STRICTLY PRIVATE AND CONFIDENTIAL

CVC
Capital Partners
WTC Luchthaven Schiphol
Tower B, 6th floor
Schiphol Boulevard 285
1118 BH Luchthaven Schiphol
The Netherlands

BY E-MAIL

Att. Mr W. Raab
Director Financing Directorate at Ministry of Finance

Schiphol, January 31, 2012

Dear Mr. Raab,

Many thanks for taking the time to speak to us today. We appreciate the continued time and effort from your team in reviewing our private sector solution to help facilitate the recapitalisation of SNS and to avoid nationalisation.

We are proposing several adjustments further improving the transaction for the State:

1. State participation: We would be willing to grant the benefit of the first €150m pre-emption investment by the Foundation and Free Float to the State. In the expectation that the pre-emption rights will be taken up this would reduce the required investment in SNS to €340m for a 24.7% share. The next €50m will be diluting the Consortium stake.

2. Risk-Reward sharing: First of all we want to emphasize that the proposed co-investment by the State in SNS and the New Bank will take place on effectively same terms as from the Consortium. Having said that, we would welcome the opportunity to engage properly with you on agreeing a reasonable set of deal protections and governance arrangements that are fair and in line with market precedents. In addition the Consortium is willing to discuss with the State an anti-embarrassment clause customary to a private equity investment.

3. New Bank seniority: The State ownership in the New Bank will be in the form of preference shares while the consortium and the Foundation will hold ordinary shares. The State preference shares will carry the same economic and voting rights as the ordinary shares but will have liquidation preference in case of distributions, dissolution or winding-up of the New Bank. This effectively protects the State investment by a further €170m cushion provided by the Consortium and Foundation ordinary shares.

4. Deal certainty: we believe that working together it would be possible to provide you with certainty that the European Commission and DNB would provide their support for the transaction in very short order. We believe you will be receiving a letter from the three Grootbanken confirming their support for the transaction. The other pre-signing and pre-closing conditions of our proposal remain the same as in previous discussions and remain highly deliverable and we would welcome an opportunity to allay any concerns you might have on each step. You will receive tomorrow a detailed information package that will also be discussed by SNS with the DNB.

5. Attachment point: our proposal achieves an incremental provision capacity (on top of H1 2012 provision on €800m for PF including SME portfolio) of €2.8bn. If we assume the ASR merger this could further be enhanced to c. €3.2bn.

Source of Funding *€m*	**Amount Pre-Tax**	**Comments**
Capital injection	€2,400(1)	
Over-capitalisation of the New Bank on day one given State senior equity position	€230	Foundation and Consortium investment pre-tax
Going concern absorption capacity	€120	New Bank is anticipated to generate pre-tax profits of c. €120m through to 2015 which could be used to offset incremental losses
Total SNS Standalone	**€2,750**	
Incremental provision from capital synergies following ASR merger	*€400m*	
Total	***€3,150***	

(1) Note that as per the Term Sheet this refers to the balance sheet as of 30 June 2012 and that provisions of c.€350m have been incurred by SNS in the second half of 2012

Finally, to avoid miscommunication we would like to clarify that the €550m provided by the three Grootbanken will be used entirely to the benefit of the State and the company as highlighted below:

- €400m will be down-streamed as CT1 Securities carrying no value and contributing to increase the attachment point by €400m (pre-tax) and reducing the Holdco leverage by €100m. Therefore the State will have an immediate benefit and commensurate with the Consortium.
- €150m will be used to capitalise the New Bank with equity securities subordinated to the State investment therefore providing further protection to the State. The Consortium will have no economic benefit from its investment in the New Bank as any proceeds will be used to repay the loan to the three Grootbanken.

We stand ready to discuss this proposal and any queries emerging from it at your earliest convenience.

Yours sincerely

<table>
<tr><td>Rolly van Rappard
Managing Partner
CIO</td><td>Hugo van Berckel
Partner</td></tr>
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NON-BINDING AND SUBJECT TO CONTRACT

STRICTLY PRIVATE & CONFIDENTIAL

Adjusted Draft Terms Sheet for an investment in SNS REAAL Group N.V. ("SNS") and the potential combination with ASR Nederland N.V. ("ASR") for discussion with the Dutch State, the European Commission and De Nederlandsche Bank

Following the discussions of the last few weeks in relation to our previous proposals, the Consortium remains highly motivated in becoming an investor in SNS and supporting its next phase of growth and development. We have amended the term sheet to reflect the feedback and comments where possible.

