Analysis of SNSPF's Core Portfolio

31 October 2012

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Final Draft

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ERNST & YOUNG

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Reliance Restricted

Ernst & Young LLP
5 Times Square.
New York. New York 10036

Final Draft

[redacted]

31 October 2012

[redacted]

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Dear [redacted]

Per your request, and in accordance with the Core Engagement Agreement ("EA") and Statement of Work ("SOW") dated 8 August 2012, this report ("Report") shall set forth our findings based on the work performed by Ernst & Young, LLP ("EY") with respect to SNS Property Finance B.V.'s ("SNSPF") global Core real estate portfolio.

Specifically, SNSPF has requested that EY estimate the potential shortfall of SNSPF's Core relationship complexes ("RCs") based on EY's independent analysis, pursuant to the existing strategies assumed by SNSPF. The potential shortfall estimate is defined as the difference between the outstanding balance of the loans as per 30 June 2012 and the estimated recoverable amount pursuant to the existing strategies assumed by SNSPF. EY's procedures and scope of services are described in more detail in the Report, and in the SOW included in the Appendix to the Report.

Terms of Refere[redacted]

The Report is sole[redacted]s internal use an[redacted]istributed to third parties, used for other purposes or reproduced without the prior written consent of EY in the form of an executed access letter substantially in the form EY prescribes. Except as otherwise noted in this Report, the tasks we performed and the findings resulting from those tasks were based solely on the information provided to EY by SNSPF. We relied on SNSPF to provide us with all relevant information relating to SNSPF's loans, including but not limited to, management reports, external appraisals, rent rolls and other collateral performance and valuation information. SNSPF provided documents wherein SNSPF summarized the RCs and their views on estimated potential shortfalls ("SNSPF One-pagers"). In addition, we interviewed SNSPF's account managers and management teams to determine the current status of the RCs analyzed in this report. Except as noted otherwise in this Report, we performed no tasks to independently verify any of the oral or written information provided by SNSPF personnel. Accordingly, we make no assurances as to the completeness, integrity, currency or authenticity of the information provided to us by SNSPF. Had management provided additional or different information, or had EY performed additional tasks to verify the information provided, the results of the analysis may have been different.

Our scope did not include the valuation of SNSPF or any of the loans or collateral securing the loans in the Core portfolio in conformity with Uniform Standards of Professional Appraisal Practice ("USPAP") promulgated by the Appraisal Standards Board of the Appraisal Foundation or in conformity with the International Valuation Standards as issued by the International Valuation Standards Council.

Unless otherwise noted in this document, we did not perform physical inspections of the collateral securing the loan or comparable properties.

Additionally, our work did not include an assessment of SNSPF's requirement to fund unfunded commitments.

The procedures that we performed do not constitute an audit of SNSPF's historical financial statements in accordance with generally accepted auditing standards or IFRS, nor do they constitute an examination of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we express no opinion or any other form of assurance on the historical or prospective financial statements, management representations or other data of SNSPF included in or underlying the accompanying information.

The performance and valuation of commercial real estate, across all property types and markets, is extremely volatile. Unstable economies, illiquidity, and uncertainty surrounding future market conditions create an environment in which it is extremely difficult to accurately predict demand or pricing for housing and commercial real estate space. Given the inherent scarcity of market information and the uncertainty surrounding future market conditions, the analysis and findings contained herein should be considered to be at a point in time only and to be based on the limited information available at such point in time, and we provide no assurance that the findings contained herein will remain valid in the future. Projections are based on assumptions of future events. Consequently, actual results may differ from projected results and the differences may be material. We take no responsibility over the achievement of projected results.

The procedures outline in our SOW may not necessarily reveal all matters which may be significant. Accordingly, we make no report as to the sufficiency of the scope of work for your purposes and provide no assurance that the tasks performed will identify any or all current or future issues which may be relevant. The tasks performed should not supplant any other procedures undertaken by you which are deemed necessary or appropriate. The findings and analyses contained herein are based solely on information made available to EY through the date hereof. Should additional relevant information or documents be subsequently produced, EY's findings may be materially different. EY has no future obligation to update the analyses contained herein.

* * * * * * *

EY appreciates the opportunity to provide advisory services to SNSPF. The Report that follows details further our findings, methodologies employed and the assumptions utilized in our analysis. If you have any questions or require additional information, please contact [redacted]

Very truly yours,

Ernst + Young LLP

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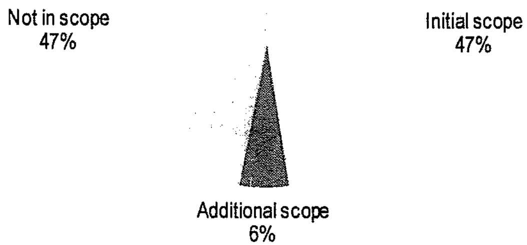
Summary of work scope

[redacted]

Core portfolio – loans in scope by outstanding balance as of 30 June 2012



Reading guide

This Report summarizes EY's findings based on work performed through 22 October 2012. As described in detail in the sections that follow, we have completed our analysis for the RCs listed in our scope of work pursuant to the tasks outlined in the SOW (included in Appendix K). This Report sets forth EY's analysis and findings related to the RCs listed on pages 3 and 4.

Summary of loans in scope

The adjacent table and graph summarize EY's scope of work. The sample for the initial scope analyzed in this Report represents 47% of the total outstanding balance of the Core portfolio as of 30 June 2012. Subsequent to the initial scope selection, we were requested by SNSPF to analyze 20 additional RCs (the findings related to these RCs are not considered in this Report). Together, these two selection groups result in a total of 70 RCs and represent 53% of the Core portfolio based on the 30 June 2012 outstanding balance.

