



Sustainable banking

ASN Bank Report 2016

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Mission and strategy

ASN Bank was founded in 1960. For more than 55 years we have made it our mission as a bank to promote sustainability in society. We use the money our customers entrust to us to fuel sustainable progress, contributing to a world where people can live safely and healthily and where nature is protected, now and in the future.

ASN Bank stands for sustainable banking. To execute this mission, we have developed a twofold strategy with long-term objectives for both our banking activities and our activities in the area of sustainability.

Sustainability strategy

Sustainability is paramount in all of ASN Bank's activities. As we exercise most influence on the world by means of our loans and investments, we apply our sustainability criteria to all of those activities.

We use three instruments to encourage sustainable progress in the framework of our activities as a bank: the selection of investments and loans, voting at shareholders' meetings of the companies in which the ASN Investment Funds invest, and engagement with companies. We also engage in dialogue with companies within and sometimes outside the ASN Investment Universe (which contains companies, countries and projects that have been approved on sustainability grounds). The aim here is to encourage these companies to make sustainable choices. Our engagement with the pharmaceutical industry is the principal example of this process.

However, as we are not a large company, our choice for sustainability makes only a small difference on a global scale. That is why we have developed the following sustainability strategy: we increase our influence by encouraging others to make sustainable choices. We do so by setting ourselves long-term goals for each pillar of our sustainability policy: human rights, climate change and biodiversity. These goals are integrated into our banking activities. At the same time, we encourage other financial institutions to set similar goals, and also consult external stakeholders about our long-term sustainability goals. In this way, we increase the impact of our long-term goals.

Our long-term goals are as follows:

Human rights: all garment companies in the ASN Investment Universe are to pay their workers a living wage by 2030.

Climate change: all our loans and investments are to be net climate neutral by 2030.

Biodiversity: our loans and investments are to cause no net loss of biodiversity by 2030.

We also encourage societal debate on sustainability, by communicating about our sustainability criteria and about the selection process for our loans and investments, for example. In addition, we organise events on the theme of sustainability for a wide range of customers and other stakeholders.

Finally, we facilitate innovative sustainability initiatives through our online platform For the World of Tomorrow and crowdfunding, thus helping people with a feasible sustainability initiative to make a success of it.

Banking strategy

ASN Bank wants to grow, but this is not a goal in itself: we want to grow so that we can step up our efforts towards sustainable progress and increase our investments in sustainable businesses, projects and governments.

For these reasons, we have set three growth targets for our banking activities: we aim to have one million satisfied customers, ensure controlled growth of our assets under management, and increase our corporate loans and investments.

One million satisfied customers

The more customers we have, the greater our influence on the sustainability of society. That explains our aim to grow to one million customers – with an important addition: one million *satisfied* customers. We want to make sustainable banking accessible and attractive by good service provision and an expanded range of products and services. To achieve this growth we are going to invest in increasing awareness of our brand and of the concept of sustainable banking, making ASN Bank more attractive to potential customers.

The financial world is rapidly changing as a result of new possibilities in the area of information technology. We are applying the emerging new developments in a smart way, in accordance with the choices made on this subject by our parent company, de Volksbank.

Growth in assets under management

In line with our aim of controlled growth of our assets under management, we do not want to just offer customers sustainable investment, but rather 'easy sustainable investment'. ASN Beleggingsinstellingen Beheer B.V. (ABB) develops funds and instruments that provide customers with insight into sustainable investment and help them choose investment funds that are suited to their risk appetite.

ABB offers ASN Bank customers sustainable ASN Investment Funds. Other financial institutions also offer these funds to their customers in the context of their sustainable investment proposition. ABB intends to retain this share in the third-party distribution, with a particular focus on third-party distribution in the Netherlands through the other brands of de Volksbank.

We aim for controlled growth of savings relative to loans and investments, in connection with the sound development of our balance sheet.

Growth in corporate loans and investments

We want to increase the volume of loans and investments in renewable energy, by funding projects in such areas as wind and solar energy, as well as by investing in green and social bonds. In addition, these loans and investments help us achieve our objective of being climate neutral by 2030. We are also developing our lending operations for the healthcare sector.

Proposition

To enable us to achieve our objective of 'growth to one million satisfied customers', we fine-tuned our proposition in 2016. In the past, we placed a great deal of emphasis on the ideal of a just, sustainable society. This appealed to the 'post-materialists': the committed customers passionate about sustainability who traditionally form ASN Bank's target group. Motivaction's Mentality model describes this group as socially-critical idealists who are interested in personal growth, make a statement against social injustice and defend the environment. However, this target group is not large enough to facilitate growth to one million customers.

That is why, in 2016, we considered ways to make a larger group of potential customers aware of sustainable banking. We want to attract the target group of 'cosmopolitans', without alienating the existing customer group of post-materialists. According to the Mentality model, cosmopolitans are critical citizens of the world who integrate post-modern values such as growth and experience with modern values such as success, materialism and enjoyment. We aim to attract them by emphasising the encouragement of sustainable progress in our new proposition. Sustainable progress is something that we explicitly encourage in our role as bank, enabling our customers to use their money to make the world a better place. We aim to make sustainable banking well-known, accessible and attractive to everyone. We are driving sustainability, and offer customers the opportunity to get on board by banking with us. We are presenting ourselves as a sustainability pioneer, with the following values: optimistic, having a sense of perspective, ambitious and socially conscious.

Our statements describe ASN Bank as follows: 'ASN Bank encourages sustainable progress. We are a modern bank for your day-to-day banking affairs. A sustainable bank that uses money for good. In other words, we manage our customers' money carefully and use it to fund projects and initiatives that respect people, animals and the environment, thus enabling everybody to contribute to a more sustainable world. That is how money can buy happiness.'

Report

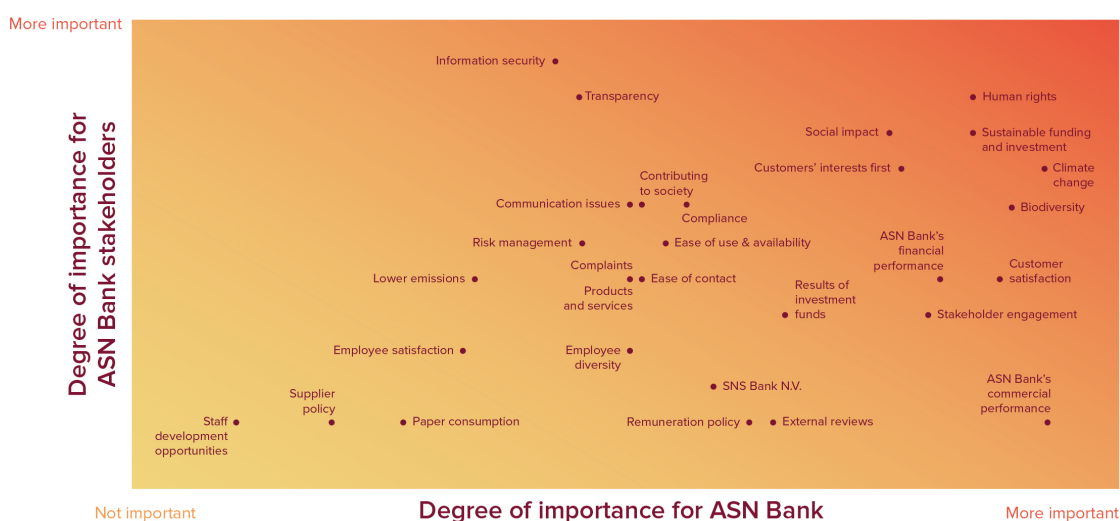
This is ASN Bank's sustainability report for 2016. ASN Bank reports in accordance with the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) at the core level. These guidelines are commonly used sustainability reporting principles. Their purpose is to promote transparency and to make results clear and comparable.

Materiality analysis

We perform a materiality analysis to determine the topics to be addressed in the report. To this end, in 2015 we drew up a list of key issues for ASN Bank. This list was based on previous ASN Bank reports, relevant guidelines and reports of peers in the sector. We updated the list for the report on 2016, combining some issues and amending the wording of others. The issue 'ASN Investment Funds results' was added, as the relevant page in the 2015 report was visited on many occasions.

When interviews were held with ASN Bank employees in 2014 to establish ASN Bank's stakeholders, the following stakeholder groups were identified: retail customers, corporate clients, employees, independent stakeholders, partnering NGOs and business partners. For the 2016 materiality analysis we sent an email to stakeholders from the various stakeholder groups requesting them to complete an online questionnaire. We asked them to indicate the level of importance they attached to each issue. The average score for each issue was determined per stakeholder group. Then, the average score for each issue was determined for all groups taken together. Retail customers counted for 50 percent in this respect, with the other groups combined also counting for 50 percent.

In 2015, employees of ASN Bank who were involved in sustainability and reporting jointly determined the impact that the various issues have on ASN Bank. This took place at an interactive session for employees from various departments who were involved in sustainability and reporting. The departments represented were: Sustainability & Research, Controlling, Investment, Sustainable Loans and Communication. All participants could vote on the various issues during this session, with the outcome representing the average of everyone's input. The results of the session were discussed with the ASN Bank Management Board. Taking the results from 2015 as a basis, we used documentation from 2016 to update the relevance of the issues for ASN Bank. The results of the materiality analysis are shown in the diagram.



Material issues

The issues to which stakeholders and ASN Bank assign high priority form the basis for this report. The issue 'de Volksbank N.V.' has been added in light of the change to the relationship between ASN Bank and de Volksbank N.V. (formerly known as SNS Bank N.V.) in late 2016.

The issues with the highest scores in the materiality analysis are those on sustainability: human rights, sustainable funding and investment, climate change, social impact and biodiversity. The issues *climate change*, *human rights* and *biodiversity* concern the strict criteria that ASN Bank applies in these areas to business operations and in the selection of investments and loans. Het issue *sustainable funding and investment* pertains to our sustainability policy in the area of loans and investments. *Social impact* concerns the social added value of companies in which ASN Bank invests or that it funds.

For our stakeholders, the issues *information security* and *transparency* are also highly important. *Information security* concerns the protection of the confidentiality, integrity and availability of data. *Transparency* means that we are transparent about our objectives, methods and performance, both in the area of sustainability and with regard to financial and economic matters; this is the basis for our report.

The table below contains an overview of all issues that attained high scores in the materiality analysis. Each issue is accompanied by a short description and a reference to the report containing further information on the subject in question.

<i>Issue</i>	<i>Description</i>	<i>Report reference</i>
Human rights	We apply strict human rights criteria to our business operations and when selecting our investments and loans.	Human rights: living wages Sustainability policy Sustainability instruments
Sustainable funding and investment	The way in which our sustainability policy is structured in the area of loans and investments.	Sustainability instruments
Climate change	We apply strict climate change criteria to our business operations and when selecting our investments and loans.	Climate change: carbon neutrality Sustainability policy Sustainability instruments Carbon profit and loss methodology: https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/klimaat/klimaatneutraal-in-2030.html
Social impact	The social added value of companies in which ASN Bank invests or that it funds. This concerns the social added value for their customers, for their own employees and those employed by companies in their supply chains, and for the communities in which they are located.	Sustainable impact of savings Sustainable impact of investment funds
Biodiversity	We apply strict biodiversity criteria to our business operations and when selecting our investments and loans.	Protection of biodiversity Sustainability policy Sustainability instruments
Information security	The protection of the confidentiality, integrity and availability of data.	Service
Transparency	Being transparent about objectives, methods and performance, both in the area of sustainability and with regard to financial and economic matters.	The report has been written on the basis of transparency.
Putting customers' interests first	We put customers' interests first in everything we do and ensure that we only carry products that offer customers sufficient added value.	Customers
Customer satisfaction	Insight into customer satisfaction and the manner in which the bank encourages this satisfaction.	Customers Communication
Stakeholder engagement	We engage with stakeholders and take the outcomes of this dialogue into account when determining our policy, in our business operations and in our reporting method.	Collaboration on human rights Collaboration on climate change Collaboration on biodiversity Memberships and declarations Partnering NGOs
Financial performance	An overview of the financial performance of ASN Bank, such as profit and assets under management.	Commercial performance Financial results
Commercial performance	Information on, for example, the number of new accounts, customer growth, etc.	Customers Financial results
Results of the ASN Investment Funds	The developments and financial results of the investment funds of ASN Bank.	Investment funds Results of the ASN Investment Funds
Compliance	The integrity of the company and the manner in which we comply with laws, rules and internal policy.	Annual report of de Volksbank (link to follow)
De Volksbank N.V.	As ASN Bank is a trade name of de Volksbank N.V., we describe the relationship between ASN Bank and de Volksbank N.V.	Organisation De Volksbank N.V.

Other issues

This report also addresses a number of issues that do not appear on the above list. We describe the issue *products and services* because we want to show the developments in this area. We also report on issues from the G4 guidelines, such as our carbon emissions and the remuneration policy.

On 31 December 2016, a merger took place between ASN Bank N.V., RegioBank N.V. and SNS Bank N.V. As a result of this merger, the separate banking licences of ASN Bank N.V. and RegioBank N.V. have lapsed; they make use of the banking licence of SNS Bank N.V., since 1 January 2017 de Volksbank N.V. As from 31 December 2016, the four brands ASN Bank, BLG Wonen, RegioBank and SNS fall under this banking licence.

This report includes a summary of ASN Bank's financial results. Please refer to the report of de Volksbank N.V. for complete financial statements and for the issues *risk management* and *corporate governance*.

Assurance report

This is a sustainability report, supplemented with relevant financial information. We asked EY to review the information about our sustainability performance included in this report with a limited level of assurance. The following sections of the report were subject to review:

Mission and strategy

Human rights: living wages

Living wage: approach and baseline measurement

Collaboration on human rights

Climate change: carbon neutrality

Climate change goal results

Collaboration on climate change

Protection of biodiversity

Determination and fleshing out of biodiversity goal

Collaboration on biodiversity

Sustainability policy

Sustainability instruments

Engagement with the pharmaceutical industry

Memberships and declarations

Customers

Service

Communication

Social impact

Partnering NGOs

Fostering sustainability initiatives

Organisation

De Volksbank

Staff

Office

Report

GRI Guidelines

The scope of the engagement and the opinions are set out in the independent auditor's assurance report. Please refer to the 2016 annual report of de Volksbank for the audited financial statements.

Human rights: a living wage

It is still by no means a reality: fair pay for people who make everyday consumer goods. The minimum wage in sectors such as clothing, electronics, and food is often not enough to live on. In some cases it is even too low for survival. That is particularly true for workers employed by suppliers in these sectors.

Although awareness of these problems is increasing, including at the companies themselves, the situation demands action. That is why ASN Bank is going to work towards living wages over the next few years.

What is a living wage?

A living wage is one that allows workers to meet their own basic needs and those of their families. This covers: food, clothing, housing, education and healthcare. In addition, the breadwinner should be able to set aside around ten percent of their pay for unexpected costs. The level of this living wage differs from country to country. The introduction of a living wage does not just help raise the standard of living of workers and their families – it is often a catalyst for the improvement of other working conditions as well. For example, the probability of child labour decreases if parents earn enough money.

Long-term goal

The focus of our work towards living wages is on companies in the garment industry, particularly those in the ASN Investment Universe. Some of these companies are already making good progress, but none of them have introduced a living wage yet. Consequently, we have set ourselves the following long-term goal:

All garment companies in the ASN Investment Universe are to pay their workers a living wage by 2030.

This is based on the garment companies that were approved for the ASN Investment Universe on 1 April 2016. One of these companies, Gap, was disapproved in late 2016 as it no longer satisfied our sustainability criteria. We are, however, continuing to engage with this company on the subject of a living wage. Consequently, we are now focusing on the following fourteen companies: Adidas, Amer Sports, ASICS, ASOS, Esprit, Gap, Gildan Activewear, H&M, Inditex, KappAhl, Lojas Renner, Marks & Spencer, Nike and Puma.

Considerations underlying this choice

There are numerous possible goals in the area of human rights. Our choice of the long-term goal ‘a living wage in the garment industry’ was based on various considerations. We can implement this objective in our role as investor. By engaging with companies in that role, we expect to be able to promote living wages in the garment industry. In addition, we are pleased to offer other financial institutions the opportunity to join our process. We aim to inspire them to do something about the living wage issue themselves. By joining forces, we can achieve our goal more quickly.

There is interest in the ‘living wage’ issue. Our customers and other stakeholders find this issue important. Moreover, it ties in with the United Nations’ Sustainable Development Goals (SDGs), namely SDG 1 (end poverty), SDG 8 (economic growth, employment) and the SDG timelines.

United Nations recognition

In November we attended the UN Forum on Business and Human Rights in Geneva. We presented the working group with the report Unpacking the case for the living wage in law, practice and commerce. The working group expressed its support for the research and described it as an important study.

Fair Bank Guide assessment

In June 2016, the Fair Bank Guide published a report on banks and fair pay and freedom of association in the electronics and garment industries. The Fair Bank Guide investigated how Dutch banks deal with the risk of human rights violations in the production chains of garment and electronics companies in which they invest or that they finance, paying specific attention to the payment of a living wage and freedom of association. Together with Triodos Bank, we scored 10 out of 10 for policy and practice in this area.

Living wage: approach and baseline measurement

As the objective's essence lies in measuring the social impact of our investments in the garment industry, the Impact Centre Erasmus (ICE) made its expertise available. ICE uses its scientific knowledge to work with organisations helping them gain a better understanding of their impact as they try to achieve their social ambitions. This involves impact thinking, impact measurement and impact management.

Together with ASN Bank, ICE performed a baseline measurement at the fourteen garment companies in the ASN Investment Universe in 2016. The measurement not only provided insight into the current situation, but was also useful in formulating the long-term goal.

Open source

Social impact measurement is still in its infancy. A key precondition that we have set regarding the long-term goal is for the methodology developed to be accessible to other interested parties. The Impact Centre Erasmus, too, is convinced that it is imperative to share not only the results but especially also the road travelled to get there. In this way, we help build the collective knowledge on the living wage and the knowledge on social impact measurement.

Baseline measurement

We used the baseline measurement to identify where the fourteen garment companies stood at that time. The following choices were made with respect to this measurement:

- We based our measurement on desk research and data received directly from the companies by telephone and email.
- We based our measurement on desk research and data received directly from the companies by telephone and email.
- We assessed companies' policies as well as their practices.
- We confined ourselves to the activities of the companies in the top 25 garment and textile producing countries, as designated by the International Labour Organization (ILO).
- We surveyed the production of the companies themselves and that of their first-tier suppliers.

Scores and responses

Our first question was: do companies have a living wage vision and/or goal, and has it been embedded in policies and procedures? Policy is the first step towards ensuring payment of a living wage. In this process we also assessed companies' transparency on this point, since a key starting point for change is to render account to stakeholders. This survey resulted in scorecards per company.

We then sent each company its own scorecard, which led to contact with some companies that had not initially responded to our requests for information. Ultimately, we had contact with all fourteen companies and received valuable survey responses from them.

Our requests to companies for information for the baseline measurement prompted discussion about the survey and about companies' policies. We received positive responses to the report from Esprit and Adidas, with Esprit even undertaking to change its policy.

The report includes scorecards for each company, setting out the total score calculated in each case. These scores only pertain to the companies' visions, policies, implementation and transparency, and say nothing about the wages they pay in practice.

Company	Score (0-5)
H&M	4.00
Puma	3.86
Adidas	3.50
Inditex	3.42
M&S	3.40
Esprit	3.28
Gildan	3.25
Asos	3.10
KappAhl	2.86
Nike	2.60
Gap	2.43
ASICS	2.30
Lojas Renner	1.14
Amer Sports	1.10

Main conclusions

We drew the following key conclusions from the baseline measurement:

- While 'living wage' was not a new concept for twelve of the fourteen companies, they did sometimes use other terms and definitions, such as 'fair wage' and 'fair living wage'.
- Most companies collaborate with living wage initiatives, such as the Fair Labor Association (FLA), the Ethical Trading Initiative (ETI) and the ACT Process.
- Five companies regard collective bargaining – which includes wages – as a key strategy to achieve a living wage.
- Nine companies state in their policies (or through initiatives they have joined) that they pay the industry average wage if it exceeds the minimum wage.

Experiences in practice

It has proven very difficult to obtain information about how companies deal with the living wage in practice. In order to gain a better understanding of the fourteen companies' practices, we took stock of the countries where each company produces its garments and shoes. In the report, we included information on the minimum wage, the industry average wage and the living wage in all 25 production countries.

Some conclusions on practices:

- Five companies can make major strides towards a living wage by introducing the industry average wage if it exceeds the minimum wage.
- Certainly not all companies are transparent about the locations and activities of their suppliers.
- It has proven difficult to obtain accurate information about the number of workers in the supply chain, the wages paid, the types of contract, the types of production and production volumes per country and/or production sites.

The future

The average score of the fourteen companies resulting from the baseline measurement was 2.87. We are aiming for this score to show a ten percent improvement to 3.16 in 2018. In 2017, we are initiating engagement with the fourteen garment companies in our investment universe to this end, in collaboration with Triodos Bank.

The methodology we have developed for the baseline measurement presents a starting point for measurements to monitor the progress being made by the garment industry. As it is our belief that it will be easier to obtain information on practices in a few years from now, we aim to fine-tune our methodology. We intend to perform a follow-up measurement with the Impact Centre Erasmus in 2018. We expect this measurement to yield more insight into garment companies' practices as well as information about the progress they have made in respect of the living wage.

Collaboration on human rights

To encourage sustainable development we take part in debates, platforms and other initiatives, mostly in the areas of our three sustainability pillars. In 2016, we took part in the following human rights platforms.

ICSR covenants

Companies that are active abroad run the risk of damaging the environment and violating human rights there. At the same time, the international role of the Netherlands offers opportunities to strengthen sustainable developments throughout the world. For that reason, the government is endeavouring to promote international corporate social responsibility (ICSR). Together with thirteen Dutch sectors it is making arrangements in ICSR covenants for a joint approach to international corporate social responsibility. These arrangements are aimed at tackling the risks of human rights violations and damage to the environment in production chains.

ICSR Covenant on Sustainable Garments and Textiles

On 6 October 2016, ASN Bank was the first bank to sign a statement of support for the Covenant on Sustainable Garments and Textiles. The covenant signifies a joining of forces by parties in the garment industry for the purpose of improving the sustainability of the international garment and textile production chain. By the end of 2016 there were 75 signatories, including retail companies such as Bijenkorf and Hema, trade unions, industry associations, civil society organisations and Minister Ploumen for Foreign Trade and Development Cooperation. The retail companies that have signed the covenant jointly represent more than a third of sales in the Dutch garment market.

Climate change: carbon neutrality

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. While there are individuals right up to the highest level who call this into question, the vast majority of climate scientists share this view, along with many politicians, companies and citizens.

It is vital that the world reach a turning point in its emissions by 2030 at the latest if we are to slow down global warming. After that, as soon as possible – but definitely no later than around 2050 – a net carbon neutral situation must have been created, meaning that no additional CO₂ is released into the atmosphere. That was the conclusion of *The Emissions Gap Report 2015* by the United Nations Environment Programme (UNEP).