Overall we believe our proposal:

- forms a solution that minimizes state aid;
- represents a fair package for the Dutch State;
- involves appropriate burden sharing by all existing capital stakeholders;
- preserves the Dutch financial services landscape (and enhances the competitive landscape);
- maximises the viability of the ongoing businesses;
- provides deal certainty on a swift closing and transformation of SNS into a well capitalised institution.

We are highly confident that we would be able to sign and announce a transaction as soon as possible.

1. Consortium

1.1.	Consortium members	In order to support the recapitalisation of SNS we have formed a Consortium of blue-chip institutional investors including the following members: 1. CVC Capital Partners Funds (largest capital contributor) 2. [redacted] 3. [redacted] 4. [redacted] 5. [redacted] The Consortium would invest in SNS through one or more special purpose vehicles incorporated for the purpose of the transaction.

2. Treatment of State Core Tier 1 Securities in SNS

2.1.	Conversion	The €565m of face value plus €283m of penalty payment (totalling to €848m) to the State on these securities will be converted into ordinary shares of SNS at a price of €2.00/ share. The State would have no further claims under the Core Tier 1 Securities following such conversion.

3. Treatment of Foundation Securities in SNS

3.1.	Core Tier 1 securities	The €422m of face value plus €64m of penalty payment (totalling to €486m) to the Foundation on these securities will be converted into ordinary shares of SNS at a price of €2.00/ share. The Foundation would have no further claims under the Core Tier 1 Securities following such conversion.
3.2.	B shares	100% write off by the Foundation.

4. Discounted Rights Issue and private placement by SNS

4.1.	Quantum	€1,400m in total to be underwritten 65% from the Consortium (€910m) and 35% from the State (€490m).
4.2.	Pricing	Structure and pricing of the capital injection to be confirmed; however end result should be a 98% dilution for the ordinary shareholders post rights-issue
4.3.	Pre-emption rights	The Consortium and the State will make available shares to the Foundation and the Free-Float to allow for tradable pre-emption rights of up to €200m. The State will have the option to be diluted for the first €150m and the Consortium for the residual €50m
4.4.	State Participation	Depending on whether the Foundation and the Free-Float will take up their rights the State investment will be ranging between €340m and €490m.
4.5.	Post rights-issue ownership	

	Assuming no free float and Foundation take up under the rights issue:	*Assuming full free float and Foundation take up under the rights issue(1):*
The Consortium	63.7%	60.2%
Dutch State	35.2%	24.7%
Foundation	0.8%	4.3%
Free float	0.3%	10.8%

(1) Assumes Foundation will invest €50m and Free-Float €150m

4.6.	Underwriting and transaction fees	The rights issue underwriters will charge a market-tested appropriate underwriting fee and agreed ongoing monitoring / director fees relating to the transaction.

