorporatie Acantus Groep	10,505
Stichting Portaal	10,000
Woningstichting Servatius	10,000
Stichting Woonbedrijf SWS	10,000
Woningbouwvereniging St. Laurentius	10,000
Woningstichting Leusden	9,600
Stichting Trivire	9,091
Stichting Woonstede	8,500
Bouwvereniging Onze Woning	8,000
Woningstichting Goede Stede	7,755
Stichting Woondiensten Enkhuizen	7,680
Woonstichting Triada	7,500
Woningstichting SWZ	7,500
Stichting De Leeuw van Putten	6,364
Stichting Woonvisie	5,386
Woonstichting Groninger Huis	5,000
Stichting Weller Wonen	5,000
Woningstichting Weststellingwerf	5,000
Stichting Steelande Wonen	5,000
Intervolve Credit B.V.	4,975
Stichting Beheer Gebouw Drie-X-Factoren	4,800
Stichting Volkshuisvestingsgroep Wooncompagnie	4,683
Woningstichting Omnivera	4,675
Mijande Wonen	4,500
Woonstichting Vaals	4,000
Stichting Woonzorg West Zeeuws-Vlaanderen	3,600
Stichting Wonen Wierden	3,500
RW OG BV	3,150
Woningbouwvereniging Ons Doel	2,051
Stichting Digh	1,013
Stichting Woon & Zorgcentrum 'Herfstzon'	959
Stichting Habion	311

Health and welfare services**360,373**

Ziekenhuis Maastricht	38,584
Universitair Medisch Centrum Groningen	29,973
Academisch Medisch Centrum Amsterdam	20,000
Stichting Zorggroep Noord- en Midden Limburg	17,745
St Volkaert SBO	14,825
GGZ Noord-midden Limburg	12,600
Stichting Antonius Ziekenhuis	12,285
Stichting Arduin	12,123
Stichting Sint Elisabeth Ziekenhuis	10,500
Stichting Ziekenhuis Bethesda	10,418
GGZ Breburg	10,160
Stichting ZorgSaam Zeeuws-Vlaanderen	10,000
Stichting Dimence v.h. Adhesie GGZ Midden-Overijssel	9,200
Stichting Zorg en Verpleging Goeree Overflakkee	9,000

Accounts Receivable

amounts x € 1,000

Health and welfare services (continuation)	
Stichting Magenta zorg	8,739
Ziekenhuis Ikazia	7,800
Stichting Zeevesta	7,700
Christelijke Zorgcombinatie Zwolle	7,560
VieCuri Medisch Centrum	7,500
Stichting Parnassia Bavo Groep	7,334
Stichting Argos Zorggroep	6,800
Catharina Ziekenhuis	6,667
Stichting Franciscus Gasthuis	6,250
Stichting Antoni van Leeuwenhoek Ziekenhuis	6,250
Haga Ziekenhuis Den Haag	6,244
Kempen Zorgcentrum	5,775
Stichting Tragel	5,475
Stichting De Blink	5,280
Stichting Dr. Bernhard Verbeet Instituut	4,442
Maastru Clinic	4,050
Stichting Revalidatie-Centrum 'De Hoogstraat'	3,970
Stichting Amphia	3,850
Stichting Saxenburgh Groep	2,999
Stichting Verbeeten fonds	2,500
Stichting Eemhoven Beheer	2,465
Stichting De Stromen	2,042
GGZ Oost-Brabant	2,000
Stichting Zorgpalet	1,846
Stichting Reinaerde	1,840
Stichting Woon- en Leefcentra Lichamelijk Gehandicapten West-Brabant	1,689
Stichting Kinderopvang 2 Samen	1,552
Stichting De Vlasborch	1,446
Promens Care	1,391
Stichting Het GORS	1,253
Stichting Interakt	1,166
Stichting Rode Kruis Ziekenhuis	1,000
Stichting Odion	925
D.A.G. Friesland	876
Medisch Spectrum Twente	770
Stichting Zorgverlening 's Heeren Loo	578
Zorgpartners Friesland	500
Radar	470
Koetsveld	420
Stichting Heliomare	386
Adhesie	315
Stichting Blixembosch	295
De Driestroom	232
Stichting Aveleijn/SDT	208
Stichting Wende	71
Brabantzorg	39
Water extraction and management	290,297
Waterschap Scheldestromen	30,000
Waterschap Rivierenland	30,000
Waterschap Breda	21,600
Waterschap Hollandse Delta	21,000
Waterschap Aa & Maas	16,250
Hoogheemraadschap Amstel, Gooi en Vecht	16,000