General document structure

The Report contains two sections that set forth EY's findings to date:

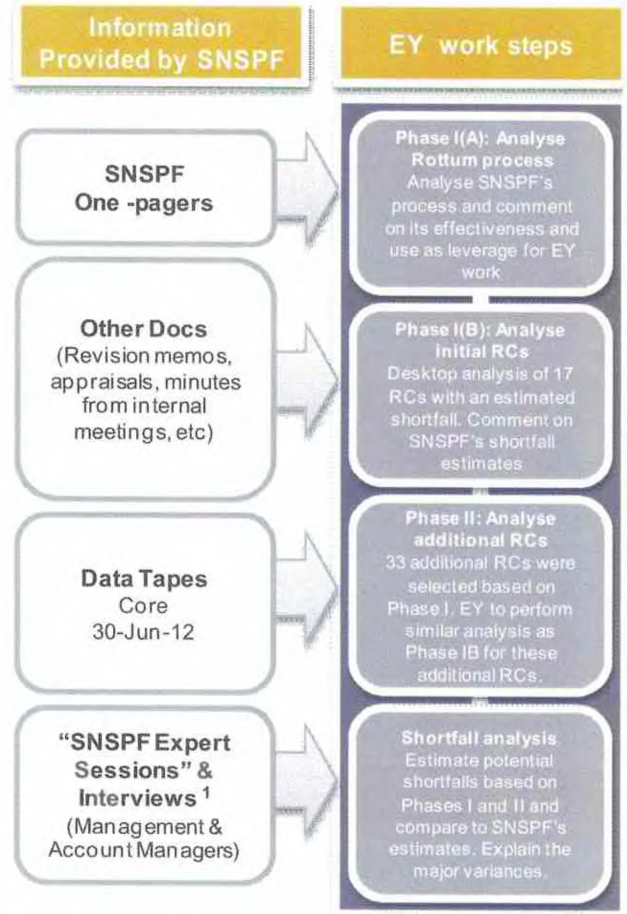
- **Executive summary -** The Executive summary contains schedules and narratives summarizing EY's findings to date.
- **Appendices -** The Appendices contain several items that support and provide additional detail for our analysis, including the following:
  - *Appendix D - Description of collateral analysis assumptions and methodology*: Appendix D summarizes the assumptions used in EY's analysis.
  - *Appendix I – Loan analysis templates*: The EY prepared individual loan analysis templates for each in scope RC in the Core portfolio are included in Appendix I. These templates include detailed information regarding the outstanding balance and collateral, as well as EY's findings and key assumptions. Specifically, the following information can be found in the loan analysis templates: (i) key facilities metrics, (ii) general description of the client, (iii) loan and collateral descriptions, and (iv) estimated potential shortfall calculations.
  - *Appendix J - SNSPF One-pagers*: The SNSPF prepared documents that summarize each of the RCs and SNSPF's views on estimated potential shortfalls are included in Appendix J.

Unless otherwise specified in the Report, all currency figures are shown in millions of Euros.

Objective and approach

EY's approach to the analysis for the Core portfolio

EY's approach



1. The SNSPF Expert Sessions consisted of internal meetings with management from multiple departments to discuss and conclude on the estimated potential shortfalls. EY attended these SNSPF Expert Sessions.

Objective and approach

Objective of EY's work

The objective of EY's work is to estimate the potential shortfall of the selected Core RCs identified in our SOW based on our independent analysis, pursuant to the existing strategies assumed by SNSPF for the Core portfolio. The potential shortfall estimate is defined as the difference between the outstanding balance of the loans as of 30 June 2012 and the estimated recoverable amount. SNSPF has represented they are investigating potential strategic options involving the Core RCs, including but not limited to a potential asset protection scheme.

SNSPF's potential shortfall estimates did not take into consideration any previously recorded provisions, and therefore EY's estimated potential shortfall analysis applied a similar approach. In general there are differences between EY and SNSPF in estimating potential shortfalls which are discussed in more detail throughout the report.

EY's approach and procedures performed

Our work was conducted using a phased approach as summarized in the adjacent diagram and as described below (please also refer to the SOW in Appendix K for more details).

Phase I(A): Analysis of the Rottum process

We analyzed SNSPF's Rottum process and leveraged the information SNSPF collected during the Rottum process for our Phase I(B) and Phase II work related to the estimation of potential shortfalls.

Our work primarily consisted of (i) interviewing key personnel involved in project Rottum, (ii) assessing various documents that SNSPF prepared regarding project Rottum, and (iii) confirming our understanding of the Rottum process through discussions with management. For further details on the Rottum process, please refer to the Executive summary section within this Report.

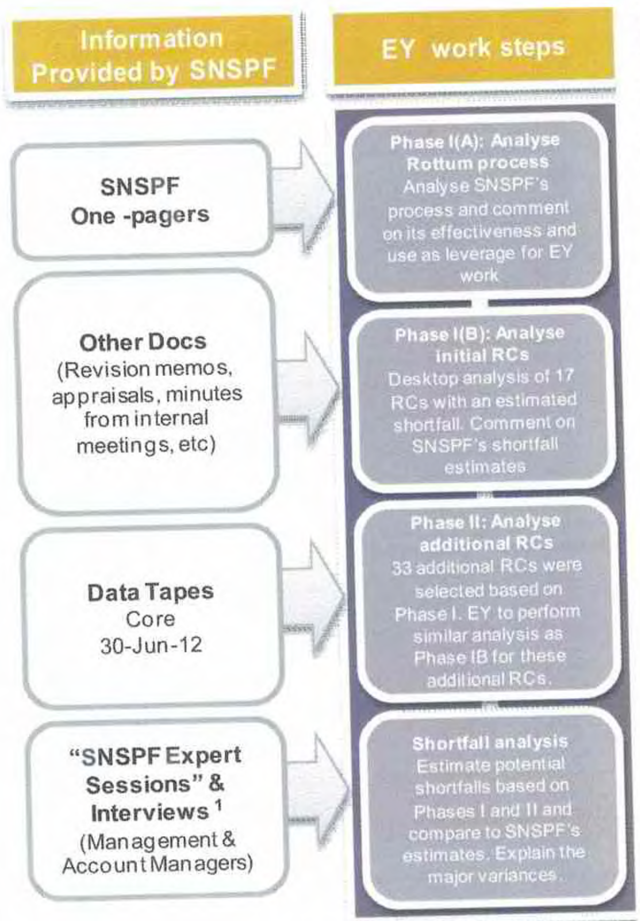
In general the SNSPF Rottum process appears to be well structured and organized. This process should be a useful management tool for SNSPF going forward.