4.7.	Rights issue proceeds usage	The proceeds will be allocated for the following usage: • Immediate provision of €2,000m (before taking into account the tax loss associated with the provision) on the Property Finance Division portfolios based on the balance sheet as at H1 2012. For the avoidance of doubt, any provisions taken against the Property Finance portfolios between 30 June 2012 and closing would adjust the €2,000m above on a Euro for Euro basis.
4.8.	Other use of rights issue proceeds	Any excess investment will be kept as excess capital in SNS to further capitalise the Group and repay the current double leverage.
4.9.	Public/ private status	Post transaction, SNS is expected to remain public.
4.10.	Mechanics	Transaction to be approved by shareholders under SNS existing corporate governance rules. The proposed investment will likely create the need for a mandatory offer from the Consortium at an equitable value (which we would expect to be the same as the discounted rights issue share price). The Foundation and the State will commit not to take up any offer.
5.	**Loan from the ABN, ING and Rabobank (the "Grootbanken")**	
5.1.	Amount	The Grootbanken will provide a €550m loan to the Consortium Holding, an entity set-up for the purpose of investing in SNS and the New Bank.
5.2.	Terms	The loan will be perpetual in nature and pays a 2.5% PIK coupon. The accrued interest is payable upon the Consortium having achieved a minimum return on its investment in SNS of 2.5xMoM and 20% IRR. The principal is repaid from distributions received by the Consortium Holding from its investment in the New Bank. Upon the completion of the run-off of the New Bank any outstanding principal will be written off. We would consider technical adjustments to such a loan as might be required by the EC to ensure the loan does not create any unnecessary State Aid.
5.3.	Use of proceeds	The Consortium Holding will use €400m to downstream in SNS Group in the form of perpetual Core Tier 1 securities with no coupon and no future value (and hence for the benefit of all investors in SNS – both the State and the Consortium shareholders). This would support an incremental write-down of €400m to the Property Finance bringing the total write-down to €2,400m. The residual €150m will be used by the Consortium to capitalise the New Bank.
6.	**Treatment of Hybrid Instruments in SNS Group and SNS Bank**	
6.1.	Burden sharing	As part of the overall deal burden sharing, which is regarded an important element by the EC, holders of Tier 1 instruments at the SNS Group and SNS Bank subsidiary will be required to forego some of their rights.

6.2.	Hybrid instruments adjustments	MinFin and the EC will support the pre-closing adjustment to the coupon payments and repayment terms to the Tier 1 instruments in SNS Group and SNS Bank where possible. SNS will use excess capital in the Group and Bank and following the recapitalisation to launch a voluntary offer to repurchase these securities at a valuation of 25c in the Euro or lower. The effect of this will be to increase the Core Tier 1 Capital in the Bank and reduce the double leverage in the Holding.
6.3.	Conditionality	If the voluntary offer does not achieve the 75% threshold that would allow a squeeze out, then we would require the State to adopt legislative measures to allow a mandatory liability management, in line with comparable situations in other EU countries, or compensate the Consortium in such way to preserve the economics of the transaction.
7.	**ASR merger**	
7.1.	Intention	The Consortium, The State and NLFI intend to agree to a non-binding MOU in relation to the planned merger of SNS with ASR based on the terms indicated in the clauses below.
7.2.	Transaction structure/ mechanics	Merger of SNS and ASR will be conducted via an all share deal.
7.3.	Post-merger ownership	NLFI will receive a 50% stake in the combined entity as a result of the merger of SNS and ASR. If the SNS/ASR merger takes place, the Consortium would repurchase all SNS shares acquired by the State in the rights issue. This implies that if the merger takes place prior to the completion of the SNS rights issue, the State would not have to fund its underwriting commitment. The final share-ownership in the Group would be as follows.
7.4.	Incremental Property Finance provision	The combination of ASR and SNS would facilitate the release of €300m freely distributable capital which can be used for a further write-down on the Property Finance up to €2,800m. Alternatively the State could choose to extract this €300m in the form of a dividend. In addition to the 50-50% exchange ratio this values ASR at €1,729m.

	Assuming no free float and Foundation take up under the rights issue:	*Assuming full free float and Foundation take up under the rights issue:*
The Consortium	49.0%	42.0%
Dutch State	50.4%	50.4%
Foundation	0.4%	2.2%
Free float	0.2%	5.4%

7.5.	Reset fee and "go-shop" provision	MinFin/ NLFI will have the option to consider alternative proposals on ASR from other parties or to decide not to proceed along the terms of the MOU, however, in such a situation the State would agree to pay a €50m reset fee to SNS. Once SNS has provided a firm commitment to merge with ASR on terms in-line with the MOU, the State will also commit not to accept alternative proposals from other parties unless the purchase price is at least 7.5% higher than the valuation agreed with SNS of €1,729m.
7.6.	Public/ private status	The combined entity is expected to remain publicly listed.
7.7.	Integration plan	The management of ASR and SNS will jointly develop and commit to an integration plan (with appropriate support from Works Council) which will be approved by the Consortium and the State before signing of the transaction. As discussed, the Consortium is willing to consider an orderly split of the banking and insurance activities over a reasonable time-period.
7.8.	Due diligence on ASR	We expect management of SNS together with the support of CVC to complete the due diligence on ASR in a timely fashion. We would ask the NLFI and the State to support our ability to undertake this diligence with access to the necessary members of the management and information required on a timely basis.