Accounts Receivable

amounts x € 1,000

Water extraction and management (continuation)	
Waterschap Schieland & Krim	15,600
Waterschap Rijn en IJssel	15,000
Wetterskip Fryslân	15,000
Waterschap de Dommel	15,000
Hoogheemraadschap Rijnland	14,000
Waterschap Brabantse Delta	12,750
Hoogheemraadschap Hollands Noorderkwartier	12,600
Waterschap Reest en Wieden	10,500
Waterschap Limburg	9,000
Waterschap Roer en Overmaas	7,680
Waterschap Zuiderzeeland	7,000
Waterschap Noorderzijlvest	6,500
Waterschap Regge en Dinkel	5,000
Waterschap Veluwe	3,250
Noord kwartier	2,667
Hoogheemraadschap de Stichtse Rijnlanden	2,667
Waterleidingmaatschappij Limburg	457
Drenthe watermaatschappij	343
Vitens, formerly Hydron Midden-Nederland	219
PT Air Manado	214
Rail transport	202,666
OEBS-Infrastruktur Bau AG	108,888
Eurofirma	61,349
Réseau Ferré de France	32,429
Development assistance	87,221
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden (Sustainable bond)	87,135
Oikocredit International	59
Oikocredit Nederland	27
Development assistance	16,371
Erasmus Academie	5,250
Nationaal Groenfonds	3,702
Universiteit Twente	2,407
Stichting Texels Museum	1,518
Stichting Vrijburg	1,500
Vlissingen Bibliotheek	1,461
Stichting Scarabee Centrum voor Kunst Cultuur en Politiek	282
Stichting Chizone	251
Other	130,152
Council of Europe Development Bank	84,157
Tennet	25,780
CAI Westland	10,500
Stichting Dimence v.h. Adhesie GGZ Midden-Overijssel	7,600
Eteck B.V.	529
Stichting Watertoren Buitenlust	344
Monumentenfonds Brabant N.V.	264
Wereldwinkels	210
Stichting Aktie en Informatiecentrum Lelystad	156
Stichting Ideële winkel	139
VOF Yuan	134
Woonvereniging Regina	130

<i>Accounts Receivable</i>	<i>amounts x € 1,000</i>
Other (continuation)	
Algemeen Verbond van Volkstuinders Verenigingen in Nederland	75
Basic water needs B.V.	64
Smit Hergebruik en Veehouderij B.V.	61
Stichting Shri Sanatan Dharm-Sabha	9
Eindtotaal	10,867,740

Appendix 2 Donations to partnering NGOs

ASN Bank made the following donations to NGOs in 2014:

<i>Organisation</i>	<i>Amount</i>	<i>Details</i>
Eight theme partners	1,400,000	On behalf of customers with an ASN Ideaalsparen account
Eight theme partners	129,282	Donation of the Interchange fees that ASN Bank receives from credit card organisation ICS for payments made with the ASN Credit Card
Cordaid Kinderstem and Cordaid Memisa Nationaal Fonds Kinderhulp	333,191	On behalf of customers with an ASN Jeugdsparen account
ASN Foundation	300,000	
Miscellaneous donations	257,623	48 recipients, including Serious Request and Giro 555
KNGF Geleidehonden	210,000	Contribution in the context of the savings campaign and customer identification
De Ruiter Communicatie	45,110	Contribution to the book Kinderen die de wereld hebben veranderd by PixelPerfect Publications
ASN Bank World Award	40,000	Four winners received € 10,000 each
ZAM Magazine	36,570	Special edition about Nelson Mandela
Festival Mundial	18,150	Sponsoring of the waste project of this Tilburg festival
Strawberry Earth	18,150	Sponsoring of Strawberry Academy for sustainable young fashion designers
Movies that Matter	12,100	Sponsoring of the annual human rights film festival
Stichting Goed Bezig	8,113	Compliments machine for schools
FNV Mondiaal	4,800	Combating school drop-out and child labour in countries including Morocco, Albania, Turkey and Uganda
Total	2,813,089	