Long-term goal

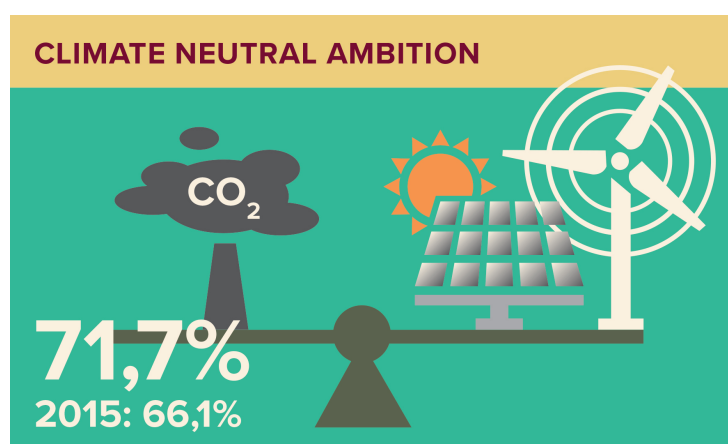
Six greenhouse gases, including CO₂, methane and nitrogen oxide, contribute to the greenhouse effect. In our view, we are co-responsible for the emission of these greenhouse gases because of the companies and projects that we finance or in which we invest. In order to express that responsibility in a single figure, we convert the emission of the various greenhouse gases into CO₂ equivalents based on international standards. Any reference in this text to CO₂ emissions or carbon emissions therefore relates to CO₂ equivalents.

As ASN Bank wants to take the lead by being the bank that makes a contribution to reducing these emissions, we have adopted the following long-term goal:

All our loans and investments are to be net climate neutral by 2030.

We realise that ASN Bank's impact on climate change is limited, so we use our climate change goal to encourage other financial institutions to follow our example. That is why we are pleased that our parent company, de Volksbank, has adopted our climate change objective.

By 2030, the carbon emissions of our investments and loans must be fully offset by investments and loans that reduce or avoid carbon emissions. In other words, we will have fully achieved the goal if our CO₂ profit equals our CO₂ loss.



Strategy

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

- We aim not to invest in the extraction, production and refining of fossil materials and their use by companies to generate electricity.
- As regards the energy sector, we only finance energy generation from renewable energy sources, such as wind and solar energy.
- We finance energy-saving measures, low-energy buildings and energy efficiency.
- We prefer to invest in companies that save energy.

Methodology

In collaboration with the consultancy firm Ecofys, the World Wildlife Fund (WWF) and CDP (formerly the Carbon Disclosure Project) have drawn up an overview of the best practices for companies to reduce their indirect CO₂ emissions (the so-called scope 3 emissions). According to the Greenhouse Gas Protocol (GHG Protocol), the international standard for calculating the carbon footprint, scope 3 emissions may be subdivided into fifteen different categories. The fifteenth category pertains to CO₂ emissions caused by a company's investments or loans. It is the key category that financial institutions have to take into account.

ASN Bank's carbon profit and loss account was one of the world's first methods to identify the emissions caused by investments and loans. Our common approach towards reducing these emissions prompted WWF and CDP to cite ASN Bank and de Volksbank as an example in November 2016.

We have calculated which item, out of all of those on the balance sheet, has the largest carbon footprint. The mortgages that de Volksbank's brands provide and that ASN Bank finances in the amount of 4.5 billion euros are responsible for most of the emissions. For that reason, the various brands of de Volksbank have examined how they can reduce the emissions from financed homes. Pilots took place in 2016 and are being rolled out more extensively in 2017.

Good practice mention for approach to climate change

On 9 November ASN Bank received an honourable mention in a report on companies using innovative solutions to reduce greenhouse gas emissions in their value chains. CDP, WWF and Ecofys publish this report annually. We were mentioned in the category *Investments* for our methodology for measuring and reducing the impact that our investments and loans have on the climate.

Climate change goal results

<i>Profit and loss in kilotonnes of CO₂ equivalents</i>		<i>ASN Bank</i>	<i>Other assets under management</i>	<i>Total</i>
2015	Profit	331	122	453
	Loss	441	199	640
	Achieved	75.1%	61.2%	70.8%
2015	Profit	301	122	423
	Loss	441	199	640
	Achieved	68.3%	61.2%	66.1%
2016	Profit	310	128	438
	Loss	400	211	611
	Achieved	77.6%	60.6%	71.7%

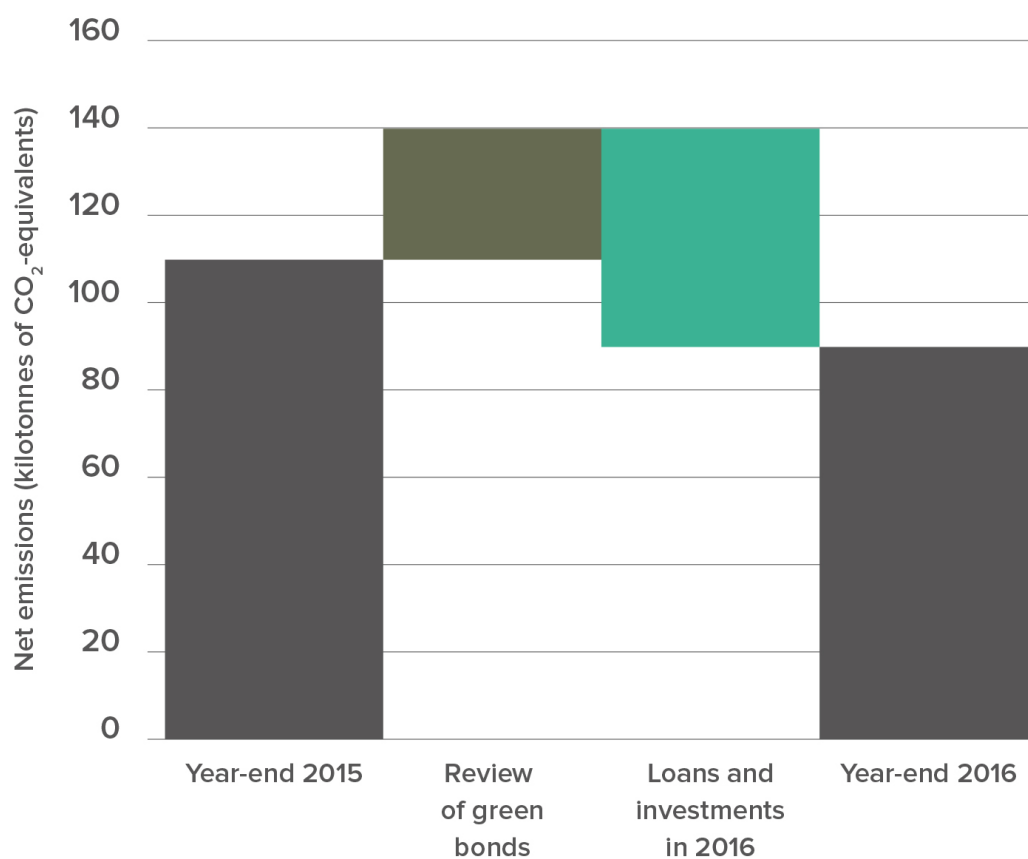
Notes to the results

The climate balance sheet came a step closer to climate neutrality in 2016. This was due on the one hand to an improvement in data quality and on the other to the sustainable investment and finance policies. An expansion of the mortgage portfolio in the bank balance sheet resulted in additional emissions of 22 kilotonnes, which are accounted for under CO₂ loss. This was countered by the fact that the growth in sustainable loans resulted in a CO₂ profit of 30 kilotonnes. We updated the climate balance sheet with specific emissions data, which also had a positive influence. As at 31 December, all loans and investments were 71.7 percent net climate neutral in total.

Recalculation

According to our methodology, CO₂ emissions and avoided CO₂ emissions should decrease as the amount repaid on a loan increases. However, we could not fully apply the methodology to a portion of ASN Groenprojectenfonds' loans, because the necessary data were not available. For these loans, the CO₂ emissions specifically calculated for our contribution remain constant throughout the term of the loan. Based on the available data, this was the best way to calculate the (avoided) CO₂ emissions at the time. It recently transpired that the opportunity would arise to incorporate the data that were not previously available into the calculation. We are going to use these data to calculate the (avoided) CO₂ emissions in 2017. We estimate that this will lead to a reduction in the CO₂ profit.

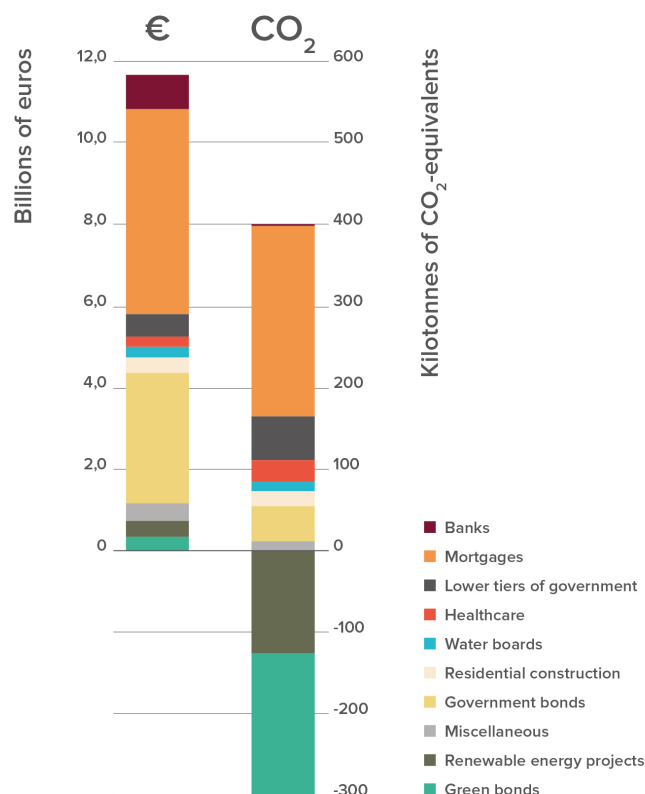
Development of net emissions Q4 2015 - Q4 2016



CO₂ profit and loss account

The diagram shows what the various sectors recognised in the balance sheet of ASN Bank and under the management of the ASN Investment Funds contribute to the CO₂ emissions and the CO₂ avoided in our CO₂ profit and loss account. An explanation follows of the method of calculation for each sector. We calculated the margin of uncertainty for the CO₂ profit as 6 percent and that for the CO₂ loss as 19 percent.

CO₂ emission per category



Renewable energy projects

ASN Bank provides project loans for projects in the areas of energy efficiency and renewable energy, such as solar and wind farms. We calculate the net CO₂ emissions for all project loans. Many renewable energy projects ultimately result in CO₂ emissions being avoided. Specifically, we assume that the electricity generated via renewable energy projects replaces the generation by fossil fuel power plants. Electricity generated by a wind farm results in considerably less CO₂ than electricity generated by a coal-fired power plant. We calculate the CO₂ emissions avoided as follows. Firstly, we determine the share of ASN Bank in the annual energy yield using our share in the total financing needs. We then multiply the energy yield by the avoided CO₂ emissions per kilowatt hour.

Green bonds

Green bonds are bonds whose proceeds are used to finance green projects. Examples include constructing a wind farm, improving the electricity grid and making homes and buildings energy efficient. The net CO₂ emissions of the green bond can be calculated depending on the nature of the projects concerned. In many cases the issuer reports the quantity of CO₂ emissions avoided per year. Thanks to this avoidance of CO₂ emissions, green bonds contribute towards the attainment of our climate neutral balance sheet.

Home finance

The residential mortgages financed by ASN Bank jointly form the item responsible for the highest CO₂ emissions. The Netherlands Enterprise Agency (RVO) enables companies to download energy labels for the homes concerned. These include both indicative and deregistered labels (a 'deregistered label' is one that is definitive). In that way, we obtain an indication of the energy quality of the houses in our mortgage portfolio. The average Dutch electricity and gas consumption is known for each energy label. We subsequently convert the kilowatt hours of electricity and square metres of gas into CO₂ emissions using emission factors.

Government bonds

The CO₂ emissions of government bonds are possibly the most difficult to determine. Governments issue government bonds to facilitate government activities in all sectors. We determine the direct emissions by taking the emissions of the government as a sector. We determine the indirect emissions by examining what the government's share is in the total CO₂ emissions per sector. We divide the total emissions by the national debt to calculate the quantity of CO₂ emissions for which a government bond is responsible per euro invested.

Other categories

In addition to the above categories we distinguish the categories banks, residential construction, lower tiers of government, healthcare, water boards and miscellaneous. We calculate the CO₂ emissions for these categories based on our balance sheet total and the total CO₂ emissions per sector. This results in the CO₂ emissions per invested or funded euro. The sources we use are data from Statistics Netherlands and sector reports such as the Dutch Water Authorities' climate monitor and the Human Environment and Transport Inspectorate's '*Sectorbeeld van de Woningbouw*', a report on the residential construction sector. All of the data used are public.

Collaboration on climate change

We encourage sustainability by taking part in debates, platforms and other initiatives. In 2016 we took part in a large number of partnerships in the context of our climate change sustainability pillar, including the climate change risk working group of the Dutch Central Bank's Sustainability Platform (*Platform Duurzaamheid*) and the Dutch Banking Association's Climate Change Working Group (*Werkgroep Klimaat*).

Platform Carbon Accounting Financials

In 2015, we initiated the foundation of the Platform Carbon Accounting Financials (PCAF). The member financial institutions are jointly developing methods to measure the impact that their investments and loans have on the climate. More insight into that impact will enable them to establish their climate footprint in a more effective and more uniform manner. This understanding will also help them define climate change objectives for their investments and loans. In this way, they will contribute to the reduction of society's greenhouse gas emissions.

Eleven Dutch financial institutions have joined PCAF: ABN AMRO, ACTIAM, APG, ASN Bank, FMO, MN Services, PGGM, Stichting Pensioenfonds Metaal en Techniek (PMT), Stichting Pensioenfonds van de Metalektro (PME), Triodos Bank and de Volksbank.

In 2016, the PCAF participants worked intensively to develop methods for measuring the impact of their investments and loans on the climate. The interim results are to be published on the PCAF website in early 2017, with interested parties being able to respond to these. The final report will follow later in 2017.

Science based targets for financials

We took the initiative of beginning to explore the possibilities for setting science based targets for financials. These can assist financial institutions to achieve their climate change objectives. A focus group has been set up consisting of Triodos Bank, de Volksbank, FMO, ABN AMRO, ACTIAM and PGGM. Other interested people and stakeholders are kept up to date.

UNEP FI Roundtable in Dubai

At the request of the United Nations, we discussed our climate change objective during the Global Roundtable of the United Nations Environment Programme Finance Initiative (UNEP FI) in Dubai on 25 October. We explained our strategy for reducing our carbon footprint during the Decarbonizing Finance session.

National Climate Change Conference 2016

The National Climate Change Conference 2016 took place on 26 October. ASN Bank contributed to the organisation of and preparation for the session *Willen en meten - Klimaatdata in de financiële sector*, which concerned the ambitions of financial institutions to play their part in solving the issue of climate change. The session was a follow-up to the session organised by ASN Bank during the Paris climate change conference in late 2015. Ewoud Goudswaard, Managing Director of ASN Bank, was a member of the panel.

House of Representatives discusses climate change

In 2016, the question of how financial institutions can contribute to the Paris Climate Agreement was raised in the Dutch political arena. On 19 May the House of Representatives adopted a motion on this subject tabled by members Dik-Faber and Van Veldhoven. Later in the year the House and State Secretary Dijksma also referred to ASN Bank's initiative and PCAF's work.

Banking Technical Working Group of the Portfolio Carbon Initiative

An initiative of UNEP FI, the Greenhouse Gas Protocol, the World Resources Institute and the 2 Degrees Investing Initiative, the Portfolio Carbon Initiative is currently exploring the options of international climate performance metrics for banking portfolios. The members of UNEP FI are invited to contribute to this analysis via the Banking Technical Working Group. ASN Bank takes part in this Working Group, sharing its objective and climate change ambition, its experiences and its methods. In this way, we contribute to the development of a Greenhouse Gas Protocol Scope 3 category 15 – i.e. a protocol to measure greenhouse gas emissions of investments in the broadest sense of the word – for the financial sector, specifically for banks.

Protection of biodiversity

Biodiversity means ‘... the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.’

This is the definition given in the Convention on Biological Diversity (CBD). Together with 186 other countries, the Netherlands signed this Convention in Rio de Janeiro in 1992.

Biodiversity is essential

Ecosystems provide many things that are essential to our lives, such as clean water, food, a living environment, fuel, building materials, medicines, oxygen, nutrients, water purification, protection against erosion, sun and harmful radiation, pollination and recreation.

The world is suffering a global loss of biodiversity, with two hundred to two thousand species disappearing every year, mainly at the hands of man. The main cause is agriculture, followed at a distance by climate change, forestry, ecosystem fragmentation, infrastructure and water pollution.

Long-term goal

ASN Bank endorses the CBD’s vision: ‘By 2050, biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people.’ We want to accept our responsibility for this, so we have set a long-term biodiversity goal, which may be briefly summarised as ‘no net loss’. This entails the following:

All of ASN Bank’s loans and investments are to cause no net loss of biodiversity by 2030.

Strategy

We aim to achieve this with the help of the following strategies:

- We aim to reduce the biodiversity loss for which our loans and investments are responsible. The first step is to identify which loans and investments have the greatest impact, such as the food companies and paper companies in which our equity funds invest. To this end, we can e.g. work with companies that are front-runners in reducing their ecological footprint.
- We fine-tune the methodology with which we calculate our ecological footprint and monitor progress, and improve the quality of the data on our ecological footprint. By publishing our endeavours, we assist financial institutions to obtain more insight into their impact on biodiversity and become more aware of this.
- We are exploring ways in which we can increase biodiversity gains. Examples include planting a forest, such as the ASN Forest in the Bentwoud for loyal ASN customers, collaborating with nature organisations and water companies, investing in renewable energy funds and funding projects in the National Green Fund (Nationaal Groenfonds).

Collaboration is key

We are not doing all this alone: we collaborate with various different parties. We share our knowledge and develop our strategy in collaboration with as many interested parties as possible, whilst learning from others in the process. There needs to be a joint effort by a great many people and organisations worldwide if we are to protect biodiversity and thus keep the planet habitable for future generations. Achieving that goal may seem impossible at the moment, but it is crucial that we work together to do so.

Determination and fleshing out of biodiversity goal

In late 2014 we began to explore a long-term objective for biodiversity. We asked ourselves: where do we want to be in terms of biodiversity in fifteen years’ time? In 2030, will we be actively contributing to strengthening nature in the Netherlands and abroad? Or are we ‘merely’ going to avoid being indirectly responsible for a loss of nature?

ASN Bank's mission as a bank is to promote sustainability in society. Keeping the planet habitable is one aspect of this. Unfortunately, it is not yet possible to scientifically determine what exactly the financial sector can do to make biodiversity resilient and to keep it so. The necessity of insight into our ecological footprint thus emerged: how do our current loans and investments impact biodiversity? What does this mean for the long-term goal?

Challenges

Formulating a long-term goal was no simple matter. What were the challenges?

- Loss of biodiversity is a worldwide problem, just like climate change. But biodiversity is being threatened and burdened in various areas in various ways. That is why the protection and conservation of biodiversity must always be tailored to the situation.
- As yet, there is no scientific consensus as to what the financial sector can do to make biodiversity resilient once again.
- Nor is there any generally accepted unit of measurement or methodology for measuring biodiversity.

Measuring our ecological footprint

Is it possible to measure ASN Bank's ecological footprint? That was the question that PRé Consultants set out to answer. The firm has been working worldwide on the measurement of the environmental burden using life cycle analysis (LCA) for the last 25 years. LCA is a scientifically supported, internationally endorsed methodology for measuring such matters as land use, water consumption and climate change.

PRé Consultants' LCA analysts answered this question in the affirmative: we can measure ASN Bank's ecological footprint, and doing so gives rise to interesting insights. For example, according to the LCA calculations, the following applies to ASN Bank:

- climate change, land use and water consumption are by far the most significant causes of the loss of biodiversity;
- the investments in companies make a relatively large contribution to this impact;
- the investments in green energy can make a considerable positive contribution to biodiversity. This contribution may even be so large that the long-term goal of no net loss may be realistic.

Unit of measurement

This analysis also resulted in the establishment of a unit for measuring our impact on biodiversity: the number of species that have disappeared per square metre. To make this workable in practice, we convert this number into an equivalent: the number of square kilometres of nature that disappears as a result of our burden on biodiversity. This loss is on a one-off basis: it stays the same from year to year if the investments and loans remain the same. There is no room for nature to develop on that land at that time.

The precise number of square kilometres of nature disappearing as a result of our burden on biodiversity was not yet determined with sufficient certainty in 2016. We will be fine-tuning the figures further in 2017.

Qualitative analysis

The calculation of our ecological footprint is subject to limitations. Consequently, we have also had a qualitative analysis performed of our impact on biodiversity. This provides additional, sector-specific information that was not taken into account in the quantitative research.

Limitations on the quantitative method include the measurement of positive impacts on biodiversity. An example: ASN Bank invests in paper companies. They satisfy our criteria, meaning that at least three quarters of the forests from which they source their wood is FSC certified. The positive impact of this certification cannot be taken into account in the analysis of our ecological footprint (yet). The result is that a larger footprint is calculated for these companies than they have in reality. Another example: it is possible that the no fishing zones around offshore wind turbines have a positive impact on biodiversity. However, they are not included in the model.

Nor does the model always take account of local effects. If an economic activity takes place in an area with a high biodiversity value (high conservation value area or HCVA), the impact on biodiversity is greater than the average impact calculated by the methodology. The qualitative analysis can take account of characteristics that are specific to the location. If, for example, companies in a particular sector use a lot of water, it is important for them to have a good policy on water consumption.

The qualitative analysis:

- clarifies how to interpret the results of the footprint;
- helps determine a strategy to reduce the impact on biodiversity;
- clarifies where improvement of the methodology is possible and necessary.
- helps make further refinements to the methodology in the years to come.

Collaboration on biodiversity

The process of reaching this long-term biodiversity goal has proven to be just as important as the formulation and fleshing out of the goal itself. It is a process of collaboration, discussion and inspiration. Experts share their thoughts on the scientific basis. The government shares its thoughts from the perspective of policy frameworks. Civil society organisations and other financial institutions share their thoughts on putting the ideas into practice. That is important because much more will change if other financial institutions also start measuring their impact on biodiversity and integrating it into their decision-making. Fortunately, this collaboration enjoys broad support, as the following three examples demonstrate.

Expert meeting

The process of developing our long-term goal involved consulting experts in the field of biodiversity on various occasions. We shared and tested the results at a stakeholder meeting with knowledge institutions, government authorities and civil society organisations. This resulted in valuable contributions to the development of the long-term goal, leading in particular to inspiring discussions about and views on ASN Bank's role in the area of biodiversity.

CoP FiNC

In the last two years twelve financial institutions worked together in the Community of Practice Financial Institutions and Natural Capital (CoP FiNC). ASN Bank was one of the founders of this community, inspired in this regard by our earlier participation in the CoP Business & Companies alongside such diverse companies as Heineken, Tata Steel and Leven op Daken. ASN Bank was the only financial institution to take part in this community.

Participants shared their experiences and insights regarding the role of biodiversity in their investment and finance policies, discussing such topics as: 'What is biodiversity?', 'How do you measure biodiversity?' and 'Can you achieve a positive impact on biodiversity and achieve returns?' Following the successful completion of this CoP FiNC, the CoP FiNC is being launched at European level in 2017.

Platform Biodiversity Accounting Financials (PBAF)

Most companies have a direct negative or positive impact on biodiversity or are directly dependent on it. The relationship between a financial institution and nature is entirely different, which is why we wish to engage with other financial institutions too.

It starts with the methodology. In early 2017 we aim to survey, compare and refine the methodologies for calculating the ecological footprints of financial institutions. This is being carried out jointly with ACTIAM (co-organisator and AIF manager of the ASN Investment Funds), consultancy firm CREM, and PRé Consultants, a firm specialising in life cycle analysis.

We also aim to survey the methodologies together with experts and a number of front-runners from the financial sector. The participating financial institutions will determine the agenda, with substantive support being provided by the experts. The name of the platform is the Platform Biodiversity Accounting Financials (PBAF).