8.	**Management and Governance, assuming the merger will take place**	
8.1.	Combined entity Supervisory Board composition	We would expect the Supervisory Board to reflect the ongoing ownership structure of the combined business, consisting of the following: • 1 independent Chairman, jointly appointed by the Consortium and the State; • 3 members appointed by the Consortium; • 3 members appointed by the State / NLFI; and • 2 members appointed by the Works Council. The Consortium would also have the right to appoint a Board observer that would be filled by one of the Consortium co-investors. The State and the Consortium will receive vetoes on all major corporate decisions including, but not limited to, acquisitions, divestitures, annual budgets and remuneration. We would also welcome the opportunity to discuss the possibility of other independent non-executive directors with relevant expertise (including current members of SNS or ASR Supervisory Boards) to be jointly appointed by shareholders. We would see this as important in giving comfort to the Free Float that their interests are being adequately safeguarded through sound corporate governance. Should the merger not take place we expect the Consortium to increase the number of board members to 4 directors and the State/ NLFI to reduce to 2 directors. We note such an allocation of directors would still provide the State with a higher proportion of board seats in relation to their expected shareholding compared with the Consortium.

8.2.	Management	The Consortium will appoint the CEO and CFO of the Group and its subsidiaries, subject to veto of the State and approval by DNB.
8.3.	Board Committees	Maintain SNS' current number of committees (Nomination, Remuneration, Audit, Risk), with the possible addition of an Asset and Liability committee to be discussed. Composition to be agreed with the Consortium to reflect shareholdings, but will include at least one Consortium appointed director and one State appointed director.
8.4.	Quorum and logistics	A Consortium appointed director and a State appointed director must be present (in person or by proxy) at any Supervisory Board meeting for that meeting to be quorate. The Supervisory Board continues to meet at least six times a year.
8.5.	Governance rights of Supervisory Board	Maintain Supervisory Board rights based on current SNS set up, with clear inclusion of monitoring of business performance against budget, approval of major strategic decisions and reserved rights for the Consortium and the State.
8.6.	Deadlock resolution	Agreed arrangements for dispute resolution.
8.7.	Interaction with DNB and other regulators	Daily interactions will continue to be led by management and relevant compliance officers. The Consortium and the State directors expect to be involved in all Supervisory Board level interactions with the regulators.
8.8.	Publicity	Governance arrangements between SNS, the Consortium, the State and others will need to be documented in (a combination of) the articles of association and contractually. Certain key terms may need to be made public.

9.	**Share Issue and Transfers**	
9.1.	Investment holding period	Within the first two years after the investment, no sale of shares would be allowed by the Consortium or the State unless explicitly agreed amongst by all parties.
9.2.	Distribution Policy	Subject to discussions with regulator, SNS's operating subsidiaries will distribute shareholder funds in excess of regulatory or other prudent capital requirements by way of dividends to SNS holding. Post transaction it is expected that the retail banking activities will be initially capitalised with a Core Tier 1 capital ratio of at least 12% and the insurance activities with a Solvency I Ratio reflective of their respective risks on both assets and liabilities. Our preliminary proposal which would require approval from the DNB would be at least 200% for REAAL and at least 280% for ASR, subject to appropriate minimum Solvency II ratios. Distributable profits available at SNS holding will first be used to reduce double leverage to below 105%, with residual funds available to shareholders as dividends, subject to approval by the regulator.
9.3.	Share transfers	The shareholder agreement between the State and the Consortium will contain the relevant clauses effectuating a 'samen-uit, samen-thuis' principle (i.e. the appropriate tag- and drag along provisions)
9.4.	Risk-reward sharing	The Consortium is willing to discuss with the State an anti-embarrassment clause customary to a private equity investment.