Phase I(B) and Phase II: Analysis of RCs

EY's Phase I(B) and Phase II work entailed a desktop analysis of the loans and collateral. The analysis is considered to be "desktop" as physical site inspections were not performed and certain assumptions were made in order to estimate the value of the collateral (i.e. the property's condition, age, location, construction quality, etc.). Our work was based on information provided by SNSPF as part of SNSPF's Rottum process. For Phase I(B) a sample of 17 RCs with the largest base case shortfalls as estimated by SNSPF was selected from the top 50 RCs. Our Phase II work addressed an additional sample, focusing on the RCs with the largest remaining outstanding balance within the Core portfolio. This Report includes a

EY's approach to the analysis for the Core portfolio

EY's approach



1. The SNSPF Expert Sessions consisted of internal meetings with management from multiple departments to discuss and conclude on the estimated potential shortfalls. EY attended these SNSPF Expert Sessions.

total of 47 RCs from Phases I(B) and II (three loans were repaid between the time period of 31 December 2011 and 30 June 2012). Additional RCs will be analyzed by EY subsequent to this report, resulting in total coverage of approximately 53% of the Core portfolio's outstanding balance. These additional RCs are listed in the Open items section of the Report.

Summary of EY's desktop analysis approach

The procedures performed as part of EY's desktop analysis of potential shortfalls can be summarized into three primary work steps: (i) collateral analysis, (ii) loan analysis, and (iii) estimated potential shortfall analysis.

- **Collateral analysis:** EY performed an independent desktop analysis to estimate base case collateral values as of 30 June 2012 using various methodologies (e.g. direct capitalization, discounted cash flow, retail sell out ('uitpondwaarde'), and residual value analysis) depending on the collateral type. Sensitivity analyses were then performed on the base case estimated collateral values by varying key assumptions (such as discount rates, cap rates, and achievable market rents) in order to calculate bull and bear case scenarios. The selection of specific assumptions and the degree to which they were sensitized was determined on an asset by asset basis, taking into account factors such as collateral type, asset class, submarket conditions, and the macro market outlook. EY calculated bull and bear case sensitivity scenarios using the same credit management strategy that was assumed for the base case.

  A more detailed description of our approach and assumptions used can be found in Appendix D. Additionally, the specific assumptions that were varied in the bull and bear case scenarios for all 47 RCs in scope are noted in Appendix A.

- **Loan analysis:** Our loan analysis was based on the 30 June 2012 outstanding balances of the loans for each RC as provided by SNSPF. We also analyzed other relevant loan related information, including but not limited to, factors such as guarantees, cross collateralization issues, equity participations, arrears and recourse provisions. Our work did not include an analysis of the loan documentation (loan agreements, mortgages, forbearance agreements, additional securities, loan statements, and other loan related documentation).
- **Estimated potential shortfall analysis:** EY calculated estimated base case potential shortfalls (to the extent applicable) for each RC by subtracting the estimated collateral value as of 30 June 2012 from the loan balance as of 30 June 2012. A similar calculation was performed to estimate potential shortfalls in the bull and bear case scenarios. Finally, EY's findings were compared to SNSPF's estimated potential shortfall calculations. EY's estimated potential shortfall takes into account cross collateralization of facilities within an RC.
- A more detailed description of EY's desktop analysis approach is set forth in the following appendices:

EY's approach to the analysis for the Core portfolio

- Appendix C contains a detailed description of EY's approach to performing the collateral and loan analysis and the methodologies employed to estimate potential shortfalls.
- Appendix D summarizes the general assumptions used by EY in estimating the bull and bear case collateral values in the sensitivity analysis.
- Appendix F contains a market overview for the Netherlands.

[redacted]

Appendix C - EY work steps

EY's shortfall analysis

The procedures performed as part of EY's desktop analysis of potential shortfalls include the following:

I. Collateral analysis

– EY performed a desktop analysis to estimate a base case collateral value. Because physical site inspections were not performed, our analysis is considered to be "desktop" whereby certain assumptions were made that can affect the estimated collateral or property value (i.e. condition, age, location, construction quality, etc).

EY's base case estimated collateral value analysis was based on one of the following approaches:

4 Income/cash-flow analysis for income producing properties

a. *Direct capitalization approach*: First, an analysis of the income and expense for the underlying assets was performed. Next, the stabilized net operating income ("NOI") was estimated for the property by analyzing current and market vacancy levels, incentives, above/below market rents and transfer tax. The capitalization rate that was applied reflects an all risks yield and was based on market capitalization rates for similar property types, adjusted for various factors, including location, the financial background of the tenant, the current lease contract. The NOI at the stabilization date was then divided by the capitalization rate to calculate the estimated indication of value. Finally, this stabilized value estimate was adjusted to account for transaction costs, the impact of lease up costs, capital expenditures and time required to achieve asset stabilization.

b. *Discounted cash flow ("DCF") approach*: Cash flows generated by a property were forecasted based on historical operating performance, future market expectations, and other known factors impacting the collateral. A terminal capitalization rate was applied to the projected stabilized NOI in the terminal year of the cash flow projection in order to estimate a value for the collateral at the end of the determined holding period. An appropriate market derived discount rate was then applied to the cash flow projection to calculate the present value of the estimated income associated with the property.

c. The retail sell out ('uitpondwaarde') valuation concept has generally been applied to residential collateral. Under this valuation concept, the vacant possession value ('leegwaarde') has been used to which a discount has been applied, ranging from [redacted] to [redacted] depending on the quality of the collateral, relettability, location, etc. The obtained value ('uitpondwaarde') is then compared to the direct capitalization approach (1.a) in order to assess the plausibility of the derived estimate of value.