Innovative Financing Mechanisms for Biodiversity

The European Union is working together with China to promote biodiversity. Seminars and expert meetings are organised under the banner of Innovative Financing Mechanisms for Biodiversity. In China on 23 November, at the EU's invitation, ASN Bank talked about the financial sector's role in biodiversity. We addressed the methodology that we have developed to measure the impact of our investments on biodiversity, and also dealt with the financial sector's role in the area of biodiversity.

Natural Capital Conference

On 24 November, we gave a talk in The Hague during the Natural Capital Conference. This conference, which was organised by the Platform Biodiversity, Ecosystems & Economy (Platform BEE), is a Dutch initiative in which companies, nature organisations and scientists work together to protect and restore biodiversity and ecosystems. We talked about our methodology for measuring our ecological footprint and about the role of the financial sector in the area of biodiversity.

Sustainability policy

Our mission is shaped in our sustainability policy, which is based on the definition of sustainability used in the 1987 UN report *Our Common Future*. This report was the first to call for sustainable development, defining this concept as follows: ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’.

The sustainability policy applies to:

- all of ASN Bank’s loans and investments;
- the ASN Investment Funds: 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.
- ASN Vermogensbeheer B.V.’s investments;
- the selection of sponsored projects, projects for the ASN Bank World Award, and other activities.

De Volksbank

In 2016, de Volksbank decided to adopt our sustainability policy as the starting point for the sustainability policy that it is to formulate in the context of the structural contribution it wants to make to society.

The sustainability policy has three pillars: human rights, climate change and biodiversity. The principles underlying the policy for each pillar are described below.

Human rights

ASN Bank subscribes to the view that human rights are universal values: they apply everywhere, always and to everyone. Giving paramount importance to justice, freedom and equality, human rights serve 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. In our view, a liveable climate and clean environment are also conditions for a dignified life.

Human rights protect people against abuse of power by governments, 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.

Companies, too, have the responsibility of respecting human rights, for example by safeguarding instead of violating the rights of employees, consumers and local residents.

The foundations of our human rights policy are the 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. The Ruggie Guiding Principles have been incorporated in our human rights policy paper, which includes strict criteria for assessing companies, countries and institutions.

Climate change

The earth’s climate has changed regularly throughout its history. The current change is primarily due to the activities of man: global warming is attributable to greenhouse gas emissions.

Adaptation

The consequences of climate change are becoming increasingly visible. As further global warming is unavoidable, it looks as if it is already too late to solve the climate change problem completely. That is an important fact shaping ASN Bank’s climate change policy. After all, it means that adaptation is inevitable. In other words, our climate change policy must include dealing with the consequences of climate change, such as drought, flooding and loss of biodiversity. That is why we want to help limit the – now unavoidable – consequences of climate change.

Mitigation

Mitigation is necessary as well: preventing temperatures from continuing to rise, thus limiting the climate change problem. After all, curbing the rise in temperatures increases the options for adaptation and may possibly prevent further dangerous climate change. Mitigation and adaptation are thus strongly interrelated. We contribute as much as possible to maintaining a safe, liveable and stable climate for people and nature in this regard.

Activities

How do we accomplish this? We favour loans to and investment in activities that have low greenhouse gas emissions and companies that save energy. By means of engagement, we urge companies in the ASN Investment Universe to improve their climate performance. At shareholders' meetings of the companies in which the ASN Investment Funds invest, we vote for company measures to improve their climate performance, for a relationship between remuneration and climate performance, and for the implementation of adaptation measures.

We are also working on our climate change policy by promoting climate-saving measures among all sorts of target groups. As an advocate, we participate in national and international forums, such as the CDP (formerly the Carbon Disclosure Project) and the United Nations Environment Programme Finance Initiative (UNEP FI).

Biodiversity

ASN Bank's biodiversity policy – adopted in 2010 – describes how we, as a bank, hope to contribute to maintaining and strengthening biodiversity and ecosystems. It includes a description of the biodiversity investment criteria that we apply when selecting loans and investments, which are in line with the definition given in the Convention on Biological Diversity (CBD) of 1992: 'The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.'

We also pursue the objective formulated in the CBD: 'The conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.'

To protect and enhance biodiversity, our investment criteria are geared towards the threats to biodiversity, thus placing the 'impact perspective' centre stage. According to the Millennium Ecosystem Assessment (MA), the key threats to biodiversity are: land use change (loss of natural habitat), climate change, invasive alien species, overexploitation and pollution.

ASN Bank selects companies and institutions for financing and investment that contribute to the protection or improvement of biodiversity. They take effective measures or develop activities to prevent or compensate for the threats referred to above.

Based on our biodiversity policy we avoid activities that have a major adverse impact on biodiversity, such as fossil fuels, mining, unsustainable fishery and agriculture. This alone keeps our ecological footprint small, but we also want to make a positive contribution to nature and the diversity of species within it. Our long-term goal for biodiversity reflects this endeavour. To achieve this goal, we have to reduce our negative impact while increasing our positive impact.

Policy changes in 2016

Our sustainability policy is laid down in policy papers. In 2016, the practical guide to the research process, the *Guide – ASN Sustainability Criteria*, was revised and expanded. For example, our policy on tobacco was fine-tuned, and the following policy changes were included in the Guide – ASN Sustainability Criteria.

Animal welfare

We refined the animal welfare policy on two points. The testing of cosmetics on animals was formerly an exclusion criterion. While it is still the case that we do not permit cosmetic animal testing, we have now introduced an exception for when the company is legally obliged to do so, as in China. The company does need to have a vision on reducing animal testing and investing in alternative test methods.

We also amended the criterion on the trade in and use of fur, leather and feathers. While we still exclude companies that produce, use or trade in fur, hides or pelts from exotic and protected species, we no longer assess companies in terms of whether they use leather as a by-product. We have replaced this with the criterion that companies must not make any use of products obtained from animals kept in appalling conditions. This may apply to, for instance, leather, (angora) wool, down and feathers.

Period of review

Up until 2015, it was our goal to review every company and institution in the universe within three years. As from 2016, we extended that period to four years. Our reasons for doing so are that companies have become more transparent and nowadays information about their sustainability is more easily and rapidly accessible. We continuously monitor whether any misconduct is taking place at companies, in order to know at a much earlier stage whether something is wrong with a company. If such monitoring gives cause to bring the review forward, we will.

Game changers

In 2016, we adjusted our selection policy in respect of game changers: companies that play a distinct, important role in making society more sustainable. We can now approve such companies on two conditions: they have good policy on key points *and* they demonstrate that they engage in good practice. The first game changer that we approved was Tesla Motors.

Government bonds

The selection of government bonds has changed. Until recently, we began by assessing countries based on the exclusion criteria, and then selected the countries issuing eurobonds. These countries were then ranked on the basis of sustainability criteria. In 2016, this order was changed: following assessment against exclusion criteria, selection takes place on the basis of sustainability criteria and then the fund manager selects the countries that issue eurobonds. This change affects the scores and ranking of the countries.

Sustainability instruments

We execute our sustainability policy using three instruments, whose application is based on our sustainability criteria. Each of the instruments is used according to a standard procedure.

Selection

We select loans, companies, institutions and national governments based on our sustainability criteria.

Engagement

We engage with companies and institutions in which the ASN Investment Funds invest or that are eligible for inclusion in the ASN Investment Universe, on the subject of their sustainability.

Voting

ASN Beleggingsinstellingen Beheer B.V. (ABB) votes at shareholders' meetings of companies in which the ASN Investment Funds invest.

Selection

The selection process is executed for both the investments of ASN Bank and the investments and loans of the ASN Investment Funds. It is one of the key procedures that we use to implement ASN Bank's mission. It is an intensive and thorough process that takes place according to a standard procedure. We continuously verify whether investments and loans meet our sustainability criteria. In that process, we use information provided by companies or countries, specialised research institutes, the media and NGOs.

The ASN Selection Committee discusses assessments after completion and is advised by the Sustainability & Research Department. The ASN Selection Committee discusses assessments after completion and is advised by the Sustainability & Research Department. The ASN Selection Committee is the only body that has the power to approve or disapprove a company, government or institution for the ASN Investment Universe. ABB is part of the ASN Selection Committee and decides on admission to the ASN Investment Funds' universe. Companies, institutions and national governments that meet our sustainability criteria are approved; they are admitted to the ASN Investment Universe. From this selection, the asset managers of the ASN Investment Funds, the managers investing the ASN Bank savings, and ASN Asset Management choose their investments.

The ASN Selection Committee met six times. In 2016 we analysed 254 companies in total, 31 of which were assessed for two or three funds. We also evaluated 199 countries in connection with government bond investments.

* Eight companies have different statuses in different funds; they were, for example, maintained in a fund and newly admitted to another fund.

Total assessed companies	Newly admitted	Maintained after review	Removed	Not admitted
254*	46	38	6	172

*Eight companies have different statuses in different funds; they were, for example, maintained in a fund and newly admitted to another fund.

Total assessed companies	Newly admitted	Maintained after review	Removed	Not admitted
199	9	19	0	171

Here are some examples of companies that we either approved or disapproved:

Approved: Unilever

The Dutch multinational Unilever is a sustainability front-runner in the food and household items sectors. While Unilever's sustainability policy is good, misconduct regularly occurs in practice in relation to labour rights at suppliers, consumer protection and the use of non-sustainable palm oil. We have spoken to the persons responsible at the company. They acknowledge that they have not yet succeeded in ridding the company of all misconduct, but are confident that Unilever is taking good precautionary measures to safeguard its policy, for example by means of management systems, monitoring and a reporting obligation.

Approved: Tesla

Tesla Motors' sustainability vision is excellent. It is bringing sustainability changes to the car market as well as innovating the solar energy market. Consequently, its impact on sustainable development is considerable: it is a game changer. Before we approved Tesla we had contact with the company regarding such matters as consumer protection, including car safety, and communication regarding defects. Tesla's responses were sufficient: it is fully transparent and attaches importance to the safety of its cars.

Disapproved: DSM

The Dutch company DSM operates in the field of energy and biomaterials. It distinguishes itself with sustainable innovation, for example with products for solar cells and organic products. However, one of DSM's divisions, DSM Dyneema, produces a fibre that is incorporated into military vehicles and military clothing as armour. As a result, the fibre falls within our definition of arms.

Engagement

On behalf of ABB, the Sustainability & Research Department of ASN Bank engages with companies in which the ASN Investment Funds invest. When we conduct *engagement*, we engage in dialogue with companies and institutions for the purpose of making them more aware of their sustainability performance and to urge them to improve it. The engagement decision is taken in the following cases:

If we suspect that a company in the ASN 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.

ASN Duurzaam Small & Midcapfonds invests part of its funds in small companies. Their activities meet our sustainability criteria, they have policy in place for the issues that expose them to high risks, and there is no known serious misconduct. However, these companies do not always have sufficient policy on issues that expose them to lower risks. We use active dialogue to press for improvement and to encourage companies to develop policy on other issues, too.

Companies appreciate it if they are selected for our universe. We encourage them by informing them of their admission where possible.

In 2016, we engaged with 43 companies. We contacted diverse companies in response to certain indications. For example, we spoke with Heineken in response to the book *Heineken in Africa* by Olivier van Beemen. The book refers to several instances of misconduct in relation to the payment of taxes in Africa, marketing practices and healthy and safe working conditions. On the basis of our discussion with Heineken about the misconduct, we concluded that the accusations could not be related to (current) practice. The same holds true for the marketing practices. Because Heineken did not seem to be in conflict with our criteria, it retained our approval.

Voting

The ASN Investment Funds are entitled to vote at shareholders' meetings of the companies in which they invest. The funds cast their votes according to the mission and sustainability criteria of ASN Bank and ASN Beleggingsinstellingen Beheer B.V. (ABB).

Voting in 2016	
Number of companies where votes were cast	162*
Number of shareholders' meetings where votes were cast	177*
Number of companies in which the ASN Investment Funds invested at year-end 2016	176

** These figures are different because some companies held several shareholders' meetings. We also voted at meetings of companies that were no longer included in the fund portfolio at the end of the year. Also, we did not vote at meetings of companies that were not yet included in the fund portfolio at the time they held their shareholders' meetings.*

Here are a few examples of our voting at shareholders' meetings:

Starbucks

During Starbucks' shareholders' meeting in March, we voted against a shareholder proposal from the National Center for Public Policy Research (NCP). The NCP asked Starbucks to be more transparent on its human rights policy. The NCP is known as a conservative organisation which, among other things, denies that the problem of climate change exists. We were concerned that the NCP would misuse Starbucks' transparency to impede change in the area of human rights. Its proposal received a mere 4 percent of the votes cast.

EDP Renováveis

Renewable energy companies play an important role in the transition to a sustainable society. But at such companies, too, management can sometimes be inadequate. For example, in April we voted against the remuneration policy of EDP Renováveis, the reasons being that the policy was not linked to sustainability objectives and there was a lack of transparency.

Sustainability in annual reports

We apply separate guidelines when voting on annual reports, paying special attention to human rights, climate change and biodiversity. These issues were handled remarkably well in the reports of Marks and Spencer Group, DS Smith Plc and Addtech AB. Consequently, we voted in favour of all three of these reports in the third quarter.

Engagement with the pharmaceutical industry

Medicines are essential for responsible healthcare, which means that pharmaceutical companies are indispensable to human health and welfare. It follows that the pharmaceutical industry is part of a sustainable society. ASN Duurzaam Aandelenfonds invests in pharmaceutical companies whose sustainability policy meets our sustainability criteria. However, we are regularly confronted with ethical misconduct in practice, which indicates that the responsible policy of pharmaceutical companies does not always lead to responsible practices. We engage in intensive dialogue with pharmaceutical companies to tackle misconduct.

Report *From Policy to Practice*

Commissioned by ASN Bank, the report *From Policy to Practice* by the Sustainalytics research agency was published in February 2016. The agency researched the world's fifteen largest pharmaceutical companies. The key conclusions confirmed our experiences. The research shows that pharmaceutical companies often have sound safety, quality and integrity policies that comply with the applicable laws and rules. However, these companies regularly make the news on account of corruption, aggressive marketing techniques and defective products. According to Sustainalytics, one of the reasons for this is that most pharmaceutical companies lack robust integrity management. Internal supervisory procedures do exist, but their application is inadequate. Sometimes they are lacking altogether. As a consequence, there is insufficient supervision of research into, and the development, manufacture, marketing and sale of medicines. All this has adverse consequences for patients.

Principles of engagement

In 2015, our engagement commenced with discussions with two pharmaceutical companies in our investment universe: the British businesses AstraZeneca and GlaxoSmithKline (GSK). We added Novo Nordisk (Denmark) and Novartis (Switzerland) in 2016. We attend these four pharmaceutical companies' shareholders' meetings and ask questions there, and we talk with directors and sustainability officers.

Raising incidents is expressly not our approach, as in our experience that does not work. Our approach is to assess how well pharmaceutical companies implement their policy in practice. If there is room for improvement, we discuss this with the company concerned. The key question during these discussions is: how does the company put its policy into practice in order to prevent misconduct? The discussions focus on four areas contributing to consumer protection:

- Ethical conduct: how does the company deal with corruption and bribery? How has ethical conduct been embedded in its operations?
- Executive and sales staff remuneration: how and on which aspects are they appraised and rewarded?
- Responsible marketing: how does the company ensure that medicines are marketed for the right purposes and in an honest way?
- Safe medicines: does the company ensure that the medicines are safe for consumers by means of responsible test procedures, manufacturing and distribution?

Activities in 2016

In January, we sent the report *From Policy to Practice* to the fifteen pharmaceutical companies dealt with. This formed the basis for questions that we posed during the shareholders' meetings and for discussions with the management of the four companies with which we conduct engagement. In 2016, we also focused on the remuneration of sales staff and transparency regarding payments to healthcare professionals.

AstraZeneca

On 29 April 2016, we attended AstraZeneca's shareholders' meeting. The following emerged from answers given and discussions with management. AstraZeneca publishes its payments to healthcare professionals in Europe and the United States. It aims to chart its contact with healthcare professionals throughout the world. AstraZeneca was pleased to receive a copy of our vision on a good remuneration policy for sales staff. The Board of Directors gave consideration to our request to publish the framework for the remuneration policy. AstraZeneca also indicated that our vision and feedback had been taken into account in determining a new strategy and materiality analysis.

GlaxoSmithKline

In response to the report, GlaxoSmithKline (GSK) asked us to share our vision on the remuneration policy for sales staff. We did so, at the shareholders' meeting on 5 May 2016 and on other occasions. With effect from 2016, GSK has stopped making payments to healthcare professionals for promotional purposes. The only payments it still makes to these professionals are for educational purposes. It publishes these payments in certain countries, including all those in Europe. GSK no longer pays its sales staff and marketing representatives on the basis of individual sales targets. Their remuneration is based on their technical knowledge, the quality of the service they provide to healthcare professionals, and various commercial results.

Novartis

At the shareholders' meeting of 23 February 2016, and during our visit on 18 November 2016, we called attention to remuneration and the related transparency. Over the past year, Novartis has put measures in place to embed ethical conduct in the company more effectively and to prevent and resolve misconduct issues. Novartis no longer pays healthcare professionals for promotional purposes. Since 2016, Novartis has reported according to the rules of the European Federation of Pharmaceutical Industries and Associations (EFPIA) on payments to healthcare professionals in Europe. However, the results have not yet been published.

Novartis made even more progress in 2016, as the following new measures demonstrate: Board remuneration has been made partly dependent on objectives related to quality and safety. Novartis investigates incidents related to the promotion of medicines and takes corrective action. Sales staff are paid according to the quality of their service.

Novo Nordisk

On 18 April 2016, we attended Novo Nordisk's shareholders' meeting. We also conducted several discussions with the company. Novo Nordisk has taken steps to prevent misconduct. As a result, the number of incidents of misconduct has in any event not risen this year; the aim is for it to decrease. With effect from 2017, Novo Nordisk aims to report on misconduct and on the countermeasures taken by the company. Novo Nordisk publishes its payments to healthcare professionals in the United States and Europe. These reports are available on the company's local websites in the national language concerned. Finally, Novo Nordisk has included ethical conduct in the criteria that determine sales staff's remuneration. Board remuneration has been made partly dependent on performance related to quality and safety.

Inspiration and progress

We hope that our engagement programme will inspire other financial institutions to ask pharmaceutical companies similarly critical questions. We also commenced collaboration with other investors in 2016. For example, in 2017 we will be conducting the discussions with AstraZeneca, GSK and Novo Nordisk together with Robeco.

In 2018 we will be issuing a second report with Sustainalytics on the question of whether progress is evident at the pharmaceutical companies. In the meantime, we are keeping abreast of developments and keeping a close eye on the four pharmaceutical companies' commitments.

Memberships and declarations

Set out below is an overview of memberships and expressions of support as well as declarations signed by ASN Bank, stating the year of signing. The partnerships relating to long-term goals for human rights, climate change and biodiversity are stated on the page concerned.

Cancun Business and Biodiversity Pledge (2016)

ASN Bank signed the Cancun Business and Biodiversity Pledge in November. The signatories are drawing attention to the importance biodiversity and the ecosystem services it provides. They emphasise the key role that businesses can play in the conservation of biodiversity.

CoP FiNC (2014)

An ASN Bank initiative, the Community of Practice Financial Institutions and Natural Capital (CoP FiNC) brings together financial institutions to share their hands-on experience and discuss how the financial sector may contribute to maintaining and improving biodiversity.

Nederlandse Vereniging van Duurzame Energie (2013)

ASN Bank has a seat on the members' council of Nederlandse Vereniging van Duurzame Energie. This initiative furthers the use of renewable energy and promotes the interests of many companies operating in the renewable energy sector.

Dutch Fund and Asset Management Association (DUFAS) (2011)

DUFAS is an interest group for asset managers and investment institutions active in the Netherlands, including both providers of retail services and institutional managers. ASN Beleggingsinstellingen Beheer B.V. is a member of DUFAS.

Platform Carbon Accounting Financials (PCAF) (2015)

The eleven Dutch financial institutions joined together in the Platform Carbon Accounting Financials (PCAF) drafted the Dutch Carbon Pledge in the run-up to the climate change conference in Paris. In this document, they called on negotiators to pay due regard to the role that investors and financial institutions can play in the achievement of climate change objectives.

ASN Bank is the initiator and chair of this platform. PCAF members aim to develop a joint methodology for measuring the climate impact of their loans and investments.

Dutch Green Building Council (2015)

ASN Bank is a member of the Dutch Green Building Council (DGBC), an independent not-for-profit network organisation committed to making the built environment more sustainable. With its efforts, DGBC aims to play a major role in the transition to a circular economy that allows for enjoyable and healthy living and working. In 2016 Jort Bakker, Head of Sustainable Loans at ASN Bank, joined the Board of DGBC.

Global Compact (2007)

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 2016.'

GRI Gold Community (2012)

The Global Reporting Initiative (GRI) is an international organisation that draws up sustainability reporting guidelines. GRI Gold Community supports the GRI and endeavours to promote sustainability reporting.

ICSR Banking Covenant (2016)

Banks in the Netherlands asked the Dutch Banking Association (NVB) to create an ICSR covenant for the banking sector (ICSR stands for International Corporate Social Responsibility). We support this wholeheartedly. After all, it is the financial sector in particular that – through its loans and investments – exercises a major influence on the sustainability of society, both nationally and internationally. We signed the covenant on 28 October, along with the NVB, other financial institutions, the government, trade unions and non-governmental organisations.

ICSR Covenant on Sustainable Garments and Textiles (2016)

On 6 October 2016, ASN Bank was the first bank to sign a statement of support for the Covenant on Sustainable Garments and Textiles. The covenant signifies a joining of forces by parties in the garment industry, working together to improve the sustainability of the international garment and textile production chain.

Natural Capital Finance Alliance (2012)

The Natural Capital Finance Alliance (NCFA) is a declaration by the global financial sector. In the NCFA, financial institutions undertake to integrate natural capital criteria into financial products and services. ASN Bank signed the NCFA in 2012 and is a member of the working group.

NVB Sustainability Platform (2014)

We are affiliated with the Sustainability Platform (Platform Duurzaamheid) of the Dutch Banking Association (NVB). Two of the objectives of the ten member banks are to create solutions to the issue of climate change and to protect human rights in international commercial chains.

Paris Pledge (2015)

Prior to the Paris climate change conference, banks undertook not to fund mining companies and coal-fired power plants any longer and to phase out any existing loans.

Platform Energy Efficient Financials (2016)

CSR Netherlands (MVO Nederland) and ASN Bank took the lead in setting up an open source network for sustainable construction and refurbishment. The aim is to share knowledge in order to facilitate the development of fundable projects for the self-generation of energy and the conversion of houses into extremely energy-efficient buildings. Financiers, builders, installers, cooperative organisations and municipalities work together on the platform.

Platform for Inclusive Finance (NpM Platform) (2006)

Thirteen Dutch development organisations, social investors and banks, including ASN Bank, are members of the NpM Platform. Together with the Dutch Ministry of Foreign Affairs, the members are committed to increasing access to financial services in deprived areas.

Principles for Responsible Investment (PRI) (2011)

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. 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 2016. 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 working according to our sustainability policy.

SDGI Agenda (2016)

In 2016, the Dutch financial sector drew up the Dutch Sustainable Development Goals Investing Agenda (SDGI Agenda), in which the institutions concerned set out how they can contribute to the Sustainable Development Goals. The aim of the report is to urge the government and the Dutch Central Bank to work towards these sustainability goals together with the financial institutions.

EU Statement on Conflict Minerals (2015)

In 2015, investment institutions asked the European Parliament (EP) to require all companies placing conflict minerals on the European market, in raw form or embedded in products, to be transparent about the source of those minerals.

Dutch Association of Investors for Sustainable Development (VBDO) (1996)

The Dutch Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling; VBDO) promotes the interests of institutional and private investors who wish to contribute to sustainable development. ASN Bank is a member of VBDO.