10. 'New Bank'-structure for SNS Property Finance Division	
10.1. Ownership structure	A new entity is set-up (the New Bank) of which the equity will be owned by the Consortium (47% or €150m), the State (47% or €150m) and the Foundation (6% or €20m) for a total capitalisation of €320m. The State ownership will be in the form of preference shares while the consortium and the Foundation will hold ordinary shares. The State preference shares will carry the same economic and voting rights as the ordinary shares but will have liquidation preference in case of distributions, dissolution or winding-up of the New Bank. The New Bank will be organised with two subsidiaries: • PF – will hold the French and German portfolios (€520m pre write-down) and will remain a bank and capitalised with 12% Core Tier 1 ratio (required capital of c.€60m). • New PF – will hold the remaining portfolio (€8.5bn pre write-down) and will be organised as an asset manager and will not be a regulated entity therefore will not have any capital requirements. As a result of the proposed structure, the New Bank will have excess capital of €260m prior to any required use of the state guarantee. Furthermore, as a result of the proposed liquidity preference the State investment will be protected by a €170m of equity cushion provided by the Consortium and Foundation ordinary shares (on a pre-tax basis equivalent of incremental provisions of €227m) before it would suffer any loss associated with its equity investment in the New Bank.
10.2. Scope of the New Bank	Following an immediate provision corresponding to the attachment point at Closing as per Section 4.7, 5.3 and Section 7.4, the Property Finance Division is sold to the New Bank at book value and the funding will come from the shareholders equity capital and the issuance of government guaranteed securities. The Property Finance division will include the Core, Non-Core and SME portfolios as per SNS current definition. The assets will be transferred: • with all the staff and operations required to operate on a stand-alone basis; • with a transition agreement covering the continuation of currently centrally provided services at cost for up to two years from Closing.
10.3. Property Finance Indemnity	The New Bank will provide SNS with an indemnity for any residual claim that might arise under the 403-statement that has been given for Property Finance in the past and any future claims made against SNS relating to the Property Finance business.
10.4. Tax asset	Based on the diligence completed to date, we assume that the SNS write down on the Property Finance Division should qualify to support the creation of a tax asset at SNS Holding level, subject to agreement with company auditors and tax authorities to be obtained formally or in principle before signing.

11. Transaction Process	
11.1. Time line	We would propose to target signing and announcing of the transaction by 14 February 2013.
11.2. Communication with the European Commission	Prior to announcement, it will be important for the Consortium to confirm the view of the European Commission to the proposed transaction, especially with regard to any remedies that might be required as a result. The Consortium is wiling to provide support as required.
11.3. Conditions to signing	The signing and announcement of a transaction will be subject to: • the final approval of CVC's Investment Committee; • the relevant DNB approvals; • in principle approval to the proposed investment on agreed terms by the European Commission; • in principle approval from the tax authorities and the auditors on the tax benefit from the write-down of the Property Finance loans.
11.4. Transaction Indemnity	The State will provide SNS with an indemnity relating to claims relating to actions prior to the transaction and any claims relating to the transaction. For the avoidance of doubt this excludes any claims relating to Woekerpolis. In addition, the initial €25m of aggregate claims from the above matters will be for the account of SNS.
11.5. DNB approvals	In addition to the common clearances, specifically DNB will approve the following in relation to SNS: • SNS Bank N.V. will be allowed to distribute capital over 12% CT1 to the Holdco; • REAAL N.V. will be allowed to distribute capital above the lower of 200% of Minimum Solvency I and a prudent Solvency II SCR (based on parallel-run); and • Disclosure rules will be confirmed to facilitate the investments by the Consortium members.
11.6. Rating impact	We would aim to hold discussions with rating agencies (S&P and Moody's) in advance of completion to receive their clear indications on the impact of the transaction on the credit ratings of SNS and the combined group.

Any questions relating to this proposal should be directed to any of the following:

Rolly van Rappard
Managing Partner
[redacted]

