

STRICTLY PRIVATE AND CONFIDENTIAL

CVC
Capital Partners

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BY E-MAIL

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

Att. Mr M. Enthoven
Chairman NLF

Cc: Mr S. Verbaan; Mr R. Brocheler

Re: Project Bergkamp

Schiphol, January 11, 2012

Dear Mr. Raab, Mr. Enthoven,

Beste Wouter en Michael,

With great disappointment we left the meeting earlier today with Mr. Raab and Mr. Verbaan who indicated that it is highly unlikely that our private sector solution on SNS/ASR would be accepted. MinFin indicated that a nationalization alternative would now be pursued.

Our current understanding is that there are three key issues that need to be resolved:

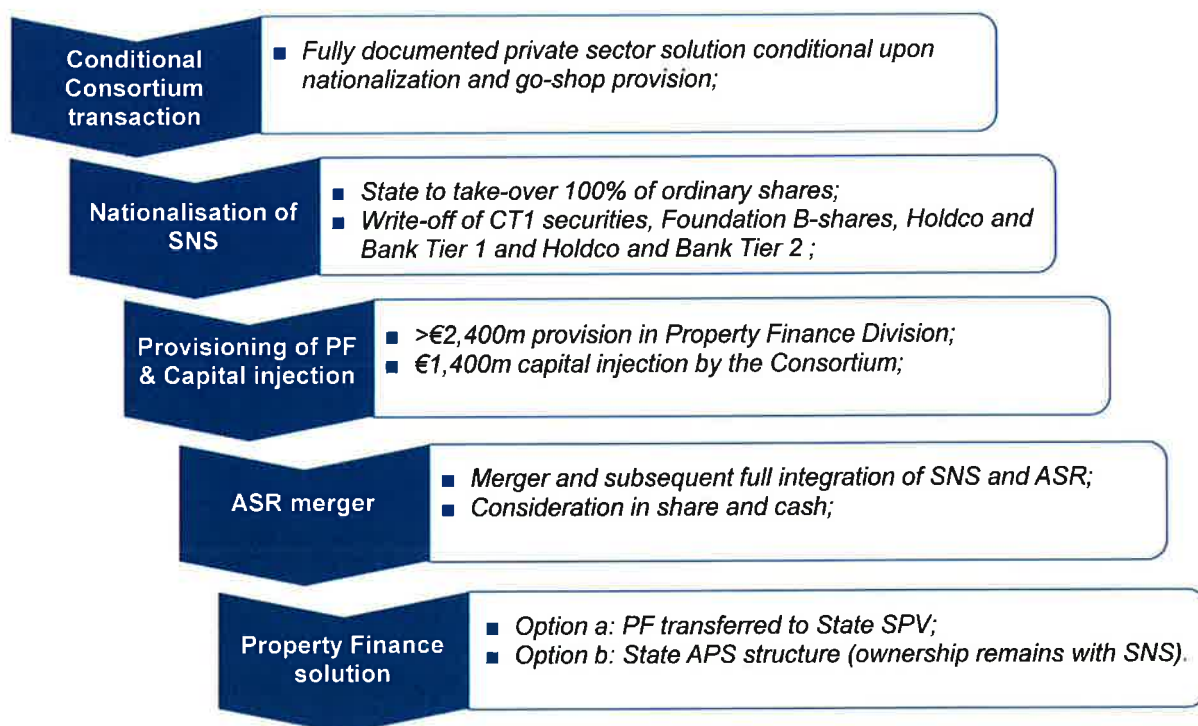
1. The level of incremental provision on the Property Finance business in order for the State to provide further financial backstop;
2. The unwillingness of the European Commission to allow the involvement of the three Grootbanken;
3. Ability to progress a transaction with the Consortium contemporaneously with the requirement for certainty by February 14.

As you know, our view remains that the Cushman & Wakefield report assumes a write-off provision that is substantially higher than is justified. Furthermore, we note that in a nationalization the State will retain all the losses as a result of the Property Finance business without any offsetting capital injection from private sector.

Whilst the nationalization will have significant consequences on the standing of the entire financial services sector in The Netherlands, we appreciate it provides additional burden sharing as a result of the full write-off of various securities (including the State and Foundation CT1; Foundation B-shares; Holdco and Bank Tier 1; and Holdco and Bank Tier 2 and ordinary shares).

Therefore if the conclusion is to proceed with a nationalization of SNS, we believe that having subsequently an immediate private sector solution would minimize the capital required from the State and provide the best chance of maintaining stability in the overall financial system and support from all stakeholders.

As illustrated in the diagram below, the maximum value available for the State can be achieved through a simultaneous purchase of SNS and merger with ASR. Our proposal would allow a significantly higher write-off than previously considered (facilitated by the additional burden sharing) and would not require the involvement of the three Grootbanken.



We believe it is possible to have a fully documented transaction with the Consortium by the time of nationalization. We appreciate the fact that the EC will require a subsequent verification that the terms and valuation of the proposed transaction are both fair and market tested. Therefore we are willing to include a ‘go-shop’ provision.

If there is no immediate transaction for SNS at the time of nationalization it is likely that the EC remedies and social factors encountered in this process to date will make very difficult if not impossible for the State to ever realize the value available from the combination of the two businesses.

We would be more than happy to explain this proposal in more detail at your earliest convenience, if so desired. We look forward to hearing from you in due course.

Yours sincerely,


Rolly van Rappard
 Managing Partner


Hugo van Berckel
 Partner