Appendix 3 Sustainability performance of the office

ASN Bank moved into a sustainably renovated office building in March 2012. In 2014, the building was given EPBD energy label A. EPBD is the European Energy Performance of Buildings Directive.

	2014	2013	2012	2011	2010
CO₂ emissions¹: tonnes					
CO ₂ emissions (scopes 1 and 2)	153	183	138	140	143
CO ₂ emissions (scopes 1 and 2): tonnes per FTE ²	1.15	1.58	1.38	1.61	1.75
CO ₂ emissions (scope 3) ³	195	-	-	-	-
Energy consumption					
Electricity: kWh ⁴	296.999	314.723	314.6965 ⁶	198.126	181.101
Electricity: kWh ⁴ per FTE ²	2.235	2.705	3.139	2.284	2.217
Gas ⁵ : m ³	21.867	33.903	34.7095 ⁶	27.053	29.434
Gas ⁵ : m ³ per m ²	7	11	14	13	15
Paper consumption in kilograms					
Total paper consumption	244.032	288.276	215.721	249.766	258.919
Paper consumption per client account	0.31	0.37	0.28	0.33	0.36
Water consumption					
Water: m ³	1.166	786	642	677	637
Water: m ³ per FTE ²	8.8	6.3	6.3	7.8	7.8
Waste					
Paper waste: tonnes	13.6	12.8	19.3	13.0	14.8

1 This figure comprises all transport (commuting and business mileage, including car, train, bus and air mileage) and heating of ASN Bank.

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

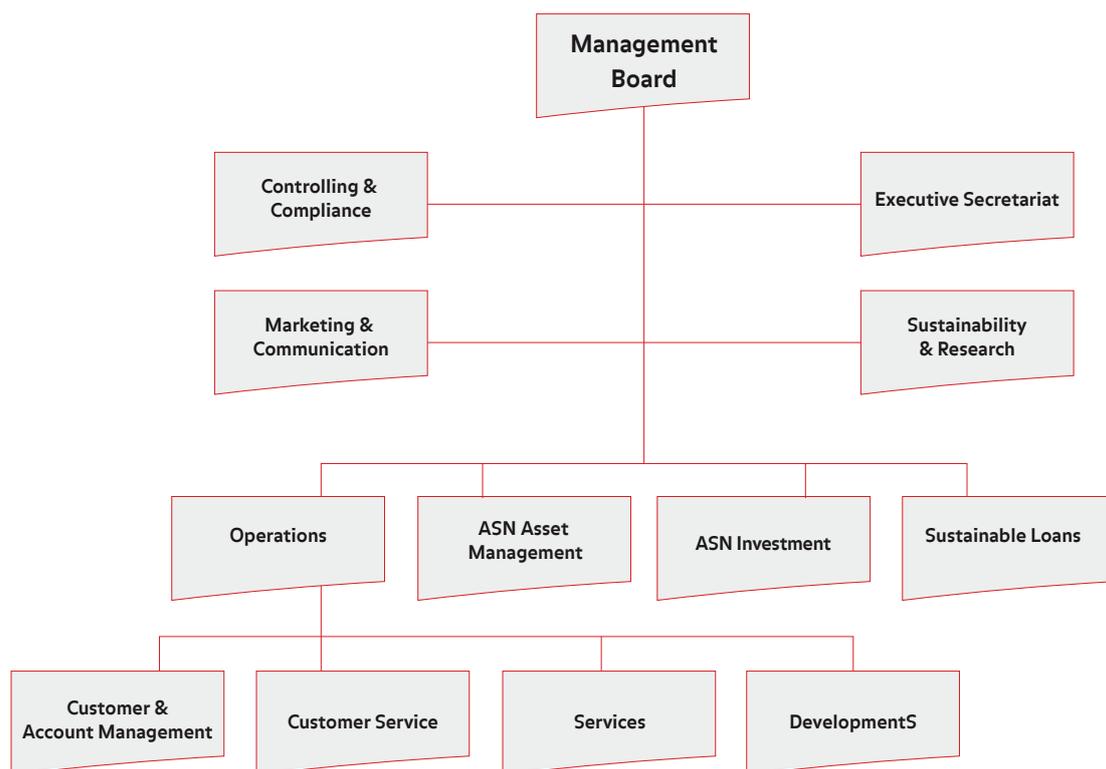
3 This figure comprises the CO₂ emissions related to the paper consumption, waste and water consumption. This is calculated for the first time in 2014.