Other memberships and declarations

Carbon Disclosure Project 2007

Coöperatieve Vereniging Q (2012)

De Groene Zaak (2012)

Equator Principles (2010)

Klimaatcoalitie (2015)

Letter of Intent on Greening the Inclusive Finance Sector (2015)

Montréal Pledge (2015)

MVO Nederland (2012)

Statement by Financial Institutions on Energy Efficiency (2015)

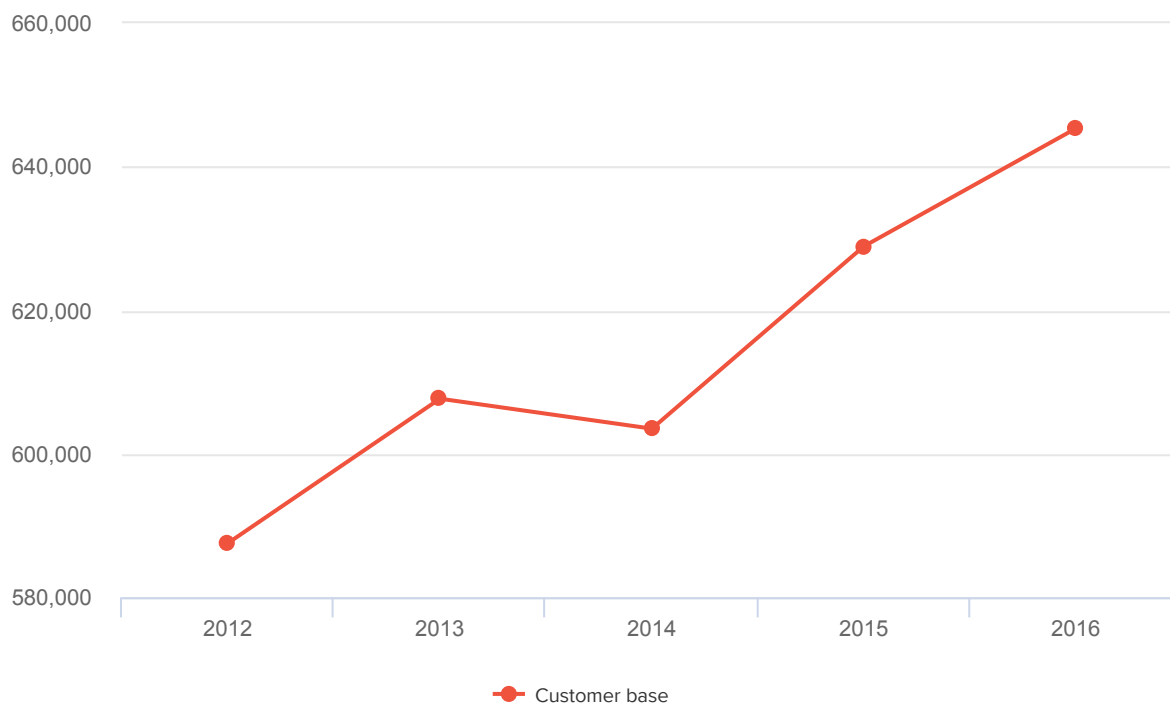
United Nations Environment Programme – Finance Initiative (UNEP FI)

Customers

The 645,000 retail customers and corporate clients of ASN Bank are our most important stakeholders. They make our existence possible and enable us to further our mission: making society more sustainable.

The net customer base increased by 16,426 in 2016, rising from 628,910 to 645,336 at year-end 2016.

Customer base ASN Bank



The growth of our customer base is mainly attributable to the inflow of people opening current accounts, most of whom were not existing customers.

One of our strategic objectives is to have 1 million customers in 2025. Bearing that in mind, the increase in the number of customers was not to our satisfaction. We have initiated changes to enable more growth in the next few years. In this respect, we are expressly seeking to attract a new, younger target group, developing new products and making it easier for people to become customers.

Becoming a customer

To promote successful growth we are making it as easy as possible for people to become customers. We have already streamlined this process in recent years and continued to improve it this year. For example, since April customers may identify themselves at PostNL offices, of which there are approximately 750. We also gave customers the option of scanning the documents needed to open an account and sending them by email instead of by post. Approximately 80 percent of new customers availed themselves of this option.

General Banking Terms and Conditions

The General Banking Terms and Conditions (GBTC) – with basic rules governing the relationship between the customer and the bank – have been simplified, clarified and amended. This was done in close consultation with the Dutch Banking Association (NVB), the Dutch Consumers' Association and employers' organisations. The GBTC have been written in plainer, more comprehensible Dutch with examples for clarification. The amended GBTC take effect on 1 March 2017.

Customer satisfaction

Customer satisfaction is an important principle underpinning our services. We put our customers' interests first: our services are focused on people instead of processes. We listen to our customers, take their complaints seriously and admit mistakes.

The customer satisfaction survey conducted by de Volksbank revealed that our customers gave us a rating of 8.0 at the end of 2016 (year-end 2015: 8.1). Our goal is to receive at least 8 points.

Last summer, the Dutch Consumers' Association published the outcomes of its survey into banks' customer service. ASN Bank did not emerge favourably from this article. We take the outcomes seriously and have sent the Dutch Consumers' Association the following response: 'We are shocked by the outcome of the survey. The expertise of our customer service staff is important to ASN Bank and to our customers. We are grateful to the Dutch Consumers' Association for this survey, because it will keep us vigilant. The outcome clearly indicates the areas that we need to work on. And that is exactly what we are going to do.'

Net Promoter Score

The Net Promoter Score (NPS) reflects the degree to which customers recommend a particular service provider or supplier. To calculate this score, customers are asked: 'What is the likelihood, on a scale from 0 to 10, that you will recommend this company to family, friends or colleagues?' Then, the percentage of customers giving 0 to 6 is deducted from the percentage of customers giving 9 or 10. This means that the NPS can be either positive or negative.

Customer satisfaction decreased. The NPS remained virtually stable throughout the entire year at +15. ASN Bank achieved an NPS of +14 for the last quarter of 2016, as against +19 at the end of 2015. Our target for 2016 was an NPS of +22. In 2016, we implemented various improvements in our services to enhance satisfaction, particularly with regard to payments. Improving the service remains a focal point in 2017.

Service

Integrity, transparency, expertise and reliability are paramount in our customer interaction. We offer easy-to-understand banking products and good service, and communicate clearly about this. We distinguish between retail customers and corporate clients, whom we offer various services:

- retail: payments, savings, investments, asset management
- self-employed persons: payments, savings, investments, asset management
- institutions, associations and companies: savings, investments, asset management green loans and business loans for sustainability projects

ASN Bank is an online bank: we have no offices to provide customer service. That is why the quality of our Customer Service Department and online services are vital to customer satisfaction.

ASN Customer Service Department

Our customers can take their questions and comments to the staff of the ASN Customer Service Department. They dealt with over 286,000 phone calls. We reduced the waiting times for customers calling us to an average of 44 seconds. Conversations with customers lasted an average of almost four and a half minutes. Aside from telephone calls, the ASN Customer Service Department handled more than 110,000 emails and approximately 5,000 letters.

A large proportion 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 over 5,000 people transfer their current account to ASN Bank. The Surviving Dependents Desk helped around 4,100 surviving dependants of account holders. We opened a contact point for family members of missing persons.

Webcare

Webcare is another important way of providing customer service. We actively monitor message traffic on Facebook and Twitter, answering questions there about our services and products and about the bank in general. This service is correlated with our active social media presence.

Online and mobile banking

Of the more than 645,000 customers, over 430,000 customers organise their banking affairs digitally via ASN Online Banking. Of the online customers, 121,000 use mobile banking via the ASN Mobile Banking app. The number of app users increased by 25 percent. The app is particularly popular among customers who actively engage in online banking: 42 percent of them use the app. App users log in far more frequently than customers who use online banking alone: 61 percent of digital sessions in 2016 were mobile. 42 percent of all transactions were executed via the app; that was more than via online banking.

Improvements to services

We recorded various welcome videos in 2015 especially for new customers. This year, we added how-to videos that show ease of payment, the app, making iDEAL payments using the QR code, making payments without the identifier ('digipas'), the switching service, customer insight into and overview of all his or her accounts, and monthly investing. The videos have now been viewed by tens of thousands of customers.

We introduced *straight-through processing* for various payment-related processes. Because there are no longer any administrative activities, changes made by customers via online banking or the mobile app can take effect immediately. These changes consist of activating or deactivating contactless payment and payment outside the eurozone, and temporary payment limit increases.

In late 2016, we implemented a number of new services in the ASN Mobile Banking app. The main new feature allows customers to log in using their fingerprint, if their device permits them to do so. Another new feature was the balance chart, which shows balance movements during the month. In 2015, we introduced the cash book function in the app. We were unable to execute our plan to make this function available for online banking as well in 2016. The online cash book will follow in 2017.

The SEPA guidelines for European direct debits were amended at the end of November. One of the changes is that customers may refuse a scheduled direct debit before the money is debited from their account, instead of only afterwards.

Information security

The security of banking with ASN Bank is our prime consideration. We meet the strict security standards of the joint Dutch banks. We devote extensive attention on our website to cybercrime, in order to warn customers about it and make them resistant to it.

In 2016, cybercriminals targeted our customers in increasingly smart and advanced ways. They attempted to obtain customer log-in data via friendly telephone calls and polite emails, resulting in a slight increase in account fraud. On the other hand, bank card skimming at point-of-sale terminals has declined considerably, the explanation being that the option to use the ASN Wereldpas outside of Europe is disabled as standard.

Disruptions and availability

There were fewer payment system disruptions in 2016 than in previous years. However, just as in 2015 the disruptions were again more severe. They lasted for longer periods of time and occurred almost without exception in the payment system. This meant that when disruptions did occur many of our customers were inconvenienced. The availability of ASN Online Banking was not lower than the target of 99.0 percent in prime time (from Monday to Saturday inclusive from 7 a.m. to 1 a.m., and on Sundays and national holidays from 8 a.m. to 1 a.m.) in any month.

Communication

To enable us to grow to one million satisfied customers by 2025, we have made an important strategic decision: in addition to our existing base of loyal, ideals-driven customers, we are focusing on a younger target group. Research has shown that there are many young, well-educated, optimistic people who make sustainable choices, but without having the idealistic approach of the older generation. Banking with a sustainable bank is an easy, sustainable option for these young people, which is why we have developed a new advertising campaign and communication strategy to appeal to them. Its essence is showing that you can use money to promote sustainable progress while generating a good return at the same time. We aim to make sustainable banking accessible and attractive. Accessible by continuing to offer clear and easy-to-understand products; attractive by demonstrating that banking with ASN Bank contributes to sustainable development and so has the feel-good factor.

These choices also mean that we have moved on from the activist, idealistic attitude that had long characterised our communications with customers. Ideals for the future are giving way to sustainable progress right now. We no longer wish to be seen as an activist sustainability organisation, but to explain how we, as a bank, are contributing to sustainable progress in a positive way.

Website

The website asnbank.nl plays a central role in our services to and communication with customers. On 3 November the website underwent a facelift: the design was updated, with more white space, a new font and new illustrations. This is the visual expression of our new communication approach. It makes the website far clearer and more modern in appearance. We have begun preparations to make the website responsive in 2017, so that it is clearly legible on tablets and mobile telephones too.

Social media

Social media such as Facebook, Twitter and LinkedIn play a prominent role in our communications. We post positive news items about the sustainable society or ASN Bank itself on an almost daily basis, prompting numerous positive responses. At the end of 2016, we had over 46,000 followers on Facebook, 14,000 on Twitter and more than 3,700 on LinkedIn. In 2016 we received almost 30,000 tweets, 8,000 less than in 2015. These consisted of responses to our tweets, questions via Twitter, retweets and direct messages. In total we received more than 2,200 compliments and more than 2,100 negative messages and/or complaints via Twitter and on Facebook. Our Webcare Department responds to complaints, in consultation with the ASN Customer Service Department and other bank departments such as Sustainability & Research depending on the substance of the complaint.

Meetings

We set great store by personal communication, two-way inspiration and engagement, which is why we regularly organise meetings to meet our customers.

We organised ASN Live on two occasions. In Maastricht on 16 February we spoke with customers and other guests about: *Paris Climate Agreement: what next?* One of the speakers was the attorney Roger Cox, who successfully sued the Dutch State in the 'Climate Case' that he conducted on behalf of Urgenda.

On 8 June, ASN Live took place in Amersfoort, on the theme of *the influence of your money*. The programme devoted attention to local sustainability initiatives and crowdfunding as well as to exerting influence via investment in large companies. Such companies were represented by Geanne van Arkel, Head of Sustainable Development at Interface, a sustainable carpet manufacturer.

Our annual customer meeting TomorrowToday was transformed in 2016 into a well-attended sustainability festival. It took place on Saturday, 24 September in Utrecht's Metaal Kathedraal. The opening speaker was the Congolese gynaecologist and human rights activist Denis Mukwege. The numerous other speakers included Liesbeth Zegveld, attorney and Professor of War Reparations, Ruben Terlou, documentary maker, photographer and doctor, and Jan Terlouw, writer and politician. The guests could also set to work, by generating solar energy themselves, for example. Those present rated the day 8.3 points out of 10.

From paper to digital

More and more of our communication takes place digitally, thus accommodating the wishes of our customers and reducing the amount of paper used. Our customer magazine *Ideaal* was issued four times in 2016, both in hard copy and online. The number of online subscribers to *Ideaal Online* grew from 18,000 to 94,000, due in part to a number of campaigns. The readership of the hard copy magazine declined by 66,000. As from 2017, the magazine primarily appears online and under a new name: *Goedgeld* (good money) – a name that suits our new communication approach. The email newsletter was published eleven times. We expanded our reach by more than 100,000 addresses to more than 300,000 customers.

'Digital first' also applied to ASN Bank's report: in 2015 it was published primarily online for the first time. The annual reports of the ASN Investment Funds and ASN Foundation are likewise available online, but have also been published in hard copy.

Social impact

We actively fulfil our role in society, raising and tackling important social issues together with other parties. Without the commitment and participation of individuals and organisations this would not be possible.

We foster sustainable progress by taking initiatives and participating in platforms in the context of our sustainability pillars – human rights, climate change and biodiversity. We also take part in debates on other issues affecting our mission, during the events that we organise and on other occasions. The starting point in those debates is that we wish to offer our discussion partners a perspective for action.

In addition, we actively contribute to sustainable initiatives, projects and organisations. We donate money to our partnering NGOs. We also promote sustainability initiatives through our online platform For the World of Tomorrow, through sponsorship and by means of the ASN Foundation's donations.

Sponsorship

ASN Bank sponsors special projects – large and small – that match our mission and that we want to encourage. In doing so, we aim to increase our brand awareness and bring sustainability to the attention of a broader and, if possible, young audience. Activities sponsored included the following:

Human Rights Weekend

The fourth edition of the Human Rights Weekend organised by Human Rights Watch took place from 29 to 31 January. Its aim is to get the public involved in human rights, with films, debates and master classes on human rights. There were more than 1,500 visitors in total. ASN Bank invited its customers to a special showing of the film *Life is Sacred* on 30 January. Two hundred customers attended the showing, which was followed by a discussion with the director.

True Fashion Show

On 12 May, the True Fashion Show showed the summer collections of sustainable apparel brands People Tree, Studio Jux, Wunderwerk and L'Herbe Rouge. The fashion show was followed by a talk show about the issues involved in running a fair fashion label.

Into the Great Wide Open

The unconventional music festival Into the Great Wide Open took place on the island of Vlieland in the first weekend of September. ASN Bank sponsored the festival and organised its own programme. For example, Marc van Rijsselberghe gave a talk on the cultivation of food crops on saline soil. Lynn Zebeda, founder of Dr. Monk, spoke about the power of social entrepreneurs. Around 250 festivalgoers attended this part of the programme, and their reactions were very positive.

ASN Foundation

Through the ASN Foundation, ASN Bank makes financial contributions to projects and organisations that further our mission. We support projects across the globe. The organisation requesting the donation must be based in the Netherlands.

In 2016, ASN Bank donated 300,000 euros to the ASN Foundation, which used the money to support 73 projects for a total amount of 302,250 euros. The donations ranged from 500 to 25,000 euros. Recipients of large donations included Stichting Bibliotheek Utrecht, for its social project Bibliotheek Neude, ActionAid Nederland for a project against female circumcision, and Vogelbescherming Nederland for a migratory bird project in Mauritania.

List of donations and sponsorship		
Organisation	Amount in euros	Details
		On behalf of customers with an ASN Ideaalsparen account
Ten theme partners	1.500.000	
Ten theme partners	126.789,78	Donation of the Interchange fees that ASN Bank receives from credit card organisation ICS for payments made with the ASN Credit Card
Cordaid Kinderstem, Cordaid Memisa and Nationaal Fonds Kinderhulp	391.578,26	On behalf of customers with an ASN Jeugdsparen account
ASN Foundation	300.000	Financial contributions in 2016: 73
GreenTech	51.100	Partnership with television programme GreenTech and prize money for winners
ASN Bank World Award	43.998	Divided among five winners
Trees for All	30.375	Nationaal bossenfonds; planting of woodland
Into the Great Wide Open	30.250	Music festival Into the Great Wide Open
Human Rights Watch	20.000	Human Rights Weekend
	15.125	The Plastic Whale Foundation's mission is to make the world's waters plastic-free
Plastic Whale		
Movies that Matter	15.098	Annual human rights film festival
Miscellaneous donations	204.557,12	39 beneficiaries
Total	2.728.871,16	

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.

Sustainability issues

'Sustainability' is a fairly abstract concept. In order to make this concept more tangible and specific for current and prospective customers, The focus of our communications on sustainability in recent years has been on five sustainability issues: fair trade, anti-child labour, renewable energy, anti-arms, and care & welfare. With effect from 2017 we are focusing our communications on the manner in which we promote sustainable progress in the framework of the three pillars of our sustainability policy: human rights, climate change and biodiversity.

We mainly implemented the five issues by supporting the projects of partners. On behalf of customers with an ASN Ideaalsparen account or an ASN Credit Card, we donated total amounts of 1.5 million euros and 126,790 euros, respectively. These donations went towards the following projects:

Fair trade

- Oxfam Novib: sustainable cocoa from Nigeria and fair trade for farmers in Mozambique.
- Solidaridad: better working conditions in garment factories in Asia.

Anti-child labour

- Plan Nederland: end child labour in Nepal's rural areas.
- Cordaid: education for children in Congo and help for girls in prostitution in Congo.

Renewable energy

- Natuur & Milieu: collective buying for sustainable heating (heat pump and solar boiler) and the advice site on saving energy Slimwoner.nl.
- Urgenda: Wadden to be climate neutral by 2020.

Anti-arms industry

- Amnesty International: Human Rights Capacity Building Programme (HURICAP) and Center of International Justice (CIJ) in The Hague.
- War Child: help for war children in Congo.

Care & welfare

- National Foundation for the Elderly (Nationaal Ouderenfonds): Elderly Ombudsman and Supplementation Fund (Suppletiefonds).
- Royal Dutch Guide Dog Foundation (KNGF Geleidehonden): KNGF Campus.

Other partners

In addition to the ten theme partners, ASN Bank supported diverse partnering NGOs and social activities in 2016. Four representative examples are given below:

ASN Jeugdsparen: Cordaid and Nationaal Fonds Kinderhulp

On behalf of customers with an ASN Jeugdsparen account, we make an annual donation to Cordaid and Nationaal Fonds Kinderhulp. We donate 5 euros to Cordaid and 5 euros to Kinderhulp for every new ASN Jeugdsparen account. In addition, we donate to each organisation once a year, with the amount being equal to 0.05 percent of the average savings balance in all ASN Jeugdsparen accounts in the year in question, with a minimum of 100,000 euros. In 2016, Cordaid and Kinderhulp each received a donation of 195,789 euros. These gifts from ASN Bank will be used for children's projects in Africa and the Netherlands. Since the start of ASN Jeugdsparen in 2002, we have donated more than 3.2 million euros for vulnerable children in this way.

GreenTech

GreenTech is an inventors' competition on RTL4, in which children hold a competition to come up with the Netherlands' most sustainable idea. ASN Bank lent its cooperation to GreenTech. The community manager of For the World of Tomorrow represented ASN Bank in the jury. Our sustainability experts helped four children aged between eight and twelve research how sustainable Tony's Chocolonely, KLM, Suez and H&M are. Short videos of the visits were broadcast during the GreenTech television programme.

Greenchoice and Natuur & Milieu: Warme Huizendagen

Organised by Natuur & Milieu in collaboration with Greenchoice and ASN Bank, the Warme Huizendagen (warm home days) took place on 18, 19 and 20 November: three days of competitive deals on energy-saving measures for the home. The Warme Huizendagen were in line with our aim of making homes more energy efficient.

PAX

By late 2015 PAX had collected more than 45,000 signatures for the Sign Against Nuclear Weapons citizens' initiative. Many ASN Bank customers signed the petition. We informed our customers of the House of Representatives debate that took place on 28 April as a result of the citizens' initiative. The House called on the government to vote in favour of the UN resolution to start negotiations on a worldwide ban on nuclear weapons in 2017. Although the government did not vote in favour, it abstained from voting, while the other NATO countries voted against.

Fostering sustainability initiatives

Our online platform For the World of Tomorrow encourages people with smart ideas for a more sustainable world. The platform helps to develop initiatives and execute ideas, share information and meet new people. It also offers inspiration via blogs on all sorts of initiatives that contribute to a more sustainable world, which often provide a perspective for action. We support the blogs with social media publicity.

For the World of Tomorrow was visited by 236,974 people in 340,346 sessions, an increase of approximately 30,000 visitors compared to 2015. In 2016, 248 new, approved projects were launched.

The two main activities that the platform developed in 2016 to stimulate sustainability initiatives were Crowdfunding For the World of Tomorrow and the ASN Bank World Award.

Crowdfunding For the World of Tomorrow

We launched Crowdfunding For the World of Tomorrow on 15 December 2015. It offered project owners the option of obtaining funding, an additional level of support and commitment – on top of the online community's support. This aligned well with the objectives of both ASN Bank and For the World of Tomorrow.

The crowdfunding was a partnership between For the World of Tomorrow and the crowdfunding platform Oneplanetcrowd. For the World of Tomorrow attracted the projects and saw to additional publicity around the crowdfunding campaign, while Oneplanetcrowd provided the platform. The experts from Oneplanetcrowd assessed the plans and selected the participating projects. ASN Bank assessed the projects on the basis of its sustainability criteria. The participating project owners received personal coaching to help them conduct a successful campaign.

More than 125 entrepreneurs registered, six of whom were selected by Oneplanetcrowd and ASN Bank for the crowdfunding process: VoorleesExpress, Sweet Heroes, Kantoorkaravaan, Chef Het Samen, SprinklR and KarTent. All of the projects except for Sweet Heroes raised their target amount. Crowdfunders funded the projects for a total of 130,055 euros.

KarTent

KarTent was the first project to raise its target amount. KarTent makes recyclable, water-resistant cardboard tents for people visiting multi-day open-air festivals. Entrepreneurs Jan Portheine and Wout Kommers began crowdfunding with the aim of raising 25,000 euros for the growth and development of their fledgling company. Following a successful campaign, which raised 50,000 euros, the festival season kicked off and KarTents were used at festivals in the Netherlands and abroad: Belgium, Sweden, Germany and South Africa. In the words of Jan Portheine: 'Our highlights over the past year were definitely made possible by our crowdfunding and the help from For the World of Tomorrow and ASN Bank.'

ASN Bank World Award

We believe that innovation comes from society, which is why For the World of Tomorrow has organised the ASN Bank World Award since 2009. Our award helps promising projects to grow: projects of enterprising people with smart ideas for a better world. The award is geared towards initiators whose idealism is coupled with a healthy dose of realism and business acumen.