[redacted]

Appendix C - EY work steps

5 Comparable sales/market analysis was performed in the absence of a feasible development plan

This approach involved collecting information from recent comparable transactions. Sale prices from these comparable transactions were adjusted for differences in target property quality, location, land use or transaction timing.

6 Residual value analysis

When a market supported project development plan was available (including instances where qualified parties expressed an interest to enter into a transaction), a life of the project cash flow was created to estimate the residual value of the land.

This approach involves calculating an estimated value of the completed asset and deducting the costs to complete the property; taking into account fees, construction costs, financing costs, leasing costs, and a profit/risk margin.

Collateral sensitivity analysis

Sensitivity analyses on the base case collateral value estimates were performed by varying key assumptions of the real estate market value (such as discount rates, cap rates, and achievable market rents) in order to calculate bull and bear case sensitivity scenarios. A more detailed description of our assumptions used can be found in Appendix C. Further, Appendix F contains a summary of EY's research on market conditions for the Netherlands, which helped to frame our macro view of these markets.

II. Loan analysis

We based our loan analysis on the outstanding balances and other loan information contained in the data tape provided by SNSPF as of 30 June 2012. We analyzed the SNSPF One-pagers and we SNSPF's revision documents. Based on our analysis we submitted questions through a Q&A process and held interviews with the account managers. We confirmed the facts related to the Phase I (b) RCs through meetings with representatives of the SNSPF Rottum team and considered in our analysis additional factual information obtained in these meetings.

III. Potential shortfall analysis

SNSPF estimates the potential shortfall on a going concern basis for the Core portfolio within the Rottum process. Therefore, to estimate the potential shortfall EY started with the outstanding balances as of 30 June 2012, subtracted the estimated collateral values according to EY's collateral analysis as of 30 June 2012, and made adjustments to the estimated shortfall based on the analysis and consideration of any potential value associated with relevant securities (i.e.

Appendix C - EY work steps

guarantees and pledged accounts). Market yield assumptions that factor timing and risk of exit were used in estimating collateral value. These calculations resulted in EY's estimate of the base case potential shortfall. We also calculated the potential shortfall estimates in bull and bear case scenarios, which were driven primarily by adjustments to certain key collateral assumptions, as previously discussed and as further described in Appendix D.

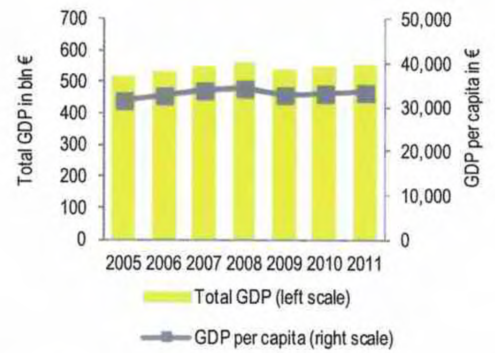
Lastly, the potential shortfall estimates in the bull, base and bear case scenarios were compared to SNSPF's potential shortfall estimates, which were provided by SNSPF to EY in the SNSPF One-pagers.

Please refer to Appendix G on "Information sources" for an overview of the main sources of information SNSPF provided to EY.

The Netherlands - Macro Economic Overview

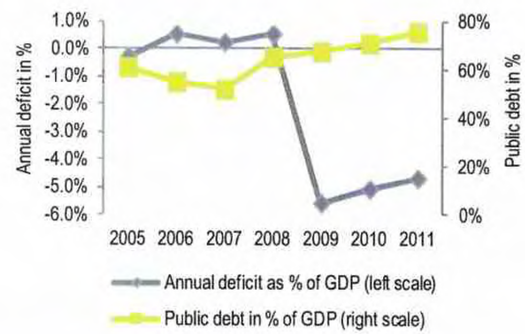
Europe

Gross Domestic Product



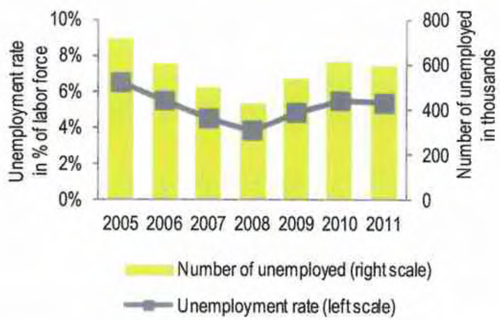
Source: Oxford Economics

Public Debt and Annual Deficit



Source: Oxford Economics

Unemployment



Source: Oxford Economics

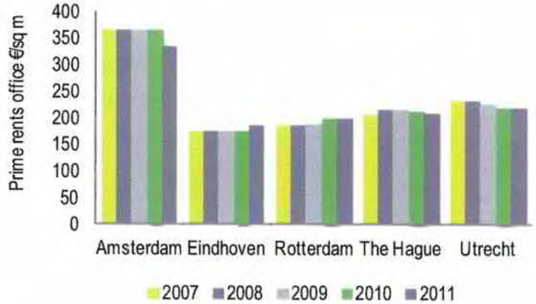
Summary [1]

- According to the OECD, private consumption will remain depressed given sluggish growth in real incomes, reflecting higher unemployment and only modest real wage increases, as well as planned pension cuts and a depressed housing market. A further drag on growth comes from the planned fiscal consolidation. Overall, growth is set to remain sluggish throughout 2012-13, and unemployment will rise further.
- CPB reports that in 2013 the Dutch economy is expected to grow at a modest growth rate of 0.75% of GDP after a decrease of 0.5% in 2012. For the 2013-2017 period, the Central Planning Bureau (CPB) expects a slight recovery, with average growth of 1.5% per year. Under the current forecast, GDP volume is not expected to reach 2008 levels until 2014.