4 Electricity consumption is expressed in kWh (kilowatt hours). 1 kWh equals 0.0036 gigajoules.

5 The building uses district heating, which is expressed in gigajoules. These gigajoules have been converted into m³ of gas according to the power company's statement: 1 gigajoule is 25.85 m³ of gas.

6 Including the consumption during the renovation period, consequently the energy consumption in our old and new buildings jointly. Excluding the energy consumption of the renovation, these figures are as follows: kWh of electricity: 273,581; kWh per FTE: 2,694; m³ of gas: 27,945; m³ of gas per m²: 11.

Appendix 4 Organisation



Explanation

- Controlling & Compliance** is responsible for all financial information flows, including financial reporting and analyses, and the report of the bank. Controlling also supervises regulatory compliance, 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. It is responsible for payments and savings and maintains relations with our partnering NGOs.
 - Sustainability & Research** is responsible for formulating and implementing ASN Bank's sustainability policy. The department writes policy papers in that respect, conducts research with regard to countries, projects 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. Development's activities include making systems and resources available to customers and employees.
- 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, Services makes sure that all ASN staff have the space and resources they need for their work.
- ASN Investment** is responsible for the development and sale of investment products. In addition, this department is responsible for implementing legislation and regulations to the extent that they relate to customers and products. It manages the affairs of the ASN Investment Funds.
 - ASN Asset Management** works closely with ASN Investment; this department manages capital of € 250,000 or more for private customers and institutions based on ASN Bank's sustainability criteria.
 - Sustainable Loans** lends money on behalf of ASN Groenprojectenfonds, ASN Bank and Energiefond Overijssel, and manages those loans.

Triple Jump

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

ment 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 and investments of ASN-Novib Microkredietfonds, Triple Jump manages the loan portfolios of Oxfam Novib, Calvert Social Investment Foundation and SNS Institutional Microfinance Fund. At year-end 2014, Triple Jump managed an equity and loan portfolio of approximately € 267.5 million.

ASN Foundation

Our commitment 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.

Appendix 5 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's vision appealed to them. Knowing where their money was invested was important to them and ASN was open about this: no investments in Pinochet's Chile, but investments in social housing. ASN Bank continued along this course in the 1980s. In its advertisements it drew attention to the environment, which suffered from a lack of policy, and emphasised that it was not investing in South Africa. This was the bank's way of expressing the boycott against the Krugerrand, a symbol of apartheid.

In 1993 ASN launched ASN Aandelenfonds, the first listed sustainable equity fund. 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 fund's investments. Later, these criteria also applied to the other investment funds set up by the bank and to the investment of savings.

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 N.V.

In the second half of the 1990s and in the 2000s, ASN Bank increased the number of investment funds to seven, including a green fund and a microcredit 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.