Each project has to fit in with one of the award's five issues. ASN Bank World Award participants are in with a chance of winning a programme of coaching, training and publicity. The five finalists can win a sum of between 5,000 and 20,000 euros. There is also a public award of a maximum of 5,000 euros.

We started the ASN Bank World Award 2016 with no fewer than 330 registrations: a record in the history of the award. After an initial selection, fifty projects remained. Various rounds then took place in which the jury – comprising entrepreneurs and specialists in the sustainability field – selected the best two projects per issue. In the last round, the jury assessed the project owners' business plans, pitches and presentations, and conducted discussions with them.

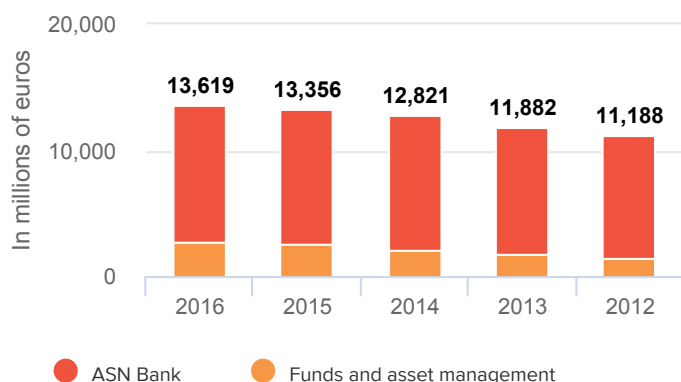
The jury was chaired by Ynzo van Zanten, economist, entrepreneur and initiator of Green Inc. In his view, the submissions were of a high level: 'The growing interest in the ASN Bank World Award led to good submissions in every category. This shows that – without many people being aware of it – new entrepreneurs are coming forward who are really helping society to advance. It is wonderful that the ASN Bank World Award gives further assistance to these entrepreneurs and offers them a platform.'

- The ASN Bank World Award 2016 went to:
- Hemelswater (issue: Renewable energy, nature & the environment)
- Refugee Start Force (issue: Social cohesion & safety)
- Synth/Ethic (issue: Fair trade, fashion & food), also winner of the public award
- CloudCuddle (issue: Care & welfare)
- Terra Nova (issue: Children's rights & education)

Commercial performance

The number of customers rose in 2016 from 628,910 to 645,336. Total assets under management at ASN Bank and the ASN Investment Funds grew by 264 million euros.

Assets under management



Sustainable savings and investments market share in 2015

In 2016, the Dutch Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling; VBDO) published the 2015 figures on the Dutch sustainable savings and investment markets. The total retail market for sustainable savings and investment products rose by 11.4 percent to 30.9 billion euros in 2015. The savings market contracted for the first time in years, by 2.2 percent to 15.8 billion euros. The total sustainable investment market grew by 30.6 percent to 15.1 billion euros.

ASN Bank's market share in the total sustainable savings and investment markets was 43.4 percent at the end of 2015. We do not offer any 'green savings'. Our share in regular sustainable savings and investments is:

- savings: 77% (a comparative figure for 2014 is not available because regular savings and green savings were not separate at that time).
- investment funds: 26% (2014: 25%)

Payments

A current account forms the basis for a long-term, intensive relationship with customers, certainly when they also save and/or invest at ASN Bank. That is why we are focusing for the next few years on attracting and retaining these active customers and on developing new products and services. We offer our customers current accounts with low charges, interest on positive balances and relatively low overdraft interest. Following the introduction of the ASN Juniorrekening, we offer a full range of retail current accounts. We also offer self-employed persons a current account tailored to their needs.

The charges for the ASN Bank Account and the ASN Betalen Zelfstandigen account did not increase in 2016 and are also remaining the same in 2017. The ASN Juniorrekening and ASN Jongerenrekening are free of charge.

New: ASN Juniorrekening

On 17 May, we introduced the free ASN Juniorrekening for children between six and twelve years of age. The account allows children to become familiar with everyday banking in a child-friendly, safe way. They can make purchases and withdraw money with their own debit card, but with restrictions. They can use the ASN Mobile Banking app to see how much money they have in their account. Their parents manage the account via online or mobile banking. By the end of 2016, more than 4,600 ASN Juniorrekening accounts had already been opened.

Campaigns

We conducted various successful campaigns for our current accounts. In May and June, we conducted a campaign with the motto: 'For a sustainable current account that pays interest on your balance, you need look no further than the bank with the best score in the Fair Bank Guide'. We also used this campaign to draw attention to our savings accounts.

In the run-up to the new school year, we ran a campaign for the ASN Juniorrekening and ASN Jongerenrekening accounts. The child or young person received 15 euros on their account upon opening an account and activating their debit card.

Starting from 28 November, we offered the ASN Bank Account and ASN Credit Card free of charge for a period of six months. The pocket money campaign for the ASN Juniorrekening and ASN Jongerenrekening is also being continued. We strengthened this promotional activity with the first campaign in the new ASN Bank style: 'How money can buy happiness'. The new style is directed towards a broader target group. The style is more accessible and optimistic, making it clear that a little bit of goodness is good too; everyone makes sustainable choices in their own way. We began disseminating this message on 28 November via station posters, adverts, radio, online video, display banners and Facebook.

ASN Credit Card

The ASN Credit Card is a Visa Card administered by credit card expert ICS. More than 37,000 credit cards had been issued by the end of 2016.

Savings

The total balance of retail savers at ASN Bank dropped by 0.65 percent from 9.92 billion euros to 9.85 billion euros.

	2016	2015	2014	2013	2012
Savings market share	0.029	0.029	0.029	0.028	0.028

Source: Statistics Netherlands

The drop was mainly caused by low interest rates, which rendered it financially more favourable for many customers to redeem their residential mortgage and to fund renovations than to save. Money also flowed to ASN Optimaalbeleggen, because customers expect a higher return from the ASN Investment Funds than from their savings account. Money also flowed into other financial institutions' savings accounts offering a higher rate of interest. The low interest rates were a frequently recurring topic of discussion at the ASN Customer Service Department and on social media. We explained the causes on a separate page on our website, to which we referred in the email messages that customers receive upon every interest rate adjustment.

Feeling the pressure of the low general interest rate level, ASN Bank had to amend the terms and conditions of the ASN Sparen Zakelijk savings account as from 1 October, reducing the savings balance on which customers receive interest from a maximum of 5 million to a maximum of 2.5 million euros. This led to a significant outflow of savings.

Sustainable savings market

In 2015, the market for sustainable savings contracted for the first time in years, specifically by 2.2 percent, as reported by the Dutch Association of Investors for Sustainable Development (VBDO) in the autumn. This was not in line with the total Dutch savings market, which grew by 4.1 percent in 2015. The sustainable savings market share thereby comprised 4 percent of the total Dutch savings market in 2015. The figures for 2016 will be known at the end of 2017.

Amendment to deposit terms and conditions

In order to encourage sustainable living, we extended the terms and conditions for withdrawing money from the ASN Depositosparen savings account. With effect from June, withdrawals may be made free of charge if the amount withdrawn is used for sustainable renovations of the customer's own home. In this way, we are encouraging energy-saving measures such as insulation, high-efficiency glazing and boilers, heat pumps and solar panels.

Five stars from MoneyView

In May 2016, MoneyView awarded the terms and conditions of ASN Ideaalsparen and ASN Depositsparen the highest number of stars, i.e. five. This means that these accounts offer the saver more options than comparable accounts at other banks. MoneyView is an independent organisation that compares the products of banks and insurers.

ASN Jeugdsparen wins award

On 7 December ASN Jeugdsparen won spaarrente.nl's Gouden Jeugdsparrente Award, presented by the website for the first time. The presentation took place on the occasion of the fifth anniversary of the Gouden Spaarrente Award. Spaarrente.nl wrote the following about ASN Jeugdsparen: 'This account offered the highest interest rate throughout the entire year, which fell by a mere 0.2 percentage points during that period, while interest rates on youth savings accounts fell by an average of 0.4 percentage points from January up to and including December 2016.'

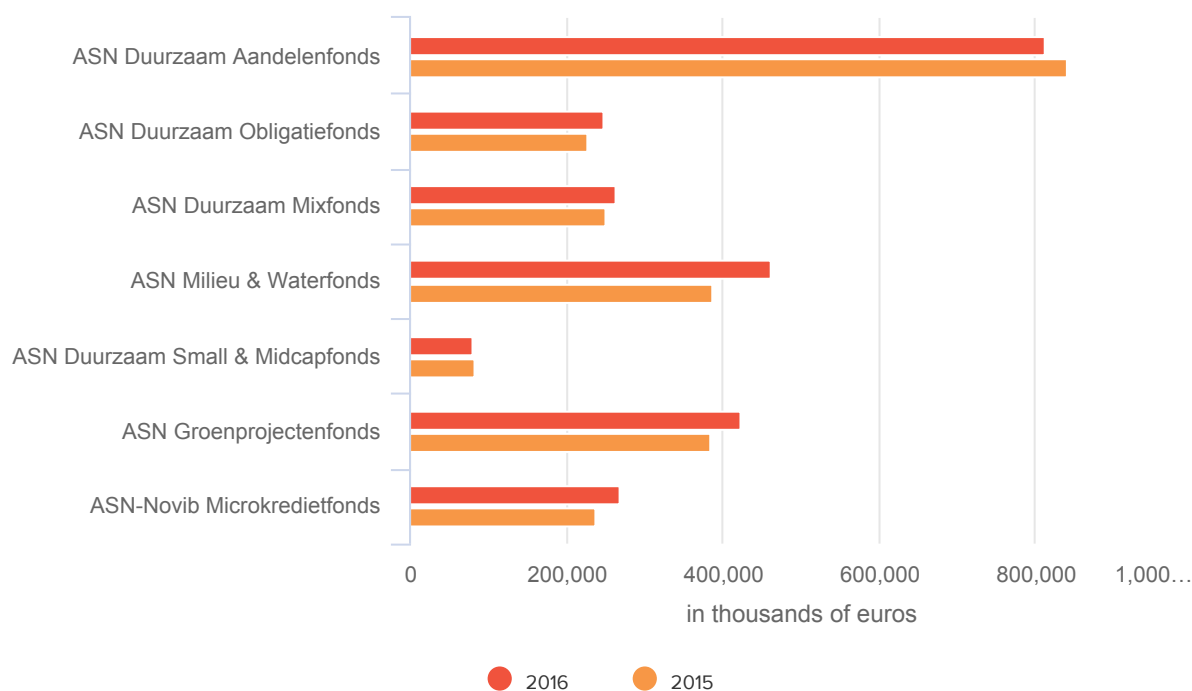
There was a net rise of 3,164 in the number of ASN Jeugdsparen accounts. Deposits grew by 9.6 percent to 321 million euros. Using this savings account, our customers invest in the future of their children and grandchildren and the future of many children who are less fortunate, as we donate an annual amount to Cordaid and Nationaal Fonds Kinderhulp on behalf of customers with an ASN Jeugdsparen account. The donation in 2016 totalled 391,578 euros. Since the start of ASN Jeugdsparen in 2002, we have donated more than 3.2 million euros for vulnerable children in this way.

Investment funds

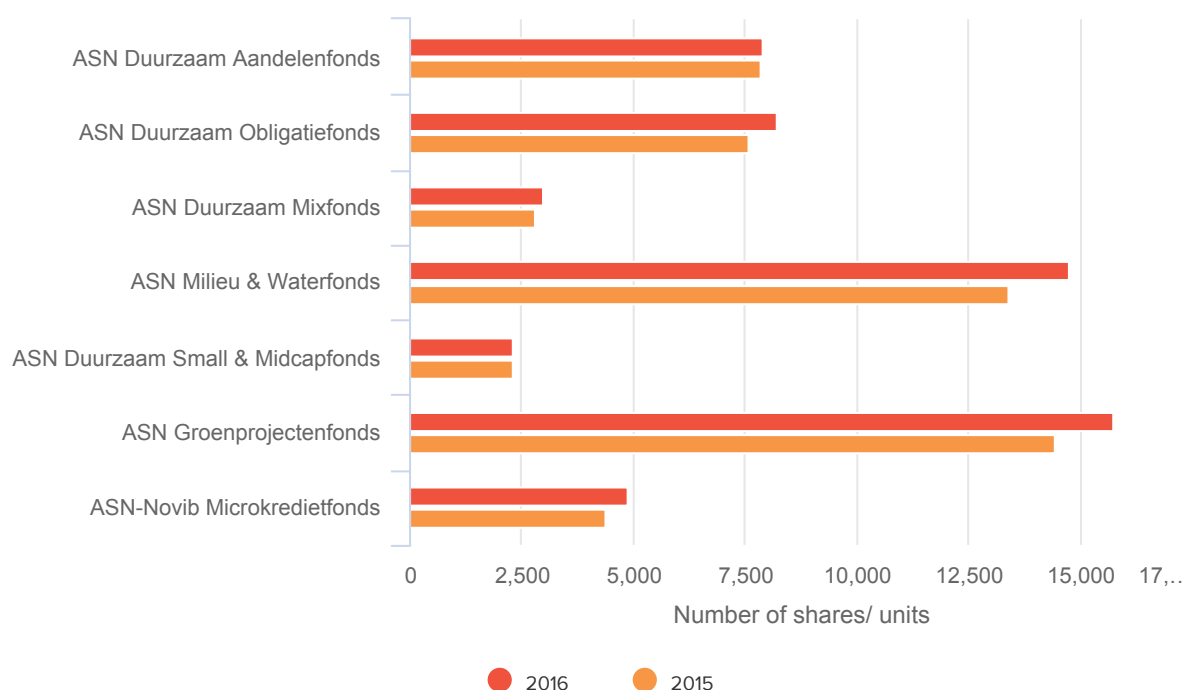
The ASN Investment Funds grew by 148 million euros (6 percent) to 2.55 billion euros (year-end 2015: 2.40 billion euros). The number of customers with an investment account rose by 5,744 to 82,797.

The funds' growth was due in particular to the inflow of new monies. This inflow was in part fuelled by historically low interest rates on savings and the recognisable sustainability profile of the funds. The inflow of new money came from customers of both ASN Bank and of other banks offering the ASN Investment Funds.

Net assets of investment funds



Number of shares/units



Sustainable investment market

The demand for sustainable investment funds is on the rise. The Dutch Association of Investors for Sustainable Development (VBDO) established that the total sustainable investment market grew by 30.6 percent in 2015, from 11.5 billion to 15.1 billion euros. The sustainable investment market share thereby comprised 13 percent of the total market of 115.7 billion euros. The figures for 2016 will be known at the end of 2017.

Campaign

ASN Bank conducted a campaign for the ASN Investment Funds in the first half of 2016, working closely with Oxfam Novib in this respect. As 2016 marked the 25th year of collaboration between ASN Bank and Oxfam Novib, the bank donated 5 euros to Oxfam Novib for every deposit of 2,000 euros or more in the ASN Investment Funds. Oxfam Novib used this money to help four hundred women in the Mozambican province of Nampula to start up small businesses. More than six thousand investors took part in the campaign.

Stock exchange listing of ASN Groenprojectenfonds

On 27 January 2016 ASN Groenprojectenfonds was listed on Euronext Amsterdam, making this fund available to people who do not have an ASN Bank investment account.

New structure

The listing of ASN Groenprojectenfonds means that all ASN Investment Funds are now listed on the stock exchange. As a result, the legal structure can be simplified. In 2016 there were still three structures, each with their own prospectus, annual report, annual meeting and supervisory board: ASN Beleggingsfondsen N.V., ASN Groenprojectenfonds and ASN-Novib Microkredietfonds. In 2016, ASN Beleggingsinstellingen Beheer B.V. (ABB) made preparations to bring these under a single overarching structure: ASN Beleggingsfondsen N.V. The advantage for unitholders is that they can take part in decision making regarding approval of the annual report, the dividend and appointment of the auditor. This merger can result in higher efficiency for the funds.

ASN Groenprojectenfonds temporarily closed

As ASN Groenprojectenfonds qualifies as a 'green institution', private investors in the fund may obtain a tax advantage. The law imposes the condition on green institutions that at least seventy percent of their actual activities consist of the financing of recognised green projects. There was a great influx of money into ASN Groenprojectenfonds in the autumn, partly because the tax reference date of 1 January was approaching. The supply of green projects lagged behind. As a result, the portion of the investment portfolio that was invested in green projects threatened to be reduced to less than seventy percent. Consequently, we temporarily closed the fund to new unitholder purchases on 14 November 2016.

Preparations for ASN Sustainable Mixed Funds

In 2016, we prepared to introduce five new sustainable mixed funds. The official introduction took place on 10 January 2017. Investors can purchase the funds via the websites of ASN Bank and Euronext.

ASN Sustainable Mixed Funds allow ABB to offer investors more control over their capital growth, without demanding much in the way of time, knowledge and experience. The funds invest in the existing ASN Investment Universe. Each fund invests according to a particular allocation between euro government bonds and equities. The risk profiles vary from very defensive to very offensive. Investors select the risk they are willing to accept to have the chance of a higher return. With the help of an online instrument, which provides insight into the investment options, investors can also monitor whether they are achieving their financial goal. This tool will become available during the first quarter of 2017.

Recognition and awards

Thomson Reuters Lipper Fund Award

In early April, ASN Duurzaam Mixfonds won the Thomson Reuters Lipper Fund Award. Lipper analysed 48 globally investing mixed funds for a period of three years. ASN Duurzaam Mixfonds emerged from the comparison as the best fund.

vwd Cash Fund Awards

Just as in 2015, ASN Duurzaam Mixfonds won a vwd Cash Fund Award. On 8 March 2016, it was named best fund in the category Mixed Global Currency Balanced by the vwd group and the 'cash' investor platform jointly. This is the category of funds that invest in an even balance of both shares and bonds.

Morningstar sustainability rating

Morningstar published its new rating, which entails comparing investment funds using a large number of sustainability criteria. Two ASN Investment Funds achieved the maximum rating of five sustainable globes: ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds. ASN Milieu & Waterfonds received four globes.

ASN Duurzaam Aandelenfonds

In September ASN Duurzaam Aandelenfonds was placed at number 1 in the top 5 funds in the category 'global large-cap growth equity'. This top five was compiled by the independent fund rating agency Morningstar for the online magazine Fondsnieuws. This award of first place means that ASN Duurzaam Aandelenfonds is the most sustainable globally investing equity fund available in the Netherlands.

In November, ASN Duurzaam Aandelenfonds won the Gouden Stier ('Golden Bull') award in the category best sustainable investment fund – the Groene Stier ('Green Bull') – of the Netherlands. This was the third time that the fund had won this award from the website Belegger.nl. A jury of experts chooses the winners. In the words of jury member Marcel Tak: 'We only nominated funds with a genuine focus on sustainability rather than those who pursue sustainability due to marketing considerations. The funds must make a strict selection and actively work on voting rights and engagement.'

Results of the ASN Investment Funds

<i>Returns per year as at 31 December 2016 on the basis of the share price</i>	<i>1 year</i>	<i>3 years</i>	<i>5 years</i>
ASN Duurzaam Aandelenfonds	-2.45%	11.39%	15.49%
Benchmark: 65% MSCI Europe, 25% MSCI US en 10% MSCI Japan	5.76%	9.86%	12.98%
ASN Duurzaam Obligatiefonds	3.36%	5.27%	4.60%
Benchmark: iBoxx € Sovereign	3.27%	5.87%	6.12%
ASN Duurzaam Mixfonds	0.95%	8.37%	9.81%
Benchmark: 55% iBoxx € Sovereign; 29,25% MSCI Europe, 11,25% MSCI US en 4,5% MSCI Japan	4.59%	7.83%	9.30%
ASN Milieu & Waterfonds	9.09%	12.47%	14.83%
Benchmark: MSCI World SmallMid Cap (EUR)	13.19%	14.02%	16.25%
ASN Duurzaam Small & Midcapfonds	-4.72%	7.86%	13.80%
MSCI Europe Small Cap Total Return Index (United Kingdom share halved)	3.16%	10.85%	17.82%
<i>Returns per year as at 31 December 2016 on the basis of the net asset value</i>			
ASN Groenprojectenfonds	1.30%	2.13%	2.29%
<i>Returns per year as at 31 December 2016 on the basis of the net asset value</i>			
ASN-Novib Microkredietfonds	2.03%	3.02%	3.46%

The results of ASN Groenprojectenfonds and ASN-Novib Microkredietfonds are not compared with a benchmark.

Please refer to the 2016 annual reports of the ASN Investment Funds for the notes to these results.

Asset management

ASN Asset Management is intended for private individuals, foundations, associations and social institutions that want to outsource the management of their investment portfolios. The services are aimed at customers with investable assets of at least 250,000 euros. ASN Asset Management invests these assets on the basis of ASN Bank's sustainability policy.

ASN Asset Management's customer base grew modestly in 2016, while assets under management increased by 3.1 percent. Partly driven by the turbulent investment year, this prompted an overall slight decrease in the value of the investment portfolios.

Both the bond and the share portion of the management portfolios underperformed the benchmark. For the shares, this was mainly caused by the price rises of the shares we select on the basis of our sustainability criteria not keeping up with the price rises of non-sustainable shares. The value of the bond portfolio was negatively impacted by the bonds' relatively short term to maturity following expectations of (limited) interest rate hikes.

Sustainable impact of savings

One important way to implement our mission is through investing our customers' savings in such a way that they contribute to sustainable development. We invest our customers' money according to our sustainability criteria, in categories including bonds and private loans to governments (countries, provinces and municipalities), home loans, water boards, 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.

ASN Bank's loans and investments can be divided into the following two categories:

- Loans and advances to customers, including business loans (financing) and private loans. It also comprises the item *financial institutions*, which includes a private loan extended to Woonhuishypotheek B.V. to fund residential mortgages.
- Investments, including the investments in primarily government bonds and in green and social bonds.

Loans and investments increased by 130 million euros, from 10,899 million euros to 11,029 million euros.

(In millions of euros)	31-12-2015	31-12-2015
Loans and advances to customers	6.173	6.280
Investments	4.856	4.619
Total loans and investments	11.029	10.899

Loans and advances to customers

Breakdown by counterparty (in millions of euros)	2016	2015
Financial institutions	4,531	4,508
Local governments	344	402
Health and welfare services	279	316
Residential construction	412	441
Water extraction and management	259	274
Energy	287	268
Retail customers	29	32
Education, culture and leisure	5	9
Other	27	30
Total loans and advances to customers	6,173	6,280

Business loans consist primarily of project loans of at least 1 million euros. In our business lending activities, we focus on the following industries:

- renewable energy (wind energy, solar energy, decentralised energy supplies);
- housing, including social housing;
- social property;
- care and welfare.

ASN Bank provides business loans to sustainability projects without a green certificate. Projects with a certificate issued in the framework of the Green Project Regulations (Regeling groenprojecten) are eligible for a green loan of ASN Groenprojectenfonds. If desired, we combine a green loan provided by ASN Groenprojectenfonds with an ASN Bank loan.

In 2016, ASN Bank disbursed loans totalling 57 million euros. In all, investments in business loans increased by 16 million euros to 354 million euros. In addition, we have agreed to arrange loans of over 90 million euros.

By means of private loans, we finance companies and institutions in categories including water management, housing corporations and local governments. A total sum of 141 million euros was repaid on the private loan portfolio. We did not provide any new private loans.

Investments

<i>Breakdown by counterparty (in millions of euros)</i>	2016	2015
Government bonds	3,202	3,582
Financial institutions	952	393
Local governments	297	271
Rail transport	203	198
Energy	202	175
Total investments	4,856	4,619

We invest in types of financing that keep financial risks controllable and that are in line with our sustainability criteria, for example in bonds issued by governments that meet our sustainability criteria and in *green and social* bonds. In 2016, we added more than 135 million euros in bonds.

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 US dollars (we apply the converted amount of 8 million euros 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).

In 2016, we did not provide any loans subject to the Equator Principles.