1. Sources: (a) Organization for Economic Cooperation and Development (OECD) - May 2012; (b) Central Bureau of Statistics (CBS) - June 2012; and (c) Central Planning Bureau (CPB)

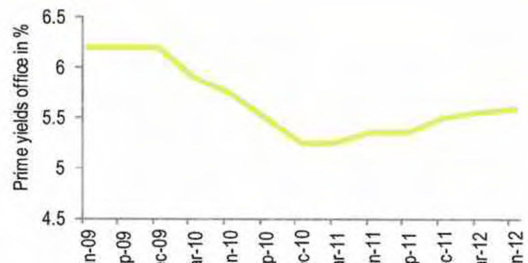
The Netherlands - Office Market

Office Prime Rents for Major Cities



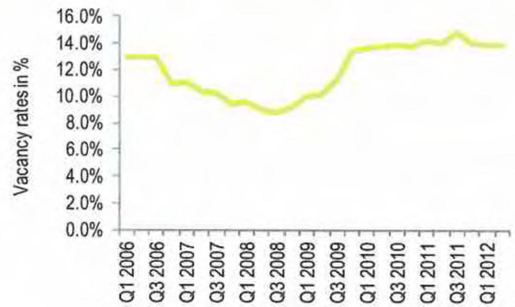
Sources: Jones Lang LaSalle, DTZ

Development Office Prime Net Yields



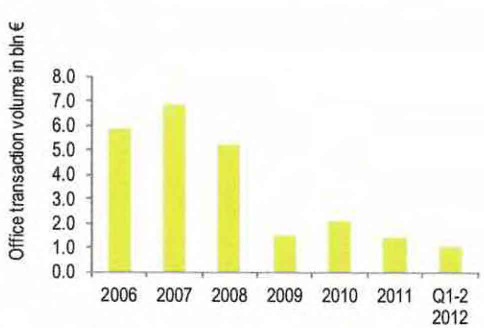
Sources CBRE

Office Vacancy Rates



Sources: Jones Lang LaSalle

Total Office Transaction Volume



Sources: Jones Lang Lasalle

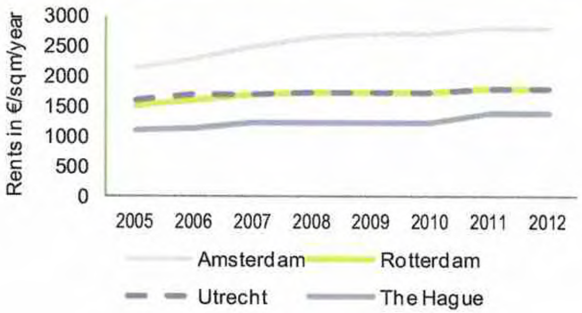
Summary

- The gap between prime, secondary and tertiary office property performance is widening and this trend will persist. The demand for office space is focused on the most attractive, multifunctional and accessible (i.e. prime) locations. Consequently, vacancy rates in secondary and tertiary office locations are driving a larger portion of the overall current office vacancy rate and this is expected to increase in the coming years. Typical vacancy rates at single tenant office locations exceed often the national vacancy average of 14%. Vacancy rates at these locations typically reach or exceed 20%.
- Rental rates are experiencing a similar pattern as vacancy rates, which are still masked by substantial incentives. In prime submarkets with declining vacancy, however, incentives are gradually reducing. General market rents have continued to decline, however due to low price elasticity in the least attractive areas, it is unlikely that reduced asking rents will trigger demand.
- Prime office yields (currently at 5.6% net) have seen a slight increase at the start of the year, but have remained stable since. Secondary yields continue to widen out. It is expected that the yield gap between favorable and less marketable offices will grow further in the next months. Prime yields should hold firm in the major cities while yields in other areas are expected to increase.
- As banks increasingly take control of real estate assets, more liquidations of German open-ended funds occur, and real estate company bankruptcy filings occur more frequently, these events will likely lead to more 'fire sale' transactions. Nonetheless, these transactions will provide more clarity about pricing of vacant and obsolete office properties. It is expected that foreign private equity firms will make more acquisitions in this opportunistic market segment. Several Dutch institutional funds are also starting to reappear in the investment market, showing renewed interest in attractive medium sized offices.