The website www.asnbank.nl went live in late 2000, which included ASN Online Banking. The use of online banking increased substantially with the introduction of the current account, the ASN Bank Account, in early 2009. The range of payment services was enhanced with the ASN Credit Card in 2010 and with the ASN Jongerenrekening in early 2011. ASN Mobile Banking was introduced in the course of 2013 to meet the growing demand of customers to bank using their smartphones or iPads.

In 2010, the bank 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. In 2013, the bank became the sole shareholder of ASN Asset Management.

In 2011, ASN Bank expanded its expertise and capacities in the field of sustainability. It formulated its own sustainability policy and participated in social debates. Since 2011, it has also been conducting its own investigations into the sustainability of countries, companies and projects, as well as the engagement with companies and the voting policy. In 2012 a new activity was added: ASN Beleggingsinstellingen Beheer B.V. acquired the management of Energiefonds Overijssel, which was introduced in early 2013.

Its continuous growth forced ASN Bank to relocate to a new building. It decided not to construct a new building, but to opt for a sustainable solution: to purchase and sustainably renovate an existing, vacated office building. On 31 March 2012, the bank relocated to this building at Bezuidenhoutseweg 153 in The Hague.

On 1 February 2013, the Dutch State became the sole shareholder of SNS REAAL. ASN Bank will stay on its own sustainable course, collaborating with BLG Wonen, RegioBank, SNS and Zwitserleven Bank under the flag of SNS Bank N.V. For more information, please refer to Chapter 9.

Appendix 6 Materiality analysis

Objective	Hierarchy of sustainability policy														
Reason of existence	<p style="text-align: center;">Vision ↓</p> <p style="text-align: center;"><i>Ever since its establishment in 1960, ASN Bank has been working towards a sustainable and just society in which people are free to make their own choices without harming others.</i></p> <p style="text-align: center;"><i>A society without poverty, in which everyone has access to education, good housing and medical care.</i></p>														
	<p style="text-align: center;">Mission ↓</p> <p style="text-align: center;"><i>Our economic conduct is aimed at promoting sustainability in society.</i></p> <p style="text-align: center;"><i>That is why we contribute to changes that are intended to put an end to processes whose harmful effects:</i></p> <ul style="list-style-type: none"> • <i>are shifted to future generations, or</i> • <i>are foisted onto the environment, nature and vulnerable communities.</i> <p style="text-align: center;"><i>In doing so, we do not lose sight of the necessity to yield returns for our customers.</i></p> <p style="text-align: center;"><i>And, as a bank, we want to achieve a financial result that safeguards the continued sound existence of our bank in the long run.</i></p>														
Guideline and assessment criteria for the activities and investments of ASN Bank, the ASN Investment Funds and ASN Asset Management	<p style="text-align: center;">Sustainability policy <i>(three pillars underpinning all sustainability issues)</i></p> <p style="text-align: center;">↓</p>														
	<p style="text-align: center;">Climate change <i>(vision of climate change and CO₂ objectives)</i></p>				<p style="text-align: center;">Human rights <i>(social and ethical criteria)</i></p>				<p style="text-align: center;">Biodiversity <i>(criteria regarding maintaining and strengthening biodiversity and ecosystems)</i></p>						
	<p style="text-align: center;">Other policies and memoranda (tailoring pillars to specific sectors and issues):</p>														
	Sectors			Issues							Other				
Waste processing	Banks & insurers	Supranationals	Transport and mobility	Water boards	Living and working	Care	Governance	Animal welfare	Supply chain policy	Microfinance	Voting policy	High-risk countries	Government bonds		
<p style="text-align: center;">Assessment manual <i>(guidelines and procedures for assessments based on the above policies)</i></p>															
Implementing broader role in society <i>(supporting social development and objectives, lobbying, etc. in order to achieve a sustainable society)</i>	<p style="text-align: center;">Sustainability issues: <i>(are determined based on customer surveys and are a specification and selection of issues falling under the sustainability pillars)</i></p>														
	In favour of fair trade			Anti-child labour			Anti-arms industry			In favour of renewable energy			Care and welfare		