Main loan and investment categories

Housing

Private residential mortgages are our largest loan and investment category. We finance mortgages of our affiliated brands of de Volksbank N.V.: RegioBank, SNS and BLG Wonen. These mortgages meet our sustainability criteria. With this financing, we ensure that people can buy a home of their own – as with financing in the social housing sector.

Working on climate impact

Energy consumption of homes is a major source of CO₂ emissions in the Netherlands. Within the framework of our long-term climate change goal, we aim to reduce our mortgage portfolio's climate impact. That is where we have de Volksbank on our side. De Volksbank, too, seeks to achieve climate neutrality in all its loans and investments. That is why it wants to make the mortgage portfolio more sustainable, for example by adding such sustainability measures to the homes for which the mortgages were provided that they move from the low energy labels E, F and G to label A or B. De Volksbank aims to work on this by advising customers and making energy-saving measures financially possible.

Within this context de Volksbank and its brands ASN Bank, SNS and BLG Wonen are the main partners of Slimwoner.nl, the website launched by Natuur & Milieu in 2015. Slimwoner.nl offers homeowners well-founded, independent advice on saving energy in and around the house. The website alleviates the administrative burden, offering them the option of having insulation work carried out by reliable, certified parties. Group buying allows Slimwoner.nl to offer fair prices, which makes it easy for homeowners to make their homes sustainable. The other two main partners of Slimwoner.nl – Hoom and Greenchoice – contribute to implementing the sustainability measures.

Energy Saving Loan

ASN Bank has committed itself to funding the Energy Saving Loan (Energiebespaarlening) of the National Energy Saving Fund (Nationaal Energiebespaarfonds). This loan enables homeowners to finance energy-saving measures inside and outside their homes. They repay the loan in seven to fifteen years by monthly instalments.

Loans to housing corporations

We provide funding and private loans to housing corporations. These 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. We assess every individual housing corporation on compliance with our sustainability criteria.

Government bonds

The Dutch Central Bank and the European Central Bank require all banks to maintain part of their assets in readily marketable investments such as government bonds, which are loans extended to countries' governments. Governments provide basic facilities such as housing, education and healthcare and rules to protect nature, for example – matters that are important now and in the sustainable world of tomorrow. We only invest in the government bonds of countries that meet our sustainability criteria. As at 31 December, we held government bonds from eight countries: Germany, the Netherlands, Belgium, France, Austria, Ireland, Sweden and Luxembourg.

Developments in government bonds

The government bond portfolio declined by over 379 million euros. The stakes in the Netherlands (- 273 million euros), France (- 156 million euros) and Germany (- 134 million euros) decreased, whereas the stakes in Belgium (+ 42 million euros), Austria (+ 27 million euros) and Sweden (+ 6 million euros) increased. The increases and decreases are the result of purchases and sales of government bonds as well as revaluations. New additions to the portfolio were Ireland and Luxembourg.

Local governments

Local and regional governments, such as municipalities and provinces, play an important role in a society's functioning. If we have approved a country's government bonds based on our sustainability criteria for government bonds, the local governments have also automatically been approved. In this category, we provide loans to Dutch municipalities and provinces.

Renewable energy

Market conditions in 2016 were even more challenging than in 2015, which was not an easy year either. This was caused by several factors:

- There were only a few (new) projects applying for a loan.
- Global interest rates dropped further. As in 2015, various large projects in the portfolio needed to have their loans refinanced. As a result of low interest rates and good results in the past, project owners could stipulate much lower rates.
- Competition was fierce: many banks were interested in the financing of sustainability projects that are also financially feasible, and insurers and pension funds entered the market.
- The increase in the number of large parties operating in the international market for renewable energy projects has consequences for the *ticket size*. Projects are divided into a smaller number of loans with a higher amount per loan. Large or larger banks often have the advantage on this point. The minimum ticket size of projects is becoming too high for ASN Bank.

In 2017, too, we will continue to seek early cooperation with developers of renewable energy projects. We want to retain our leading role in the shaping of the energy transition, which – thankfully – is now widely supported.

Some of the new loans in the field of renewable energy we provided in 2016 are the following:

Solar energy: Centrale Photovoltaïque de Toul-Rosières 2 SAS

Thirty kilometres west of Nancy, the large 115-megawatt solar farm Centrale Photovoltaïque de Toul-Rosières is situated on a former military base. Having previously been provided with a loan, the farm received another loan – totalling 21 million euros – in 2016.

Thermal storage: Vaanster III

For Vaanster VIII B.V. we financed several thermal storage systems, such as the thermal storage system of a large hotel in Amsterdam-West. The total loan amounted to 3.2 million euros, partly provided by ASN Groenprojectenfonds and partly by ASN Bank. The CO₂ reduction is 143 tonnes.

Wind energy: Rentel

In a consortium of banks we financed Rentel N.V. for 20 million euros for the construction of a 309-megawatt wind farm off the coast of Belgium (near Zeebrugge).

Global Climate Partnership Fund

We financed the Global Climate Partnership Fund SA, SICAV-SIF with 22.5 million euros. This fund finances investments in renewable energy and energy efficiency in developing countries, both directly and through qualified financial institutions. When ASN Bank extended the loan, the fund's projects had already saved 4.4 million tonnes of CO₂.

Care

ASN Bank has been providing private loans to the healthcare sector for many years. Our provision of services to this sector fits in well with our sustainable human rights choices. The following loans were new or expanded in 2016:

RW OG

Since 2014, we have been financing the establishment of a healthcare institution for the elderly in a former office building in Almere Haven. The original loan of 3.1 million euros to RW OG B.V. in Almere was expanded by 310,000 euros in 2016.

ZON-PTC

We financed Zuid-Oost Nederland Protonen Therapie Centrum (ZON-PTC B.V.). This cancer centre offers new, less burdensome radiation therapy: proton therapy. Building the centre costs 40.5 million euros, 12.5 million euros of which was financed by ASN Bank. For this loan we closely cooperated with the Province of Limburg, LIOF and Rabobank.

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.

Green bonds and social 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 our climate change objective of being fully carbon neutral by 2030.

Another bond category are the social bonds, which are used to finance projects having a social impact, such as microfinance and social housing. They match our sustainability policy perfectly.

The following green bonds and social bonds were newly added to the portfolio in 2016:

Nordic Investment Bank

Via the green bond of the Nordic Investment Bank we invest in renewable energy, energy efficiency projects, public transport, waste reduction, wastewater treatment and green buildings in the EU.

German state of North Rhine-Westphalia

Bundesland NRW uses its social bond to finance applied sciences in the field of sustainability, such as sustainability research by students and the construction of the Bottrop Energy Campus for nine hundred students. The Bundesland also makes a financial contribution to the European Regional Development Fund, which in turn finances the *Tangible climate protection and energy revolution* project.

ASN Bank's loans and investments in 2016

All the loans and investments for which ASN Bank used the money in the savings accounts and current accounts at ASN Bank are listed below. *Loans and advances to customers* are loans provided by ASN Bank either directly or through the private placement market. *Investments* include bonds in which ASN Bank invests through the stock exchange.

Breakdown by funded activity

<i>In thousands of euros</i>	<i>Loans and advances to customers</i>	<i>Investment</i>	<i>Total</i>
Government bonds	-	3,202,273	3,202,273
Home loans	4,528,993	503,231	5,032,224
Local governments	344,275	292,415	636,690
Renewable energy	316,820	459,369	776,189
Residential construction	411,485	-	411,485
Health and welfare services	279,380	-	279,380
Water extraction and management	258,751	-	258,751
Rail transport	-	203,275	203,275
Development assistance	-	9,004	9,004
Education, culture and leisure	7,970	-	7,970
Other	25,755	185,958	211,713
Total loans and advances to customers	6,173,429	4,855,525	11,028,954

<i>Counterparty</i>	<i>Amounts in thousands of euros</i>
Government bonds	3,202,273
Germany	1,111,498
The Netherlands	757,751
Belgium	532,882
France	405,147
Austria	261,096
Ireland	82,866
Sweden	26,346
Luxembourg	24,687
Home loans and other loans and advances to customers	5,032,224
Woonhuishypotheek B.V.	4,500,000
Lowland Mortgage Backed Securities 3 B.V.	503,231
Various retail customers	28,993
Local governments	636,690
UNEDIC (France)	108,818
Caisse d'Amortissement de la Dette Sociale (France)	104,786
BNG Bonds	42,641
Gemeente Venlo	39,537
Gemeente 's-Hertogenbosch	30,000
Gemeente Enschede	30,000
Gemeente Rotterdam	25,000
Gemeente Middelburg	24,997
BNG SRI Bonds	22,290
Gemeente Apeldoorn	20,000
Gemeente Zwolle	18,000
Gemeente Nieuwegein	15,000
German state of North Rhine-Westphalia	13,880
Gemeente Hengelo	12,000
Gemeente Zevenaar	10,000
Gemeente Kaag & Braassem	10,000
Gemeente Kampen	8,167
Gemeente Pijnacker	8,000
Gemeente Boxmeer	6,800
Gemeente Weststellingwerf	6,500
Gemeente Haaksbergen	6,000
Gemeente Montfoort	6,000

Gemeente Schijndel	5,500
Gemeente Maassluis	5,500
Gemeente Heusden	5,000
Gemeente Vlissingen	5,000
Waterschap Rijn en IJssel	5,000
Gemeente Gorinchem	5,000
Gemeente Leiden	5,000
Gemeente Sluis	4,267
Gemeente Oldenzaal	4,000
Gemeente Bunschoten	3,840
Gemeente De Ronde Venen	3,600
Gemeente Nijkerk	3,200
Gemeente Elburg	3,000
Gemeente Krimpen	2,667
Gemeente Leeuwarden	2,500
Gemeente Oosterhout	2,000
Gemeente Culemborg	2,000
Gemeente Hoogezand	1,200
Renewable energy	776,189
Renewable energy – wind energy	147,915
Belwind N.V.	47,377
Westermeerwind B.V.	29,014
Northwind N.V.	23,724
Global Tech I Offshore Wind GmbH	21,794
C-Power N.V.	16,776
SFE-Parc Eolien de Leffincourt	7,492
VAANSTER VIII B.V.	1,163
Vaanster XIV B.V.	575
Renewable energy – solar energy	122,953
Centrale Photovoltaïque de Toul-Rosières 2	41,075
Lavansol II SAS	12,761
Centrale Photovoltaïque du Gabardan 2	12,582
Newsolar SAS	10,116
Belfuture 2 CVBA	9,050
BELFUTURE CVBA	8,230
Lavansol M7 SAS	6,881
SECP Olmo SAS	6,151
FPV Pascialone SAS	6,064
NPG Willebroek N.V.	5,386
FPV Santa Lucia SAS	4,657
Renewable energy – other renewable energy	505,321
European Investment Bank Climate Awareness Bond	157,537
FMO Sustainability Bond	111,644
NRW Bank Green Bond	97,178
IDF	69,056
Global Climate Partnership Fund SA, SICAV-SIF	23,717
Energiefonds Overijssel I B.V.	12,000
Nordic Investment Bank	9,979
Alliander	7,206
Unica Financial Services B.V.	5,837
Dif Infrastructure Fund	5,204
Eteck B.V.	2,010
Dif Renewable Energy Fund	1,314
Eteck Warmte Yours B.V.	1,033
BTES Art Court B.V.	481
Eteck Warmte Motel One B.V.	332
Eteck Warmte Wibautveste B.V.	293
Impax New Energy Investors II	250
Eteck Warmte Drunen B.V.	250
Residential construction	411,485
Woonstichting SSW	45,589

Stichting Duwo	25,000
Stichting Ymere	25,000
Stichting Eigen Bouw	24,239
Woningstichting Rochdale	20,000
Stichting R&B Wonen	20,000
Stichting de Woonmensen/SJA	15,000
Stichting Area Wonen	13,658
Woningstichting Eigen Haard	13,000
Stichting Woonbeheer Betuwe	13,000
Woningbouwvereniging Bergopwaarts	11,300
Woonstichting Domesta	11,168
Stichting Waterweg Wonen	11,000
Stichting Portaal	10,000
Laurentius	10,000
Stichting Woonbedrijf SWS.Hhvl	10,000
Woningstichting Servatius	10,000
Woningstichting Leusden	9,600
Stichting de Alliantie	8,951
Stichting Woonstede	8,500
Bouwvereniging Onze Woning	8,000
Woningstichting SWZ	7,500
Woonstichting Triada	7,500
Woningstichting Goede Stede	7,311
Stichting Woondiensten Enkhuizen	7,275
Stichting Trivire	7,273
Stichting de Leeuw van Putten	6,163
Stichting Woonvisie	5,170
Stichting Weller Wonen	5,000
Stichting Steelande Wonen	5,000
Woonstichting Groninger Huis	5,000
Woningstichting Weststellingwerf	5,000
Stichting Beheer Gebouw Drie-X-Factoren	4,480
Stichting Omnivera GWZ	4,125
Woonstichting Vaals	4,000
Stichting Mijande Wonen	4,000
RW OG B.V.	3,184
Nieuw Hengelman OG	300
Stichting Habion	103
Stichting SCC de Leghe Polder	96
Health and welfare services	279,380
Academisch Ziekenhuis Maastricht	33,512
Universitair Medisch Centrum Groningen	26,587
Stichting Zorggroep Noord- en Midden Limburg	16,132
Stichting Volckaert	13,025
Stichting MagentaZorg	12,356
Stichting GGZ Noord en Midden Limburg	11,400
Stichting Arduin	10,397
Academisch Medisch Centrum Amsterdam	10,000
Stichting St. Elisabeth Ziekenhuis	9,000
Stichting GGZ Breburg Groep	8,933
Stichting Dimence Groep	8,673
Stichting Antonius Ziekenhuis	8,651
Stichting ZorgSaam Zeeuws-Vlaanderen	8,000
Stichting Treant Zorggroep	7,423
Stichting Zorg en Verpleging Goeree Overflakkee	7,000
Stichting Christelijke Zorgcombinatie Zwolle en omgeving	6,840
Parnassia Groep B.V.	6,600
Stichting VieCuri, Medisch Centrum voor Noord-Limburg	6,500
Stichting Protestants Christelijk Ziekenhuis Ikazia	6,500
Stichting voor Regionale Zorgverlening SVRZ	5,500
Stichting Antoni van Leeuwenhoek Ziekenhuis	5,417

Stichting Catharina Ziekenhuis	5,333
Stichting Dr. Bernard Verbeeten Intsituut	4,965
Regionale Stichting Zorgcentra De Kempen	4,775
Sint Franciscus Gasthuis Stichting	3,750
Stichting Trigel Zorg	3,674
Stichting Maastricht Radiology Oncology	3,450
Stichting De Hoogstraat Revalidatie	3,403
Stichting Amphia	3,150
Stichting HagaZiekenhuis	3,063
Stichting Warmande	2,800
Stichting Saxenburgh Groep	2,500
Stichting Eemhoven Beheer	1,779
Stichting Amarant Groep	1,536
Stichting Interakt Contour Groep	1,066
Stichting Reinaerde	920
Stichting Woon & Zorgcentrum 'Herfstzon'	885
Stichting Odion	751
Stichting Aafje Thuiszorg Huizen Zorghotels	681
Stichting Talant	651
Stichting Zorgverlening 's-Heeren Loo	531
Stichting Frion	385
Stichting Heliomare	354
De Driestroom	201
Stichting Libra Revalidatie & Audiologie	147
Stichting Aveleijn/SDT	125
Stichting Perspektief	59
Water extraction and management	258,751
Waterschap Brabantse Delta	30,450
Waterschap Rivierenland	30,000
Waterschap Scheldestromen	30,000
Waterschap Hollandse Delta	18,000
Waterschapshuis Wetterskip Fryslân	15,000
Waterschap De Dommel	15,000
Waterschap Rijn en IJssel	15,000
Hoogheemraadschap van Schieland en Krimpenerwaard	14,001
Waterschap Aa & Maas	13,750
Hoogheemraadschap Hollands Noorderkwartier	12,133
Hoogheemraadschap Amstel, Gooi en Vecht	12,000
Hoogheemraadschap van Rijnland	10,000
Gemeenschappelijke Regeling Waterschapsbedrijf Limburg	7,500
Waterschap Drents Overijsselse Delta	7,500
Waterschap Zuiderzeeland	7,000
Waterschap Roer en Overmaas	6,720
Waterschap Noorderzijlvest	5,500
Waterschap Vechtstromen	5,000
Waterschap Vallei Veluwe	2,750
Hoogheemraadschap De Stichtse Rijnlanden	1,333
N.V. Waterleidingmaatschappij Drenthe	114
Rail transport	203,275
OeBB Infrastruktur Bau AG	106,156
Eurofirma	59,724
SNCF	37,395
Development assistance	9,003
FMO shares	8,915
Oikocredit Internationaal	62
Oikocredit Nederland	28
Education, culture and leisure	7,971
Nationaal Groenfonds	2,843
Stichting kinderopvang 2Samen	1,400
Bibliotheek Vlissingen	1,344
Stichting Texels Museum	1,334

Erasmus Academie	1,050
Other	211,713
Council of Europe Development Bank	110,283
Nederlandse Waterschapsbank N.V.	39,181
Tennet	36,494
Stichting Dimence	6,800
CAI Westland	6,357
Stichting Argos Zorggroep	6,000
Boei B.V.	2,272
Promens Care	1,276
Stichting Dutch International Guarantees for Housing (DIGH)	906
Eteck B.V.	437
Radar	376
Stichting Watertoren Buitenlust	296
Monumentenfonds Brabant N.V.	247
Stichting Aktie en Informatiecentrum Lelystad	152
Wereldwinkels	150
Stichting Ideële winkel	138
Woonvereniging Regina	130
VOF Yuan	121
Smit Hergebruik B.V.	52
Algemeen Verbond van Volkstuinders Verenigingen in Nederland	45
Total	11,028,954

Sustainable impact of investment funds

The assets of the seven sustainable ASN Investment Funds, managed by ACTIAM N.V. (ACTIAM) as AIF manager, are regarded as part of ASN Bank's assets under management. In other words, ACTIAM is authorised as referred to in the AIFM Directive (Alternative Investment Fund Managers Directive), a European Directive laying down rules for investment fund managers. ACTIAM executes the portfolio and risk management of the ASN Investment Funds.

ASN Beleggingsinstellingen Beheer B.V. (ABB) adopts the policies of the ASN Investment Funds and monitors the management of the funds. These policies also include the sustainability guidelines and criteria.

Sustainability policy

The ASN Investment Funds invest in companies, countries and projects that are part of the ASN Investment Universe. The Management Board of ASN Beleggingsinstellingen Beheer B.V. (ABB) decides on this universe based on the sustainability criteria used by the ASN Selection Committee. ABB executes this policy using three instruments: selection, engagement and voting. The application of these instruments is based on the sustainability criteria of ASN Bank and ABB. We use each of these instruments according to a standard procedure.

Top score for sustainable investment

In 2010 ASN Bank signed the Principles for Responsible Investment (PRI), thus joining a global organisation of over 1,200 institutional investors, banks and asset managers who work together to further develop socially responsible investment.

A mandatory component of our PRI membership is annual reporting on the sustainability of our investments funds. The report reveals how sustainability factors are part of our operations, our policy, our procedures and the arrangements made with the fund managers executing our policy. The PRI organisation compares our results with those of the other members.

ASN Bank scores very well relative to other investors, achieving the maximum score for almost all aspects that were evaluated.

	ASN Bank	Average
Strategy and management	A+	B
Listed shares	A+	B
Fixed-income investments, public and semi-public institutions	A+	D
Engagement and voting	A	B

We achieved these scores because we determine our own sustainability policy, this policy is comprehensive, and we have proper procedures in place to safeguard the policy. Another reason was that financial considerations never take precedence over sustainability considerations. We also provide our external fund managers with clear sustainability frameworks. Our sustainability policy guides their management practices and sustainability decisions, thus safeguarding sustainability at all times.

Investment focus of the ASN Investment Funds

Below, we describe how the investments made by the ASN Investment Funds contribute to a sustainable society.

ASN Duurzaam Aandelenfonds

ASN Duurzaam Aandelenfonds invests in equities of around 120, 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 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 on two aspects:

- their social and environmental performance, such as the amount of protected natural areas, carbon emissions per capita and the country's income inequality;
- a fundamental financial criterion: their repayment capacity; this is the ratio between a country's tax revenues and interest payment commitments.

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 percent bonds and 45 percent 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 around thirty small and medium-sized European companies. The activities of these companies meet ASN Bank's sustainability criteria. No serious misconduct at their operations or suppliers is known. The companies also have policy in place for the issues that expose them to high risks, but they do not always have sufficient policy – if at all – on other sustainability issues. We urge them to develop such policy.

ASN Groenprojectenfonds

ASN Groenprojectenfonds provides loans in the fields of sustainable construction and renewable energy, e.g. energy generated by wind turbines and decentralised energy supplies (thermal storage, cogeneration and solar energy). In this way, the fund makes a significant contribution to our climate change objective.

ASN-Novib Microkredietfonds

ASN-Novib Microkredietfonds finances microfinance institutions (MFIs). The fund lends monies to MFIs or participates in MFIs as a shareholder. MFIs give disadvantaged groups of people, microenterprises and SMEs access to financial services, particularly in developing countries. The fund thus contributes to the United Nations Sustainable Development Goals, such as no poverty, gender equality and growth of the local economy.

New loans of ASN Groenprojectenfonds

A few examples of loans that were newly added to the portfolio of ASN Groenprojectenfonds in 2016 are listed below.

Solar Park Purmerend B.V.

The fund financed the construction and operation of a system of 24,000 solar panels with a capacity of 5,564 kWp (kilowatts peak). The panels are ground-mounted on the Purmerdijk site in the Baanste-Noord district in Purmerend. The nominal value of the funding is 5.6 million euros.

Stichting Wijdezorg

In Zoeterwoude, the fund financed the redevelopment of a care site for housing and accommodation of a maximum of 54 intensive-care patients and 28 senior citizen homes. The nominal value of the funding is 5.7 million euros.

Stichting WonenCentraal

Stichting WonenCentraal is a small housing corporation in Alphen aan den Rijn. ASN Groenprojectenfonds financed the energy-saving investments in 61 new-build single-family homes in the Klop project. The nominal value of the funding was 6.1 million euros.

F&B Leeuwind B.V.

The fund financed the construction and operation of a wind farm in Oudebildtzijl (Ouwe-Syl) in the Municipality of Het Bildt in Friesland, near the Wadden Sea. The wind farm consists of two turbines of 0.9 megawatts each. The funding is combined with the funding of a 0.81-megawatt wind turbine in Leeuwarden. The wind turbines achieve an annual CO₂ reduction of 2,037 tonnes. The funding is over 3.5 million euros.

Investments of ASN-Novib Microkredietfonds

A few examples of microfinance institutions (MFIs) financed by ASN-Novib Microkredietfonds in 2016 are listed below.

Fusion Microfinance – India

The Indian MFI Fusion provides group loans to women in rural areas and in semi-urban areas. The loans of 200 to 400 euros facilitate activities enabling the women to make a living. Fusion has approximately 380,000 customers in the northern and central regions of India. Before a woman becomes a customer, she is required to complete a course to gain sufficient financial knowledge. A final test shows whether she is capable of borrowing money.

FATEN – Palestine

Palestine for Credit and Development (FATEN) has been providing microcredit in the Palestinian Territories since 1999. Although the MFI operates under difficult conditions, it protects its customers well and provides loans at fair interest rates. FATEN offers a wide range of innovative services that are well adjusted to the circumstances. The MFI makes use of conventional and Islamic financing methods, offering microfinance, funding for small- and medium-sized enterprises, residential mortgages and loans to young people. Opening a branch office in a refugee camp, FATEN has recently started to provide services to refugees as well.