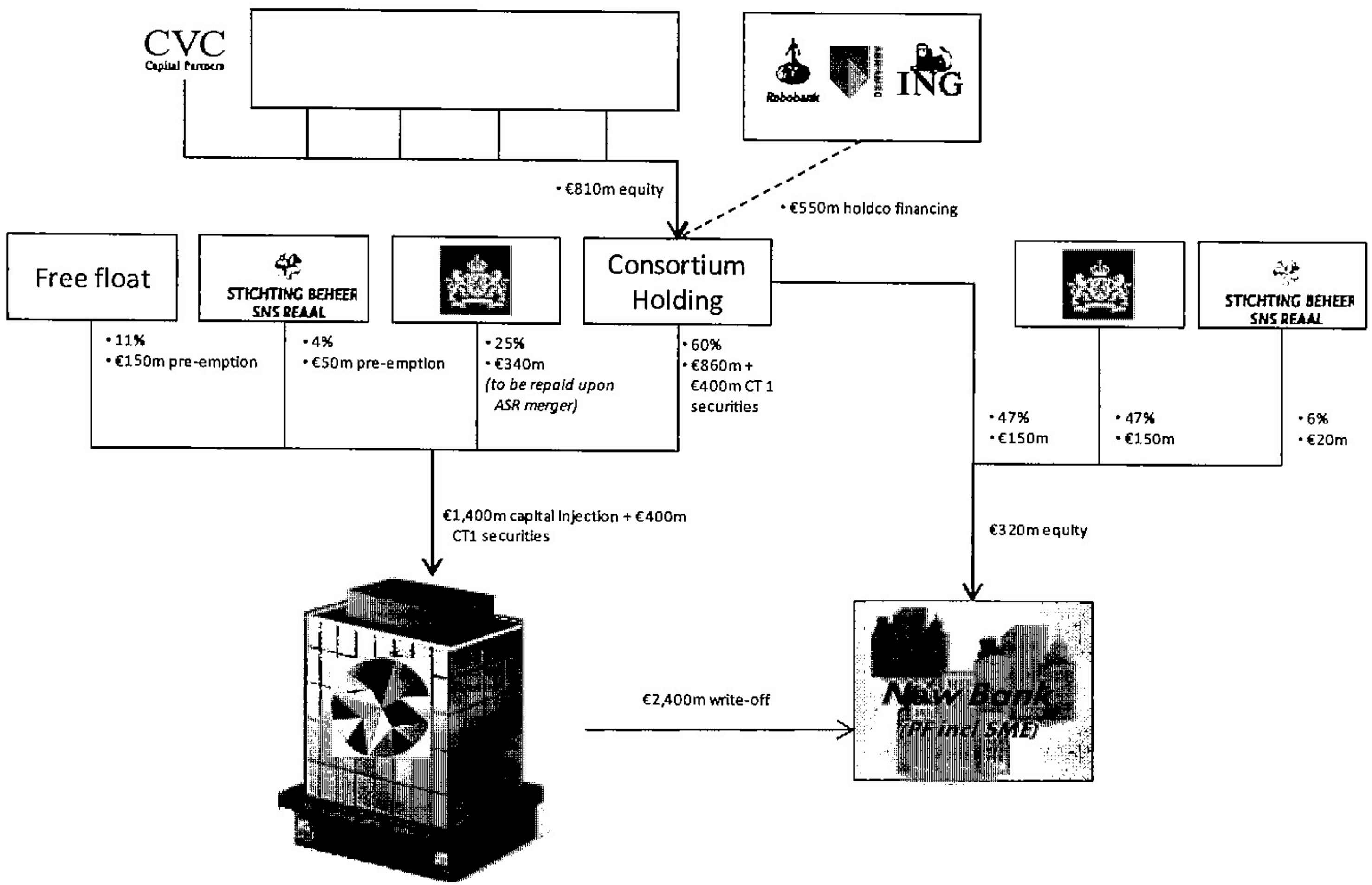
Jonathan Feuer
Managing Partner
[redacted]

Huga von Berckel
Partner
[redacted]

Peter Rutland
Sr. Managing Director
[redacted]

Bas Becks
Managing Director
[redacted]

SNS Standalone scenario (assumes pre-emption rights are taken)



Note:

The €550m provided by the 3 Grootbanken will be used entirely to the benefit of the State and the company as highlighted below:

- €400m will be down-streamed as CT1 Securities carrying no value and contributing to increase the attachment point by €400m (pre-tax) and reducing the Holdco leverage by €100m. Therefore the State will have an immediate benefit and commensurate with the Consortium.
- €150m will be used to capitalise the New Bank with equity securities subordinated to the State investment therefore providing further protection to the State. The Consortium will have no economic benefit from its investment in the New Bank as any proceeds will be used to repay the loan to the 3 Grootbanken.

SNS/ ASR merger scenario