Stakeholders involved in creation/elaboration

	Customers & fans / ambassadors	Bank & investment fund boards	Employees	Partnering NGOs / strategic partners	Experts / expert organisations	Companies / industries / projects	Advisory Council	Supervisory Council	Government
		x					x	x	
	x	x	x	x			x	x	
	x	x	x	x	x	x	x	x	x
	x	x	x	x	x	x	x	x	x
	x	x	x	x	x		x	x	x

Appendix 7 Personal details

Supervisory Board

Rob Langezaal (chairman)
Annemiek van Melick

The following members joined in 2015:

Dick Okhuijsen
Martijn Wissels
Alexander Baas

Advisory Council

Hans Kamps
Jan van der Kolk (chairman)
Willemijn Verloop
Maarten van Huijstee

Management Board of ASN Bank N.V.

Ewoud Goudswaard
Jeroen Jansen
Joyce van der Est

The Management Board of ASN Bank consists of Ewoud Goudswaard and Jeroen Jansen; Joyce van der Est is deputy Director.

Supervisory Board

Rob Langezaal

Rob Langezaal (1958) is the Chief Commercial Officer of SNS Bank N.V. After the change in governance structure at SNS REAAL in 2014, he joined the Management Board of SNS Bank N.V. He is responsible for the retail activities of ASN Bank, BLG Wonen, RegioBank, SNS and ZwitserlevenBank. He became a member of the Management Board of SNS Bank in 2007. As a Director/Management Board member, he was responsible for the marketing, sales and product management portfolios. Langezaal is also Chairman of the Supervisory Boards of ASN Bank N.V., RegioBank N.V. and SNS Beleggingsfondsen N.V. Before joining SNS Bank in 2007, he worked at KPN. In addition to his work at SNS Bank, he is a member of the Consumer Matters Committee of the Dutch Banking Association (NVB) and board member/Treasurer of Stichting *Weet Wat Je Besteedt*.

Annemiek van Melick

Annemiek van Melick (1976) is Chief Financial Officer of SNS Bank N.V. She was appointed Chief Financial Officer of SNS Bank under the articles of association in July 2014. Annemiek van Melick joined SNS REAAL in 2008, first in the position of Director of Corporate Strategy and Mergers & Acquisitions of SNS REAAL. She was

appointed Chief Financial & Risk Officer of SNS Bank in 2012. Previously employed by, for instance, Goldman Sachs in London, Van Melick has extensive experience in the financial sector. She is also a member of the Supervisory Boards of RegioBank N.V., ASN Bank N.V. and SNS Securities N.V. In addition to her work at SNS Bank, she is a member of the Supervisory Council of Radio Netherlands Worldwide and a member of the Regulatory Matters Committee of the Dutch Banking Association (NVB).

Dick Okhuijsen

Dick Okhuijsen (1965) is Chief Executive Officer of SNS Bank N.V. He joined the SNS REAAL Executive Board in 2009. Prior to this, he held several national and international positions at ING and Nationale Nederlanden. At ING, Okhuijsen's positions included CEO in Japan, the Czech Republic and Slovakia. In addition to his work at SNS Bank, he is a board member of the Dutch Banking Association (NVB), Vice-Chairman of Stichting Management Studies, Chairman of the Supervisory Council of PPI Zwitserleven, Chairman of the *Stichting Geldinzicht* and Ambassador of the University of Twente.

Martijn Wissels

Martijn Wissels (1958) has been Chief Risk Officer and a member of the Management Board of SNS Bank N.V. since 1 July 2014. He was appointed Director of Group Risk Management of SNS REAAL in November 2013, a position that he still holds. Wissels previously worked for Achmea in the position of CFRO of Achmea Bank. He was also Director of Credit and Market Risk at Fortis Bank Nederland and worked for Fortis and MeesPierson in Singapore and New York. In addition to his work at SNS Bank, he is a member of the Programme Advisory Council of the Nyenrode Supervisory Board Member Cycle.