Coop Aspire – Dominican Republic

Coop Aspire is a cooperative MFI with 35,000 customers, mainly in the rural areas of the Dominican Republic. The MFI is part of the Opportunity network, which means that Aspire has clear, measurable objectives for its social performance that are closely monitored by management and the board. One of the social performance objectives is that at least 40 percent of the loan portfolio is intended for families that live on less than 4 US dollars a day. In addition, at least 70 percent of the borrowers must participate in Aspire's programme to develop their abilities. They receive training on cooperatives, gender, entrepreneurship, ethical issues, financial management, budgeting, savings and services. Every three months, all employees providing loans are trained to protect customers.

Successfully concluded: the investment in HKL

The fund had been financing Hattha Kaksekar Limited (HKL) for several years. HKL, loosely translated as 'Helping Hand for Farmers', started out as an Oxfam project in 1994 and grew to become one of Cambodia's leading MFIs. At the end of last year, ASN-Novib Microkredietfonds and the other shareholders decided to sell their stakes to a large regional bank that is perfectly positioned to help shape HKL's strategic ambition.

Energiefonds Overijssel

ASN Bank manages Energiefonds Overijssel, representing 200 million euros, together with Start Green Venture Capital. Energiefonds Overijssel finances companies, housing corporations and projects that save energy or generate energy from renewable sources, such as the production of pyrolysis oil, solar energy, wood heat, green gas and LED lighting. In this way, the fund contributes to employment, business acumen, innovation and the Province of Overijssel's ambition of 20% new energy in 2023.

Developments in 2016

In 2016 Energiefonds Overijssel made a wide range of energy-saving and energy-generation projects possible for all sorts of people and sectors, from farmers to homeowners and from housing corporation tenants to entrepreneurs. These projects focus on solar energy, manure fermentation and sludge digestion. The fund financed a wood combustion system, participated in the financing of sustainability measures for a school and invested in innovative energy storage technology. At the end of 2016, financing was arranged for the subscription-based energy renovation of 710 homes in Overijssel.

We continue our discussions with the Province of Overijssel and four municipalities about developing a standard for public-private partnerships. The joint design of a Public Energy Service Company (P-ESCO) will make it easier for municipalities to make social property more sustainable on a large scale. The P-ESCO relieves municipalities by arranging for both funding and sustainability measures, which results in substantial energy savings.

Energiefonds Overijssel finances the construction of several manure fermentation installations. We anticipate further improvements in the biogas chain. Many business opportunities can be found there, but demand does not yet sufficiently match supply. These activities are expected to produce results in 2017.

Loans and investments in 2016

Energiefonds Overijssel's portfolio grew by 35 million euros to 146 million euros. As the fund is always funding parts of projects, the total impact of its loans is bigger, specifically 313 million euros. The fund acquired four participating interests and arranged seven regular loans and two convertible loans.

Here are some examples of new loans and investments:

WDP

WDP (Warehouses De Pauw) is a sustainable Belgian property company. WDP installed solar panels on the roofs of three buildings in Overijssel, i.e. the buildings leased to Wehkamp, Kuehne Nagel and Altrex. The tenants will use the electricity generated by the solar panels, amounting to a total of 9.58 terajoules per year. In 2016 Wehkamp won the 'Groene Twinkeling' for its sustainable logistics centre. This prize is awarded to entrepreneurs in Overijssel who are committed to biodiversity and sustainability. Energiefonds Overijssel financed the solar panels on the three buildings for around 3.5 million euros.

Waterschap Vechtstromen

Water board Waterschap Vechtstromen is responsible for water management in primarily the Provinces of Drenthe and Overijssel. Vechtstromen wants to optimise its sludge treatment and make the process more sustainable. It is able to do so thanks to a new sludge digestion technique, in which biogas is released and converted into electricity. This is renewable energy. Vechtstromen's new system increases the production of biogas and reduces the costs of treatment and transport. The fund financed Waterschap Vechtstromen with a loan of 15 million euros.

Brouwer Biocentrale

Energiefonds Overijssel provided a loan and equity capital to Brouwer Biocentrale B.V. for the construction of a large biomass power plant with a wood combustion system in Balkbrug, Overijssel. Brouwer Biocentrale B.V. will produce central heat and electricity. The heat will be transported as dry steam to the cheese production plant of FrieslandCampina: 55,000 tonnes of steam will replace the 5.5 million cubic metres of gas that the plant uses annually. The green energy generated by the biomass power plant is sufficient for over a thousand households.

Organisation

Effective 31 December 2016, ASN Bank is a trade name of de Volksbank N.V. (de Volksbank). This means that ASN Bank is no longer a separate company but forms part of de Volksbank. As a result, ASN Bank has been using de Volksbank's banking licence since late 2016.

Social, people-oriented, sustainable bank

Effective 1 January 2017, 'de Volksbank N.V.' is the new name of SNS Bank N.V. The name change emphasises the course set by the bank to be a social, people-oriented and sustainable bank for its customers. A stable bank that provides simple, useful and affordable services and takes its responsibility. A family of distinctive bank brands – ASN Bank, BLG Wonen, RegioBank and SNS – where everyone feels at home. De Volksbank wants to make a structural contribution to society by promoting financial resilience and sustainability. One of the pillars underpinning this social ambition was ASN Bank's sustainability mission.

Common values

The four brands share the same principles and common values. Their essence is: banking with a human touch. The brands have laid this down in their manifesto. Reaching back to its social roots, de Volksbank is taking its responsibility as a bank to act on what people truly need. Its financial services are about benefit rather than return. In addition, de Volksbank chooses to build a future based on the principle of sustainability. The four brands of de Volksbank take their shared value ambition as a basis for putting the mission into practice, each in their own way. As this allows ASN Bank to keep a full focus on its sustainability mission, it is glad and proud to be part of de Volksbank.

Sustainability mission safeguarded

Our sustainability mission is safeguarded in the arrangements made between ASN Bank and de Volksbank. These arrangements have been incorporated in de Volksbank's governance structure and describe ASN Bank's mission and how it puts this mission into practice. In accordance with these arrangements we invest the money that customers entrust to us as stated in our sustainability policy. The accounting records of savings we manage for our customers stay separate from those of the other brands of de Volksbank. This way we can guarantee our customers that their money is invested according to our sustainability criteria.

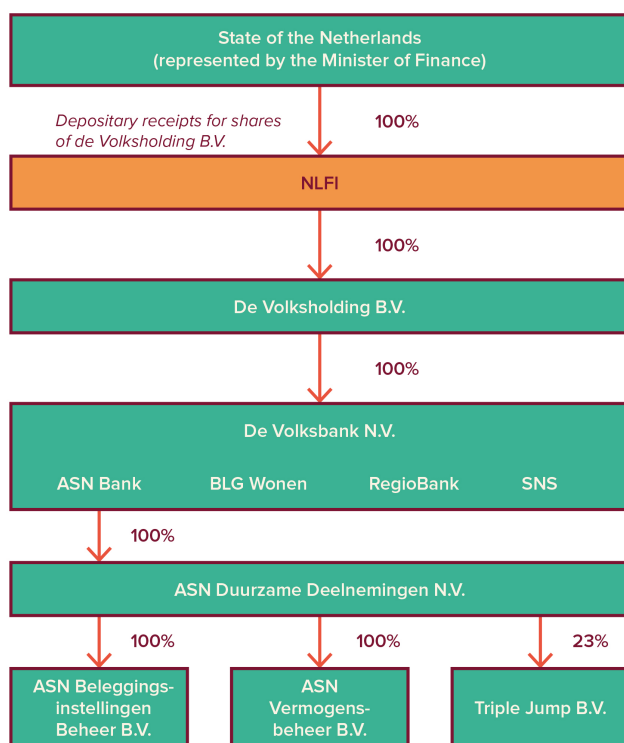
The role of driver

Within de Volksbank, ASN Bank plays a role as the driver of sustainability. We fulfil this role by developing and pursuing our long-term climate change, human rights and biodiversity objectives.

We are delighted that de Volksbank decided to adopt ASN Bank's sustainability policy in 2016. This is in line with the structural contribution it wants to make to society. De Volksbank has also adopted our ambition to achieve net climate neutrality in all its loans and investments.

De Volksbank

Basic legal structure as from 1 January 2017:



Legal structure developments

On 31 December 2016, a merger took place between ASN Bank N.V., RegioBank N.V. and SNS Bank N.V. As a result of this merger, the separate banking licences of ASN Bank N.V. and RegioBank N.V. have lapsed; they make use of the banking licence of SNS Bank N.V., since 1 January 2017 de Volksbank N.V. As from 31 December 2016, the four brands ASN Bank, BLG Wonen, RegioBank and SNS fall under this banking licence. The four brands also fall under the Deposit Guarantee Scheme.

Deposit Guarantee Scheme

Customers of each of the brands were personally informed of the changes and any consequences for coverage under the Deposit Guarantee Scheme. As regards coverage under the Deposit Guarantee Scheme, the change in structure only has consequences for customers who had deposited more than 100,000 euros per person, divided among accounts with ASN Bank, BLG Wonen, RegioBank and/or SNS. As a result of the change in structure, those customers lost their coverage under the Deposit Guarantee Scheme for the amount exceeding 100,000 euros.

De Volksbank N.V.

The merger led to the registered name of SNS Bank N.V. being changed to de Volksbank N.V. (de Volksbank) on 1 January 2017.

De Volksbank is a wholly-owned subsidiary of de Volksholding B.V. (formerly known as SNS Holding B.V.). This holding company is a direct subsidiary of NLFI, which issued depositary receipts for shares to the Dutch State in exchange, as shown in the diagram above.

ASN Duurzame Deelnemingen N.V.

ASN Bank N.V. incorporated a new subsidiary in 2016, ASN Duurzame Deelnemingen N.V. The Management Board members of ASN Bank make up the Management Board of ASN Duurzame Deelnemingen N.V. Prior to the merger on 31 December 2016, ASN Bank N.V. transferred all shares it held in ASN Beleggingsinstellingen Beheer B.V., ASN Vermogensbeheer B.V. and Triple Jump B.V. to ASN Duurzame Deelnemingen N.V.

ASN Beleggingsinstellingen Beheer B.V.

ASN Beleggingsinstellingen Beheer B.V. (ABB) is the Management Board of ASN Beleggingsfondsen N.V. and the manager of ASN Groenprojectenfonds and ASN-Novib Microkredietfonds. ABB also manages ASN Venture Capital Fonds N.V.

ASN Vermogensbeheer B.V.

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

Triple Jump B.V.

Through ASN Duurzame Deelnemingen N.V., ASN Bank holds shares of Triple Jump B.V. (Triple Jump), which is responsible for the loans and investments of ASN-Novib Microkredietfonds in its capacity as project manager. Oxfam Novib, NOTS Foundation, Triple Jump management and a foundation participating on behalf of Triple Jump's employees are the other shareholders. In 2016, ASN Bank sold some of its shares in Triple Jump back to Triple Jump for a share participation plan for Triple Jump employees. As a result, the participating interest in Triple Jump decreased from 25 to 23 percent.

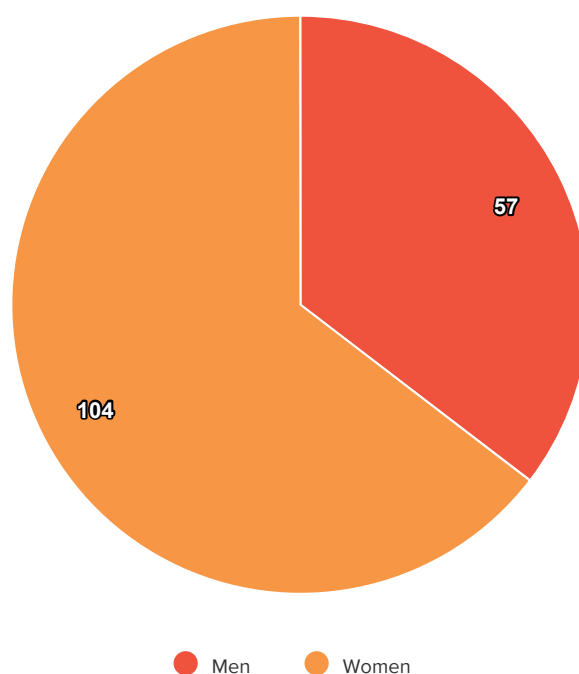
The participating interest in Triple Jump B.V. is not included in the consolidation.

Staff

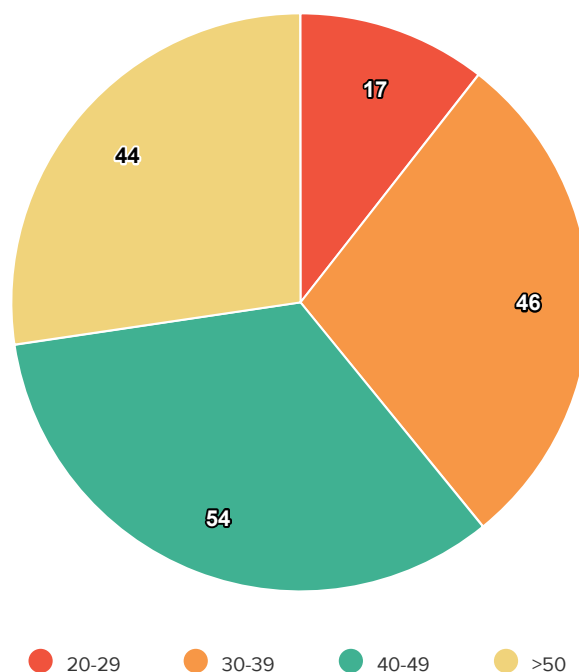
The number of permanent employees increased by 5 to 161. The number of FTEs increased to 150.8. Together, we are committed to providing good service to our customers based on our common ideal to achieve a sustainable, liveable world.

The human resources policy is based on professional labour relations: principles of mutual responsibility, equality and due care. This is expressed, for example, in the performance and competency assessment cycle. This cycle is based on the objectives pursued by the employee concerned, with additional focus on the development of competencies in view of the employee's current position and ambitions.

Men and Women



Age breakdown



Employee satisfaction

The level of employee satisfaction pursued by the ASN Bank Management Board is at least 8 out of 10. It measures employee satisfaction on the basis of de Volksbank's annual survey. In 2016, over 87 percent of the ASN employees completed the survey. This percentage is important, because the more colleagues give their opinion, the more valuable the results. Employee satisfaction was 7.6, slightly lower than in 2015 (7.8). This is a point of concern for management, as the target of at least 8 was not achieved. The survey results were discussed in all teams, the outcomes of which were, in turn, discussed by the management team. Action items to further improve satisfaction were determined for each team.

Remuneration policy

ASN Bank's remuneration policy is the same as de Volksbank's policy. ASN Bank falls under de Volksbank's Collective Labour Agreement, which contains good primary and secondary benefits that comply with the market standard.

The highest gross salary at ASN Bank is 6.0 times higher than the lowest gross salary (2015: 6.0 times).

Remuneration report

This remuneration report deals with the remuneration, remuneration policy and developments in the remuneration policy of the ASN Bank Management Board in 2016.

The remuneration policy of the ASN Bank Management Board is in line with de Volksbank's remuneration policy. The remuneration is composed of a fixed annual income, a pension contribution and other fringe benefits. Management Board members are not entitled to any variable remuneration.

In thousands of euros	Fixed salary		Pension ²		Other ³		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Ewoud Goudswaard	208	205	20	18	39	39	267	262
Jeroen Jansen ¹	116	171	13	18	20	29	148	218
Joyce van der Est	143	143	20	18	24	24	187	185
Total	467	519	53	54	83	62	602	665

1 Jeroen Jansen's remuneration for 2016 pertains to the period from 1 January to 1 September. Effective 1 September, he acquired a new position at de Volksbank. On 1 April 2017, he will be succeeded by Arie Koornneef.

2 The pension is the employer pension contribution minus the employee's personal pension contribution.

3 'Other' includes all remaining remunerations such as the salary supplement as compensation for the loss of pension accrual in excess of € 101,519 and the addition for the private use of a company car minus the personal contribution(s).

Fixed salary

The fixed annual income of the ASN Bank Management Board members consists of twelve monthly salaries, holiday allowance and a thirteenth month's salary.

Pension

The Management Board of ASN Bank participates in the pension scheme for all employees of de Volksbank. This scheme is laid down in de Volksbank's Collective Labour Agreement. Thus, the Management Board also pays 4.5 percent member's contribution on the pension basis as set out in the Collective Labour Agreement. There are no supplementary pension awards.

Pension accrual for pensionable income in excess of 101,519 euros ceased by virtue of the law. Everyone to whom this applies receives compensation in the form of a gross supplement of 16.35 percent of the income in excess of 101,519 euros. The arrangement for this fixed supplement will be reviewed on 1 January 2018. In the table presenting the remuneration of the ASN Bank Management Board, this supplement is included in the component *Other*.

Other fringe benefits

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.

Office

We are improving the direct sustainability performance of our office in all sorts of ways. We limit the carbon emissions of our operations to the greatest extent possible and offset the emissions we are responsible for.

Sustainable office building

ASN Bank is located in a sustainably renovated office building. Its energy is in part provided by the solar energy system installed on the roof. The building also has a thermal storage system. The office building has a greywater sanitary system, and the company restaurant uses sustainable products.

At the beginning of 2014, the office was assigned the ISO-14001 environmental certificate. We had planned to transfer this certificate to de Volksbank in 2016. However, as it turned out to be impossible to have a new audit performed, we lost this certification.

Main environmental impact

The main environmental impact of our office is created by the carbon emissions of our (office) activities and paper consumption.

	2016	2015	2014	2013	2012 ⁵
CO₂ emissions¹: tonnes					
CO ₂ emissions (Scopes 1 and 2)	178	160	153	183	138
CO ₂ emissions: tonnes per FTE* (Scopes 1 and 2)	1.20	1.14	1.15	1.58	1.38
CO ₂ emissions (Scope 3) ²	153	158	160 -	-	-
Energy consumption					
Electricity: kWh ³	276,491	320,705	296,999	314,723	314,696
Electricity: kWh per FTE	1,864	2,285	2,235	2,705	3,139
Gas ⁴ : m ³	26,786	18,141	21,867	33,903	34,709
Gas equivalents: m ³ per square metre	8	6	7	11	14
Paper consumption in kilograms					
Total paper consumption	250,686	238,254	244,032	288,276	215,721
Paper consumption per client account in kilograms	0.29	0.29	0.31	0.37	0.28
Water consumption					
Water: m ³	783	754	1,166	786	642
Water consumption: m ³ per FTE	5.3	5.4	8.8	6.3	6.3
Waste					
Paper waste: tonnes	13.0	12.2	13.6	12.8	19.3

*FTE stands for Full-Time Equivalent, i.e. a full-time employee

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

2 This figure comprises the CO₂ emissions related to the paper consumption, waste and water consumption. We have been calculating this figure since 2014. The figure for 2014 was adjusted in 2015. An explanation is given below.

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

4 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.

5 Electricity consumption in 2012 included the electricity used during the renovation period and, consequently, reflects 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.

Greenhouse gas emissions

There are three types of greenhouse gas emission:

- Scope 1 emissions: direct greenhouse gas emissions by our own activities.
- Scope 2 emissions: indirect greenhouse gas emissions 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, the loans we provide and the investments we make.

In part thanks to carbon emission offsetting, ASN Bank's office is climate neutral for Scope 1 and Scope 2; our office activities are climate neutral for part of Scope 3. De Volksbank offsets the remaining emissions.

Reduction of net emissions

Our office activities lead to carbon emissions as we use fossil fuels for transporting employees and use gas through district heating. We are reducing the net emission levels of greenhouse gases in various ways.

Firstly, all our electricity is generated in sustainable ways: we have solar panels on the roof and our energy supplier uses only renewable sources for its electricity production.

Secondly, we aim to reduce our energy consumption, both in the office and in the transport of employees. In order to reduce the average carbon emissions of the company cars used by our employees, de Volksbank annually tightens their emission requirements. In 2016, the requirement was 106 grams per kilometre for all new leases. Our restrained use of airlines also translates into low carbon emissions per FTE.

Increase in office carbon emissions

The office's absolute CO₂ emissions (Scopes 1 and 2) increased from 160 to 178 tonnes of CO₂ in 2016. This can be attributed to the increase in heating energy consumption. Particularly due to the cold months at the end of 2016, we consumed more energy for heating the office.

Financial results

Income statement

<i>In thousands of euros</i>	2016	2015
Income		
Allocated interest income	148,182	132,130
Other income	23,739	19,496
Total income	171,921	151,626
Expenses		
Staff costs	15,241	13,920
Depreciation of property and equipment	474	524
Other operating expenses	27,727	18,847
Allocated operating expenses	31,228	21,398
Total expenses	74,670	54,689
Impairment charge	-225	3,153
Gross result	97,476	93,783
Taxation	23,973	23,011
Net result	73,503	70,772

Assets under management

<i>In thousands of euros</i>	2016	2015
ASN Bank	10,833,743	10,726,225
Funds and asset management	2,785,503	2,630,129
Total assets under management	13,619,246	13,356,354

Loans and investments

<i>In thousands of euros</i>	2016	2015
Loans and advances to customers	6,173,429	6,279,686
Investments	4,855,525	4,618,835
Total loans and investments	11,028,954	10,898,521

Movements in loans and advances to customers

<i>In thousands of euros</i>	2016	2015
Balance as at 1 January	6,279,686	6,413,991
Advances	60,399	72,181
Disposals/redemptions	-167,370	-204,164
Amortisation	-1,095	-2,286
Other movements	1,809	-36
Balance as at 31 December	6,173,429	6,279,686

Movements in investments

<i>In thousands of euros</i>	2016	2015
Balance as at 1 January	4,618,835	4,453,749
Investments	1,591,368	1,387,759
Disposals	-1,414,307	-1,220,138
Revaluations	86,007	-23,340
Impairment charges	-197	-155
Amortisation	-23,800	28,588
Other movements	-2,381	-7,628
Balance as at 31 December	4,855,525	4,618,835

Savings

<i>In thousands of euros</i>	2016	2015
Total	9,852,381	9,916,395

Other amounts due to customers

<i>In thousands of euros</i>	<i>2016</i>	<i>2015</i>
Total	873,388	730,794

Notes to the financial highlights

ASN Bank is part of de Volksbank. For full details of the financial statements of de Volksbank, please refer to de Volksbank's report.

ASN Bank's report is not an annual report, but a sustainability report. It provides a concise account of the financial results and operating results of ASN Bank, including ASN Duurzame Deelnemingen N.V. and its subsidiaries. In addition, it provides insight into how we invest our customers' savings.

Net result

The net result increased by 2.7 million euros to 73.5 million euros in 2016.

Income

Total income increased by 20.3 million euros as the interest income rose following improved margins on both savings and loans provided. Net commission income was up as assets under management of the ASN Investment Funds and ASN Asset Management grew.

Expenses

Total expenses were up 20.0 million euros. Other operating expenses increased due to the premium for financing the Deposit Guarantee Scheme that was paid in 2016. Allocated operating expenses are higher primarily because staff departments were reinforced in connection with additional work to continue to comply with laws and regulations

Report of the Advisory Council

We met four times in 2016. In the interim, we met several times with the Supervisory Board of ASN Bank in connection with the legal change, which entailed the transfer of ASN Bank to the banking licence of SNS Bank N.V., which was named de Volksbank N.V. effective 1 January 2017. This was one of the main topics in 2016, which will be discussed in more detail below.

In 2016, the Council was expanded by two new members: Carolien Gehrels and Marleen Janssen Groesbeek. We are now at full strength with a team of five members in total. Carolien Gehrels previously worked at management consultancy agency Berenschot and as an alderman on the municipal executive of Amsterdam; she is currently working for engineering firm Arcadis. Marleen Janssen Groesbeek previously worked for het Financieel Dagblad, Eumedion and DSM; she is currently working for Avans University of Applied Sciences.