Appendix F - Market slides

The Netherlands - Retail Market

Retail Prime Rents

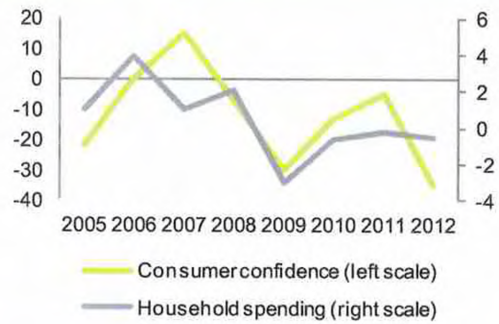


Source: CBRE

Development of Prime Yields

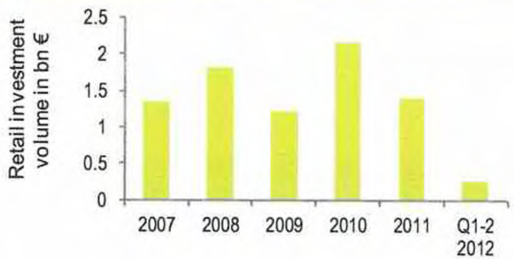
Sources: CBRE

Consumer Confidence and Spending



Source: CBS

Retail Investment Volume



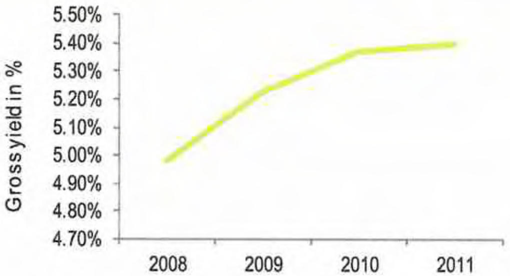
Sources: Jones Lang LaSalle

Summary

- Data regarding leasing activity in the first half of 2012 indicates that the expansion of international and national retail chains is still continuing. It is expected that large retail chains will continue to reinforce their presence in Dutch shopping streets at Class A locations in the coming months.
- Prime rents have held up due to persistent demand for first-class retail units. Prime rents will likely remain stable in the coming months as well. However, prime rent may increase slightly in the top 10 Dutch shopping cities. Rents for retail warehousing units at home furnishing strips are under a strong downward pressure. Current prime retail park rents in the Amsterdam region are at €135 /sqm / year.
- Prime initial yields for retail units remained unchanged in 2011 and in the first half of 2012. The prime initial yields for shopping centers showed a slight increase of 10 basis points during this period. Initial yields for retail warehouses also increased by an average of 10 basis points over this period.
- In the first half of 2012, approximately €266 million was invested in retail assets. This volume is below the levels seen in the same period of previous years and is around 64% below the five-year average. Shopping centers and retail units experienced the greatest investment at €121 million and €116 million respectively. Approximately €11.4 million was invested in the retail warehousing segment during the first half of 2012.

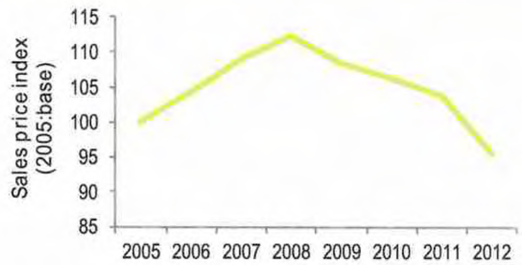
The Netherlands - Residential Market

Gross Yields



Source: DTZ

Sales Prices Vacant Properties

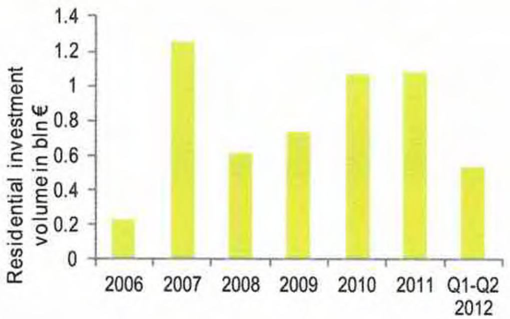


Source: CBS

Average Rents

Source: Pararius

Residential Investment Volume



Summary

- Investments in rental dwellings continues to be robust. The growth of the number of households, the aging population, and the competitive nature of the rental sector are contributing factors to the in this segment. The government is facing important decisions regarding the reform of the rental and private housing markets. These decisions will likely have an impact on future investment activity.
- Continuing uncertainty and stagnant transaction levels in the owner-occupied housing market are having an adverse effect on the price of rental dwellings available to investors. Net initial yields for properties both within and outside of the Randstad area have increased during the first quarter of 2012. Only the net initial yields for single-family houses in the best locations declined to 3.60% (4.5% gross).
- According to the Dutch real estate registration office (Kadaster), sales prices of vacant properties declined between 2008 and Q2 2012 by 14%.

Appendix G - Information sources

Information sources

EY relied on the information sources provided by SNSPF listed below for the subset of RCs analyzed in this Report. Please note that our work did not include an analysis of loan documentation (i.e. loan agreements, mortgages, forbearance agreements, additional securities, loan statements, and other loan related documentation).

- SNSPF One-pagers for the RCs that had been subject to, and approved by, SNSPF's management in the SNSPF Expert Sessions
- Model A (an excel model used to challenge the initial outcome of SNSPF's shortfall view)
- Project approach "Project Rottum: Portefeuille-analyse 2012", dated 9 March 2012
- Status report "Project Rottum – Analyse NL Core Portefeuille", dated 10 May 2012
- Report "Rottum: scenario's", dated 19 March 2012
- Memo "Uitgangspunten en definities model", dated 25 April 2012
- Internal audit report "Audit Project Rottum – tussenrapportage (fase 1)", dated 10 July 2012
- Memo "Uitpondwaarde versus beleggingswaarde", dated 25 June 2012
- Memo "Herdefiniëren 'single tenants' criterium inzake project Rottum", dated 13 June 2012
- Agenda from the SNSPF Expert Sessions III
- Email from Mr. A. van Midden regarding SNSPF's cross collateralization approach, dated 30 August 2012
- Draft final report "121009 - Rottum Eindrapportage (DRAFT)"
- Revision memos
- External appraisal reports

To facilitate communication and information flow, EY and SNSPF have established a Q&A protocol and a tracking schedule which centralizes EY's questions for SNSPF account managers. This schedule continues to be maintained as we finalize our work.

Beyond reading the documents and analyzing the data provided by SNSPF, EY also conducted interviews with SNSPF account managers and project Rottum team members to get a better understanding of recent events and important details pertaining to the loans in scope.

Analysis of SNSPF's Non-Core Portfolio

31 October 2012

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[redacted]

[redacted]

[redacted]

Ernst & Young

Ernst & Young LLP
5 Times Square
New York, NY USA 10036

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31 October 2012

[redacted]

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Specifically, SNSPF has requested that EY estimate the potential additional shortfall of SNSPF's Non-Core loans, Real Estate Owned ("REO"), and relationship complexes ("RCs") based on EY's independent analysis, pursuant to the existing exit strategies assumed by SNSPF. The potential additional shortfall estimate is defined as the difference between the net outstanding balance of the loans (or book value of the REO) as per 30 June 2012, and the estimated recoverable amount pursuant to the existing exit strategies assumed by SNSPF. EY's procedures and scope of services are described in more detail in the Report, and in the SOW included in the Appendix to the Report.