Alexander Baas

Alexander Baas (1966) is the Chief Operations Officer of SNS Bank N.V. He has been a member of the Management Board since July 2014, focusing on the service centres for payments, savings, mortgages, investments and SMEs. He is also responsible for IT & Change and Facility Management. He was appointed CIO of SNS Bank in 2005, having previously held various IT positions at SNS Bank and an engineering firm.

In addition to his work for SNS Bank N.V., he is also a board member of *Betaalvereniging Nederland* and Chairman of the Advisory Council of Stichting HBO-I.

Advisory Council

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 areas 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), member of the Advisory Council of Holland Quaestor, member of the Environmental Advisory Council of Studiecentrum voor Bedrijf en Overheid, Board member of Stichting Mores and member of the Environment & Natural Areas Advisory Committee for Soest.

Hans Kamps

Hans Kamps (1952) combines several positions. He is a Director of B&A Groep and Chairman of Jeugdzorg Nederland. His other positions focus on – but are not limited to – youth, the labour market and business acumen. He is a Supervisory Board member at ONVZ Zorgverzekeringen and a member of the Advisory Council or Supervisory Council of companies including KPC Groep and Staatsloterij.

Willemijn Verloop

Willemijn Verloop (1970) started her career at The European Action Council for Peace in the Balkans. In 1994 she founded War Child, which she managed until 2010. In 2012 she set up Social Enterprise NL, a Dutch platform for social entrepreneurs. In 2013 she also initiated Social Impact Ventures NL, a hands-on investment & venture assistance organisation for social enterprises. In 2014, Willemijn Verloop was Vice-Chairman of the Supervisory Council of War Child, Board member of the Achmea Foundation and supervisor of Stadsschouwburg Amsterdam.

Maarten van Huijstee

Maarten van Huijstee is always busy linking his passion for art and culture to people and brands. He started his marketing career with Unilever in South Africa. Then he worked for Heineken, where he developed strategic and creative concepts. In 2005 he founded ON, an agency developing creative content and sending this through its own network of high-end catering establishments. This

evolved into Ottonico in 2008, an independent advertising agency acquired by TAXI in 2009. Maarten continued to work there as a Creative Director. Maarten is also one of the owners of The Playing Circle, a series of inspiring meeting locations, and co-founder of Return to Sender, a fair trade brand that creates markets for special products made in the world's poorest regions. He uses Delight Agency, incorporated in early 2012, to develop ideas, strategies and campaigns – as much as possible – for brands that change the world for the better. Based on the same belief he founded Delight Yoga, a yoga and meditation school that has several studios in Amsterdam.

Management Board of ASN Bank N.V.

Ewoud Goudswaard

Ewoud Goudswaard (1958) has been ASN Bank's Managing Director since 2001. He is also a member of the Supervisory Board of Triple Jump B.V., the project advisor of ASN-Novib Microkredietfonds. Ewoud Goudswaard started his career at NMB Bank, progressing to ING Bank, in credit risk management for (large) corporate clients. He held management positions in Haarlemmermeer, Amsterdam and Rotterdam starting in 1989 and became Chairman of the Management Board of the Midden-Holland district in 1997. Ewoud Goudswaard has several external positions: he is a 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 Museums Association and Stichting Museumkaart.

Jeroen Jansen

Jeroen Jansen (1962) has been Director of ASN Bank since 2005, primarily focusing on marketing, communication, public relations, asset management and sustainability policy and research. Jeroen Jansen started his banking career at Triodos Bank. He joined Hollandse Koopmansbank (currently ACTIAM) 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.

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 service to our customers, customer and account management, all customer

products and services, and facilities support and workstation support at ASN Bank. 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 con-

tinued 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.



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ASN Bank

Bezuidenhoutseweg 153
2594 AG The Hague

P.O. Box 93514
2509 AM The Hague

ASN Customer Service 0800 – 03 80 (freephone)

ASN Bank 070 – 356 93 33

Fax 070 – 361 79 48

E-mail informatie@asnbank.nl

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