We were closely involved in all relevant issues that came up at ASN Bank in 2016 and we received satisfactory information and explanations from the Management Board.

Change in legal structure

Effective 1 January 2017, SNS Bank N.V.'s name changed to 'de Volksbank N.V.' ASN Bank has been using the banking licence of de Volksbank N.V. along with BLG Wonen, RegioBank and SNS, since that date. We spent a lot of time on this change. Major points of concern were maintaining ASN Bank's sustainable course, its say in this and maintaining its leading position. We believe that this is now adequately safeguarded, in both substantive and procedural terms. We will keep an advisory role in this respect. A positive development was de Volksbank's decision to adopt ASN Bank's sustainability policy. Complying with the request of de Volksbank's Board of Directors, ASN Bank set up a Sustainability centre of expertise to support the implementation of the sustainability policy in all four of de Volksbank's brands: ASN Bank, BLG Wonen, RegioBank and SNS. We recommended that the centre of expertise be positioned such that recognition and support within de Volksbank are guaranteed. Finally, we advised on communication to customers regarding the new legal structure.

Horizon

In 2016 saw the launch of project Horizon, entailing the repositioning of ASN Bank to a bank that provides customer services of even higher quality, being recognisable services of a sustainable nature that appeal to more target groups. We advised on the ease of recognition and ease of communication of the sustainable nature and on the retention of our leading position in this area. The bank is increasingly becoming a driving force in the financial sector, and we applaud this.

Long-term sustainability objectives

ASN Bank's sustainability policy rests on three pillars: climate change, human rights and biodiversity. For climate change a long-term objective had already been formulated: a climate neutral bank by 2030. For human rights an objective was fleshed out in 2016. We recommended that choices be made in this very broad field in order to avoid fragmentation of the bank's efforts and achieve tangible results. This resulted in a choice for the promotion of living wages in the garment industry, for which a programme was rolled out following our advice.

In 2016, a goal for 2030 was also formulated as regards biodiversity: no net negative impact as a result of ASN Bank's loans and investments. We insisted on scientific validation of the measurement method used for this purpose. In addition, we advised on how to give shape to ASN Bank's role as a driver of biodiversity for other financial institutions. And, finally, we advised on communication to customers about this complex issue by addressing two questions: what is biodiversity and how does it relate to the bank?

Sustainability pillars in communication

ASN Bank used five sustainability issues (child labour, fair trade, arms and security, care and welfare, renewable energy) and the three sustainability pillars (climate change, human rights and biodiversity). We recommended streamlining this multitude of issues, thus creating a clearer focus in sustainability communication. The three pillars were assigned a more explicit central role.

Mortgages

In 2016, ASN Bank started developing its own mortgage product that promotes sustainable construction and sustainable housing, reflecting its wish that had been prevalent for some time. The specific details were discussed with us several times.

We are confident about the collaboration within de Volksbank, the development of the sustainability policy and the further elaboration of ASN Bank's repositioning.

The ASN Bank Advisory Council:

Jan van der Kolk (Chairman)

Carolien Gehrels

Maarten van Huijstee

Marleen Janssen Groesbeek

Willemijn Verloop

Personal details

Management Board of ASN Bank

Ewoud Goudswaard

Ewoud Goudswaard has been ASN Bank's Managing Director since 2001. He started his career at NMB Bank, later ING Bank, in credit risk management for (large) corporate clients. He held management positions in Haarlemmermeer, Amsterdam and Rotterdam starting in 1992 and became Chairman of the Management Board of the Midden-Holland district in 1997.

Ewoud Goudswaard's focus areas at ASN Bank are sustainability policy, investment, lending, controlling and compliance and HR policy. He is a member of the Supervisory Board of Triple Jump B.V., the project manager of ASN-Novib Microkredietfonds. He is also a member of the Advisory Council for the Dutch Association of the Club of Rome and treasurer of the Museums Association and Stichting Museumkaart.

Joyce van der Est

Joyce van der Est has been Director of ASN Bank since 2015 and is responsible for operational matters, including the ASN Customer Service Department, customer and account management, development and services. In this position, she creates the conditions for professional services to customers. She has years of experience in managing operational and IT processes in branch banking. She started her career at Robeco in 1988. After nearly ten years, she continued her career at Bank Labouchere, where she also professionalised customer and IT processes.

Since 2003, Joyce van der Est has managed ASN Bank's operations, since 2011 as deputy director. 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.

Members of the Advisory Council

Carolien Gehrels

Carolien Gehrels (1967) is European Director Global Cities Program at Arcadis. She studied Dutch language and literature at the University of Groningen. Then, she moved to Amsterdam and worked at Onze Lieve Vrouwe Gasthuis in Amsterdam and at Podium, an educational communication agency. From 1997 to 2006 she was employed by Berenschot, where she was appointed Managing Director of Berenschot Citymarketing and Communication in September 2000. She was one of the initiators of the *I-amsterdam* strategy and campaign.

In April 2006 Carolien Gehrels became an alderman for the PvdA labour party in Amsterdam. She was responsible for such matters as art and culture, economic affairs, businesses, investments, water, listed buildings and local media. She was also the deputy mayor as from 2012. In June 2014 she switched to design and consultancy agency Arcadis. She is also a supervisor at Delft University of Technology and Bouwinvest. She is still active in music education, currently under the programme launched by Queen Máxima: 'Meer muziek in de klas' ('more music in schools').

Maarten van Huijstee

Maarten van Huijstee (1977) 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 van Huijstee continued to work there as a Creative Director.

Maarten van Huijstee 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.

Marleen Janssen Groesbeek

Marleen Janssen Groesbeek (1963) studied economics at the University of Amsterdam. She was a journalist in the field of finance and economics for twenty years, almost seventeen of which she worked for Het Financieele Dagblad. Following her career in journalism, she worked as a policy advisor of sustainability at Eumedion, which promotes the interests of institutional investors active in the Dutch financial markets. Subsequently, she worked for DSM as a sustainability manager responsible for topics such as stakeholder engagement and the full annual report.

Since December 2014, Marleen Janssen Groesbeek has been Sustainable Finance and Accounting lecturer at Avans University of Applied Sciences in Brabant. The motto of her lectureship is *Change finance, finance change*. In her lecturer's speech, she emphasised that we have to take action ourselves if we want a different financial system and a sustainable monetary and banking industry. Her first book, *Maatschappelijk Ondernemen*, was published in 2001. Since then, Marleen Janssen Groesbeek has published books on sustainability, creativity and leadership on a regular basis. She is a member of Groene Brein, the Sustainable Finance Lab (SFL) and the Sustainable Pension Investment Lab (SPIL), and is a columnist with the sustainable magazine P+.

Marleen Janssen Groesbeek has various other positions. She is a Board member of CE Delft, a research and consultancy organisation for sustainability. She is a Treasurer of the Board of theatre group O.T. Rotterdam. She is Chairman of the Board of Rank a Brand, a non-profit ranking organisation, and Chairman of the Board of Fossiel Vrij Nederland.

Jan van der Kolk

Jan van der Kolk (1953) studied environmental science and management consultancy at university. Over a period of twenty years, he held various positions at KPMG, including member of the KPMG Consulting Board of Directors and managing partner of KPMG Sustainability.

He is currently an independent consultant, executing many projects for major companies in the area of sustainability strategy and reporting, management systems and sustainable investing by financial institutions. He executed numerous innovative environmental and energy projects for various government authorities. He holds several other positions, including Chairman of the jury for the Verantwoord Ketenbeheer Award of the Vereniging van Beleggers in Duurzame Ondernemingen (VBDO), member of the Advisory Board of FORM International, member of the Advisory Council of Holland Quaestor, Board member of Stichting Mores and member of the Environment & Natural Areas Advisory Committee for Soest.

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. Willemijn Verloop is also Vice-Chairman of the Supervisory Council of War Child and supervisor of Stadsschouwburg Amsterdam and of Tony's Chocolonely.

Assurance report of the independent auditor

To: Management of ASN Bank

Our conclusion

We have reviewed the sustainability information in the annual report for the year 2016 of ASN Bank. As a result of a legal merger, ASN Bank N.V. has ceased to exist on 30 December 2016 and all of its activities were transferred into de Volksbank N.V. Our review engagement applies to the Annual Report 2016 of the ASN Bank brand, part of Volksbank N.V.

The scope of our review engagement is described in section Our Scope.

A review engagement is aimed at obtaining limited assurance.

Based on our procedures performed nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility;
- the thereto related events and achievements for the year 2016.

in accordance with the Sustainability Reporting Guidelines version G4 (option core) of Global Reporting Initiative (GRI) and the supplemental applied reporting criteria as disclosed in the section “Report” in the annual report.

Basis for our conclusion

We have performed our review on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N, “Assurance engagements relating to sustainability reports”. Our responsibilities under this standard are further described in the section “Our responsibilities” for the review of the sustainability information.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence

We are independent of ASN Bank and de Volksbank N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO Regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

Our scope

The sustainability information comprises the chapters as mentioned in the chapter ‘Report’ in the annual report 2016 of ASN Bank.

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and projections. Inherent to this information is that the actual results may differ in the future and are therefore uncertain. We do not provide any assurance on the achievability and feasibility of prospective information in the sustainability information.

In the section Sustainability of the chapter ‘Climate change: carbon neutral’ the results of the carbon neutral goal are presented. For the carbon neutral goal, calculations are mostly based on external sources. These external sources are disclosed in the document “ASN Bank Carbon Profit and Loss Methodology, version 3.0 of January 2017 at

<https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/klimaat/klimaatneutraal-in-2030.html>” (hereafter: methodology of the Carbon neutral Balance sheet).

We have not performed procedures on the content of these external sources, other than evaluating the suitability and plausibility of these external sources used.

Responsibilities for the sustainability information

Responsibilities of management and the supervisory board

Management is responsible for the preparation of the sustainability information in accordance with the Sustainability Reporting Guidelines version G4 (option core) of GRI and the supplemental applied reporting criteria as disclosed on in chapter 'Report' of the annual report, including the identification of stakeholders and the definition of material matters. The choices made by management regarding the scope of the sustainability information and the reporting policy are summarized in the chapter 'Report' in the annual report.

Management is also responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or errors.

The supervisory board is responsible for overseeing the company's reporting process.

Our responsibilities

Our responsibility is to plan and perform the review assignment in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the 'Nadere voorschriften accountantskantoren ter zake van assurance opdrachten RA' and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the sustainability information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

A review is aimed to obtain a limited level of assurance. Procedures performed to obtain a limited level of assurance are aimed to determining the plausibility of information and are less extensive than a reasonable assurance engagement. The procedures performed consisted primarily of making inquiries of staff within the entity and applying analytical procedures on the sustainability information. The level of assurance obtained in review engagements are therefore substantially less than the assurance obtained in an audit engagement.

We have exercised professional judgment and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our main procedures consisted of:

- Performing an external environment analysis and obtaining insight into relevant social themes and issues and the characteristics of the organization.
- Evaluating the appropriateness of the reporting policy and its consistent application, including the evaluation of the results of the stakeholders' dialogue and the reasonableness of management's estimates.
- Evaluating the design and implementation of the reporting systems and processes related to the sustainability information.
- Inquiry of management and relevant staff at corporate and brand level responsible for the sustainability strategy, policies and performance.
- Inquiry of relevant staff responsible for providing the information in the report, carrying out internal control procedures on the data and consolidating the data in the sustainability information.
- An analytical review of the data and trends.
- Evaluating whether the estimates made in the Carbon neutral goal are reasonable, including the assumptions on which the estimates were based, which are included in the methodology of the Carbon neutral Balance sheet.
- Evaluating the suitability and plausibility of the external sources used in the calculations on which the carbon neutral goal data is based, which are included in the methodology of the Carbon neutral Balance sheet.

Amsterdam, 27 March 2017

Ernst & Young Accountants LLP

signed by R.J. Bleijs

GRI table

Issue	Description	Report reference
STRATEGY AND ANALYSIS		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	see ASN Report 2016: - Mission and strategy - Memberships and declarations - Global Compact There is no official preface by the Management Board in the 2016 ASN Report, but the report has also been published on behalf of the Management Board as it approved the report.
ORGANIZATIONAL PROFILE		
G4-3	Report the name of the organization.	ASN Bank - part of de Volksbank N.V..
G4-4	Report the primary brands, products, and services.	see ASN Report 2016: - Payments; - Savings; - Investment funds; and - Asset management
G4-5	Report the location of the organization's headquarters.	The Hague
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	In the Netherlands only
G4-7	Report the nature of ownership and legal form.	see ASN Report 2016 - de Volksbank
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	• Savings, payments, investments and asset management: retail customers in the Netherlands. • Sustainable loans and investments: worldwide, only companies and organisations that meet our sustainability criteria.
G4-9	Report the scale of the organization	see ASN Report 2016: - Staff; - Commercial performance; - ASN Bank's loans and investments in 2016; - Financial results
G4-10	Report the total number of employees by employment contract and gender.	see ASN Report 2016: - Staff
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	100%
G4-12	Describe the organization's supply chain.	see ASN Report 2016: - Sustainability policy - sustainability instruments under selection. Our purchasing falls under de Volksbank's purchasing organisation: https://www.dev Volksbank.nl/verantwoord-onder nemen/verantwoorde-inkooporganisatie
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	see ASN Report 2016: - Organisation; and - de Volksbank
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	see ASN Report 2016: - Mission and strategy - Sustainability policy
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	see ASN Report 2016: - Collaboration on human rights; - Collaboration on climate change; and - Collaboration on biodiversity

G4-16	List memberships of associations (such as industry associations)	see ASN Report 2016: - Memberships and declarations
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IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	ASN Bank (N.V. merged with SNS Bank N.V. and Regiobank N.V. on 31 December) - ASN Vermogensbeheer B.V. - ASN Beleggingsinstellingen Beheer B.V.
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	see ASN Report 2016: - Report
G4-19	List all the material Aspects identified in the process for defining report content.	see ASN Report 2016: - Report - material issues
G4-20	For each material Aspect, report the Aspect Boundary within the organization	The material issues are reported for ASN Bank as a whole.
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Material issues whose impact is mainly felt outside of ASN Bank are: - Human rights; - Sustainable funding and investment; - Climate change; - Social impact; - Biodiversity. The impact of the other material issues is felt within the ASN Bank organisation.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Revision of the climate balance sheet calculations for 2015, see ASN Report 2016: Climate change: carbon neutrality, climate change goal results.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No significant changes.

STAKEHOLDER ENGAGEMENT

G4-24	Provide a list of stakeholder groups engaged by the organization.	see ASN Report 2016: - Report - materiality analysis
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	see ASN Report 2016: - Report - materiality analysis
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	see ASN Report 2016: - Collaboration on human rights; - Collaboration on climate change; - Collaboration on biodiversity; - Customers - Communication; - Report

G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Report <p>The issues human rights, transparency and sustainable funding and investment are considered important by all stakeholders.</p> <p>Other important issues per stakeholder group:</p> <ul style="list-style-type: none"> - Retail customers: information security, putting customers' interests first, compliance and social impact; - Independent organisations: climate change, biodiversity, social impact, stakeholder engagement and commercial performance of ASN Bank; - Business partners: information security, ASN Bank's financial performance, climate change and investment funds' results; - Employees: social impact, climate change, biodiversity, putting customers' interests first and information security; - Partnering NGOs: social impact and information security; - Corporate clients: information security, climate change and biodiversity.
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REPORT PROFILE

G4-28	Reporting period	1 January 2016 up to and including 31 December 2016
G4-29	Date of most recent previous report	42460
G4-30	Reporting cycle	Annually
G4-31	Provide the contact point for questions regarding the report or its contents.	ASN Customer Service Department +31 (0)70 - 3569335 Email informatie@asnbank.nl
G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option.</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</p>	<p>ASN Report 2016:</p> <ul style="list-style-type: none"> - Report
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	<p>ASN Report 2016:</p> <ul style="list-style-type: none"> - Report - Assurance report

GOVERNANCE

G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	<p>See the corporate governance structure of de Volksbank N.V.:</p> <p>https://www.dev Volksbank.nl/corporate-governance</p>
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	<p>ASN Bank's organisation chart:</p> <p>http://www.asnbank.nl/algemeen/over-de-asn-bank/organisatie/organogram.html</p>
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<p>ASN Bank uses the ratio between the highest and the lowest gross salary paid within ASN Bank.</p> <p>See ASN Report 2016: Organisation - Staff</p>

ETHICS AND INTEGRITY

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Manifesto: https://www.devolksbank.nl/over-ons/missie-strategie/ons-manifest
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	see website: https://www.devolksbank.nl/corporate-governance/compliance : - De Volksbank's Code of Conduct
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	SNS Bank N.V.'s Code of Conduct see website: https://www.devolksbank.nl/corporate-governance/compliance : - Whistleblower incident procedure

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Description	Page Number (or Link)
		Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.

CATEGORY: ECONOMIC

MATERIAL ASPECT: ECONOMIC PERFORMANCE

G4-DMA		see ASN Report 2016: - Commercial performance - Savings, - Commercial performance - Payments, - Commercial performance - Investment funds, - Commercial performance - Asset management.
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	ASN Bank has formulated a long-term climate change goal: all of ASN Bank's loans and investments are to be net climate neutral by 2030. - see ASN Report 2016: Climate change: carbon neutrality - website: https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/klimaat/klimaatneutraal-in-2030.html
G4-EC4	Financial assistance received from government	see ASN Report 2016 - de Volksbank see de Volksbank's Annual Report 2016: https://www.devolksbank.nl/investor-relations

MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS

G4-DMA		see ASN Report 2016: - Human rights: living wages - Climate change: carbon neutrality - Biodiversity: no loss
G4-EC8	Significant indirect economic impacts, including the extent of impacts	see ASN Report 2016: - Human rights: living wages - Climate change: carbon neutrality - Biodiversity: no loss

CATEGORY: ENVIRONMENTAL

MATERIAL ASPECT: ENERGY

G4-DMA		see ASN Report 2016: - Office
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G4-EN3	Energy consumption within the organization	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Office <p>The electricity and gas consumption is stated on the invoices of the suppliers of district heating and electricity.</p> <p>The carbon emissions that can be found on the RDW website for each registration number are used for the calculation of carbon emissions of transport.</p>
G4-EN5	Energy intensity	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Office <p>Calculations are based on the following data:</p> <ul style="list-style-type: none"> - number of square metres of office building: 3,214 - average number of FTEs in 2016: 148.3
MATERIAL ASPECT: BIODIVERSITY		
G4-DMA		<p>Biodiversity is one of the three pillars of ASN Bank's sustainability policy. However, the GRI biodiversity indicators are not relevant for ASN Bank. ASN Bank formulated its own long-term biodiversity goal in 2016: 'no net loss'. For more information, see:</p> <ul style="list-style-type: none"> - ASN Report 2016 - Biodiversity: no loss
MATERIAL ASPECT: EMISSIONS		
G4-DMA		<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Climate change: carbon neutrality - Office
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Office <p>District heating is calculated in gigajoules; carbon emissions per gigajoule are 45.75</p>
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Office <p>The carbon emissions that can be found on the RDW website for each registration number are used for the calculation of carbon emissions of transport.</p>
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Climate change: carbon neutrality - Climate change goal results <p>See ASN Bank's website for the methodology: https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/klimaat/klimaatneutraal-in-2030.html</p>
G4-EN18	Greenhouse gas (GHG) emissions intensity	<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Office <p>Calculations are based on the following data:</p> <ul style="list-style-type: none"> - number of square metres of office building: 3,214 - average number of FTEs in 2016: 148.3
MATERIAL ASPECT: PRODUCTS AND SERVICES		
G4-DMA		<p>see ASN Report 2016:</p> <ul style="list-style-type: none"> - Climate change: carbon neutrality
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	<p>ASN Bank has formulated a long-term climate change goal: all of ASN Bank's loans and investments are to be net climate neutral by 2030. For more information, see:</p> <ul style="list-style-type: none"> - ASN Report 2016 - Climate change: carbon neutrality - website: https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/klimaat/klimaatneutraal-in-2030.html

SUB-CATEGORY: HUMAN RIGHTS

MATERIAL ASPECT: INVESTMENT

G4-DMA		Human rights is one of the three pillars of ASN Bank's sustainability policy. In 2016, ASN Bank set a long-term goal in the field of living wages in the garment industry. For more information, see: - ASN Report 2016 - Human rights: living wages; - website: https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid/mensenrechten/leefbaar-loon.html
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SUB-CATEGORY: SOCIETY

MATERIAL ASPECT: LOCAL COMMUNITIES

G4-DMA		see ASN Report 2016: - Customers - Service.
FS13	Access points in low-populated or economically disadvantaged areas by type.	All products offered by ASN Bank are available via the Internet throughout the Netherlands..
FS14	Initiatives to improve access to financial services for disadvantaged people.	All products can be requested and managed through the Internet. The ASN Bank website offers a text-to-speech function for the visually impaired.

MATERIAL ASPECT: ANTI-CORRUPTION

G4-DMA		see de Volksbank N.V.'s annual report, Chapter 3.10 Non-financial risks: https://jaarverslag.dev Volksbank.nl/nl/risicobeheer/risicobeheer-kapitaal-en-liquiditeits-management/niet-financi-le-risico-s
G4-SO4	Communication and training on anti-corruption policies and procedures	In 2015, all employees took the bankers' oath. Employees subsequently entering employment take the bankers' oath within three months. In addition, de Volksbank regularly provides anti-corruption e-learning, which are mandatory for all employees.
G4-SO5	Confirmed incidents of corruption and actions taken	none

MATERIAL ASPECT: PUBLIC POLICY

G4-DMA		see ASN Report 2016: - Human rights: living wages - Collaboration on human rights; - Climate change: carbon neutrality - Collaboration on climate change; - Protection of biodiversity - Collaboration on biodiversity
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Indicator is not applicable to ASN Bank, as there are no political contributions. ASN Bank lobbies to promote a sustainable society. Together with other organisations we lobby for themes in the areas of human rights, climate change and biodiversity. We do not lobby for banking laws or regulations. See also ASN Report: - Collaboration on human rights; - Collaboration on climate change; and - Collaboration on biodiversity.

SUB-CATEGORY: PRODUCT RESPONSIBILITY

MATERIAL ASPECT: PRODUCT AND SERVICE LABELING

G4-DMA		see ASN Report 2016: - Customers - Service.
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G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	All products meet the legal requirements.
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	none
G4-PR5	Results of surveys measuring customer satisfaction	see ASN Report 2016: - Customers
MATERIAL ASPECT: CUSTOMER PRIVACY		
G4-DMA		see ASN Report 2016: - Customers - Service.
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2016, ASN Bank received four complaints from customers.
PRODUCT PORTFOLIO (specific aspect for financial sector)		
G4-DMA		ASN Bank's sustainability policy: https://www.asnbank.nl/algemeen/duurzaamheid/duurzaamheidsbeleid.html
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	See ASN Report 2016: ASN Bank's loans and investments in 2016; Annual and interim reports of the ASN Investment Funds: https://www.asnbank.nl/algemeen/over-asn-bank/publicaties/verslagen-asn-beleggingsfondsen.html
AUDIT (specific aspect for financial sector)		
G4-DMA		All of ASN Bank's investments and loans are assessed against ASN Bank's sustainability criteria. See also ASN Report 2016: - Sustainability policy - Sustainability instruments
ACTIVE OWNERSHIP (specific aspect for financial sector)		
G4-DMA		ASN Bank applies its sustainability policy to the ASN Investment Funds. In this context, see also ASN Report 2016: - Sustainability instruments
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	see ASN Report 2016: - Sustainability policy - Sustainability instruments
FS11	Percentage of assets subject to positive and negative environmental or social screening.	100% of ASN Bank's investments and loans are subject to ASN Bank's sustainable selection criteria. See also ASN Report 2016: - Sustainability instruments