Terms of Reference

The Report is solely for SNSPF's internal use and should not be distributed to third parties, used for other purposes or reproduced without the prior written consent of EY in the form of an executed access letter substantially in the form EY prescribes. Except as otherwise noted in the Report, the tasks we performed and the findings resulting from those tasks were based solely on the information provided to EY by SNSPF. To the extent possible, we have leveraged certain procedures and work EY previously performed on SNSPF's Non-Core portfolio. We relied on SNSPF to provide us with all relevant information relating to SNSPF's loans, including but not limited to, management reports, external appraisals, rent rolls and other collateral performance and valuation information. SNSPF also provided documents wherein SNSPF summarized their views on estimated potential additional shortfalls ("SNSPF Two-Pagers"). In addition, we interviewed SNSPF's account managers and management teams to determine the current status of the loans, REO, and RCs analyzed in this report. Except as noted otherwise in this Report, we performed no tasks to independently verify any of the oral or written information provided by SNSPF personnel. Accordingly, we make no assurances as to the completeness, integrity, currency or authenticity of the information provided to us by SNSPF. Had management provided additional or different information, or had EY performed additional tasks to verify the information provided, the results of the analysis may have been different.

Our scope did not include the valuation of SNSPF or any of the loans or collateral securing the loans in the Core and Non-Core portfolios in conformity with Uniform Standards of Professional Appraisal Practice ("USPAP") promulgated by the Appraisal Standards Board of the Appraisal Foundation or in conformity with the International Valuation Standards as issued by the International Valuation Standards Council.

Unless otherwise noted in this document, we did not perform physical inspections of the REO and collateral securing the loans or comparable properties. Additionally, our work did not include an assessment of SNSPF's requirement to fund unfunded commitments.

The procedures that we performed do not constitute an audit of SNSPF's historical financial statements in accordance with generally accepted auditing standards or IFRS, nor do they constitute an examination of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we express no opinion or any other form of assurance on the historical or prospective financial statements, management representations or other data of SNSPF included in or underlying the accompanying information.

The performance and valuation of commercial real estate, across all property types and markets, is extremely volatile. Unstable economies, illiquidity, and uncertainty surrounding future market conditions create an environment in which it is extremely difficult to accurately predict demand or pricing for housing and commercial real estate space. Given the inherent scarcity of market information and the uncertainty surrounding future market conditions, the analysis and findings contained herein should be considered to be at a point in time only and to be based on the limited information available at such point in time, and we provide no assurance that the findings contained herein will remain valid in the future. Projections are based on assumptions of future events. Consequently, actual results may differ from projected results and the differences may be material. We take no responsibility over the achievement of projected results.

The procedures outlined within our SOW may not necessarily reveal all matters which may be significant. Accordingly, we make no report as to the sufficiency of the scope of work for your purposes and provide no assurance that the tasks performed will identify any or all current or future issues which may be relevant. The tasks performed should not supplant any other procedures undertaken by you which are deemed necessary or appropriate. The findings and analyses contained herein are based solely on information made available to EY through the date hereof. Should additional relevant information or documents be subsequently produced, EY's findings may be materially different. EY has no future obligation to update the analyses contained herein.

* * * * * * *

EY appreciates the opportunity to provide advisory services to SNSPF. The Report that follows details our findings, methodologies employed and the assumptions utilized in our analysis. If you have any questions or require additional information, please contact [redacted]

Very truly yours,

Ernst + Young LLP

Contents

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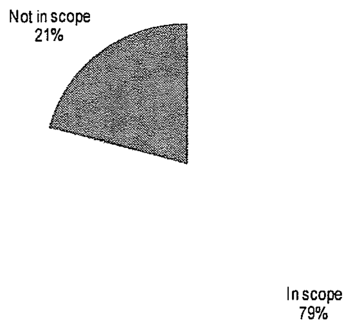
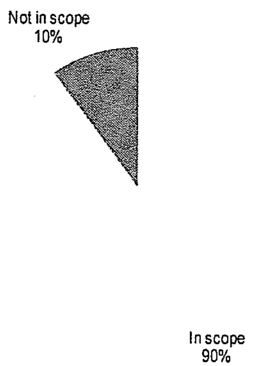
Dutch Non-Core portfolio – summary of loans in scope by net outstanding balance as of 30 June 2012



International Non-Core portfolio – summary of loans in scope by net outstanding balance as of 30 June 2012



Introduction

This Report is intended to summarize EY's findings based on work performed through 31 October 2012. As described in detail in the sections that follow, we have completed our analysis for the loans, REO, and RCs listed in our scope of work pursuant to the SOW (included in Appendix L). The Report sets forth EY's analysis and findings related to those loans, REO and RCs.

The following table summarizes the loans, REO, and RCs for which we have completed our analysis as of 31 October 2012. Our analysis encompasses 79% of SNSPF's total Dutch Non-Core portfolio, and 90% of the International Non-Core portfolio based on the net outstanding balance (defined as outstanding balance less provisions) as of 30 June 2012. Overall, our analysis covers 84% of the total Non-Core portfolio. Scope of work coverage by geography is also presented in the table below. Additionally, the Report includes the loans analyzed in the "Interim Report" dated 30 September 2012. Minor changes to certain findings that occurred subsequent to the issuance of the Interim Report, which were due to additional information obtained related to certain loans analyzed therein, are highlighted in Appendix D.

[redacted]

Reading Guide

General document structure

The Report contains two sections that set forth EY's findings as of 31 October 2012:

i) the Executive Summary, and

ii) the Appendices.

The Executive Summary contains schedules and narrative summarizing EY's findings. Additional commentary is provided to describe certain loans/RCs that contribute to either the largest potential additional shortfalls, or where our findings materially differ from those of SNSPF.

Appendix J contains the individual loan analysis templates prepared by EY for the sample of loans, REO, and RCs in the Non-Core portfolio analyzed in the Report. The loan analysis templates include EY's findings and key assumptions, as well as information provided by SNSPF per their Two-Pager documents (included in Appendix K), which summarize SNSPF's view on exit strategies and related estimated shortfalls in base, bear, and bull case scenarios. Specifically, the following information can be found in the loan analysis templates:

i) key loan metrics,

ii) property photos and maps (International Non-Core portfolio),

iii) current loan status,

iv) descriptions of collateral,

v) descriptions of assumed exit strategies,

vi) sensitivity analyses and key assumptions,

vii) estimated potential additional shortfall calculations, and

viii) commentary describing the differences in estimated additional shortfall calculations between EY and SNSPF.

The format of the Dutch Non-Core loan analysis templates differ slightly from those of the International Non-Core portfolio in that the templates analyzing the Dutch facilities are summarized on an RC basis. This difference is due to the high volume of loan facilities and underlying collateral pertaining to the Dutch Non-Core RCs.

Unless otherwise specified in the Report, all figures are shown in millions of Euros.

Discussion of SNSPF's valuation methodology

Discussion of SNSPF's valuation methodology

In order to get an understanding of SNSPF's appraisal methodologies and models, we met with the VGA to discuss their valuation approaches and models used in estimating collateral values.

VGA

VGA is the internal real estate consulting and valuation department of SNS Bank providing these services for the SNS REAAL Group, including SNSPF. VGA is part of BU Risk Management and operates as an independent department.

The professionals of VGA have deep professional experience in real estate appraisal services. They are certified real estate appraisers with relevant industry knowledge and experience to analyze and value the specific real estate portfolio of SNSPF.

Valuation Methodology

VGA has estimated an investment value for the underlying assets of the portfolio. According to the White Book, published by the International Valuation Standards Committee (IVSC), the investment value considers the value to an owner or a prospective owner (who could also be a third party) for an individual investment under the owner's or prospective owner's operational objectives. The investment value might differ from market value, because market value is the value that could be realized when selling the property to a third party. Investment value reflects the circumstances and financial objectives of the entity for which the valuation is being produced.

The definition of market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Residential portfolio

VGA's calculation model for residential real estate can generally be described in three main parts:

1 Calculations based on the income approach;

2 Calculations based on the "uitpondwaarde" valuation approach;

3 Input parameters used for both approaches.

The income approach includes a DCF approach utilizing a 10 year projected cash flow that takes into account the net operating income ("NOI") and a capitalization factor over NOI at the end of the considered projection period to calculate an exit value of the collaterals in a rented state. These cash flows are then discounted to arrive at the net present value of the property. This approach is also based on certain assumptions regarding revenues and expenses including, but not limited to, net rental income per unit, operating expenses per unit, vacancy rates, transaction costs, and maintenance expenses. This input data is either based on market information or on VGA's past experience with the portfolio.

The "uitpondwaarde" approach includes a DCF approach that takes into account the same income and expense assumptions, as described above, and includes an anticipated sales pace of vacant units generating sales income over time. At the end of the considered projection period (10 years), the remainder of the units is assumed to be divested or sold in bulk.

Both approaches contain checks throughout the model which show implied metrics that are standard in the real estate appraisal industry. These metrics can be benchmarked against market data or historic experience. Such metrics include, amongst others, operating expenses expressed as a percentage of annual rent and exit value as a multiple of annual rent.

The input parameters also include the number of units, square meters per unit, monthly and annual rents, and vacant possession values. These input parameters are verified by comparing them to externally sourced market data such as WOZ-values from the municipality (e.g. square meters per unit, vacant value used by fiscal authorities) and market rents from real estate brokers for comparable units. Vacant possession values are also benchmarked to comparable listings for sale with a discount to reflect negotiation headroom and historic sale prices within the portfolio with extrapolation to current market circumstances. The valuation process also contains an output block where the investment values and "uitpondwaarde" values are calculated back on a per unit basis for internal purposes.

In summary, the model used by SNS VGA to estimate the collateral value of the residential properties is widely used in the real estate industry.

Commercial portfolio

VGA's process to estimate the collateral value of commercial real estate portfolio resembles the process used for residential real estate. VGA's model for commercial real estate consists of the following elements:

1 Income value calculations based on a direct capitalization approach;

2 A DCF approach that takes into account a market comparable internal rate of return ("IRR") in relation to the funding that can be made available to the borrower in order to arrive at the investment value;

3 Input parameters for both approaches.

The direct capitalization approach is particularly important for properties that are purchased and sold on the basis of their earning capabilities and characteristics and in situations where there is sufficient market evidence to support the parameters used. Therefore, the valuation analysis begins with an assessment of the net operating income for the subject property. Subsequently, adjustments to net operating income are estimated by including other parameters, such as deductions for current vacancies, additions or deductions for over- or under-rented situations, incentives and/or capital expenditures. The adjusted net operating income is then capitalized in order to generate the defined investment value. The capitalization rate takes into account the current and future market conditions, the property type, the location, the financial background of the tenants, the current lease contracts, and other relevant factors for valuation. The result of the capitalization approach is the investment value as defined above.

The DCF approach determines the investment value by focusing on, among others, the ability to finance the collateral, and the capacity of the borrower to cover interest payments and redemptions by generating sufficient cash flows from rental income. On the resulting cash flow projection, including interest and redemptions, an IRR is applied to generate a specific investment value. This investment value is used as a reference point for the value arrived through the capitalization approach.

The ability to finance collateral and to service the debt is taken into account under the DCF approach used by VGA. This is a specific addition to the DCF methodology, made by VGA. As a result of the addition to the DCF methodology, as described above, the DCF valuation approach of VGA does not fully comply with the definition of market value as defined by the RICS (which is a value before tax and financing – RCs Redbook VS 3.2) or by the International Valuation Standards. In summary, however, the valuation approach of VGA to value commercial real estate is appropriate to calculate the specific investment value of SNSPF.

[redacted]

EY's approach to the analysis of the Non-Core portfolio

Objective and approach

Objective of EY's work

The objective of EY's work is to estimate the potential additional shortfall of SNSPF's Non-Core loans, REO, and RCs based on our independent analysis, pursuant to the existing exit strategies assumed by SNSPF. The potential additional shortfall estimate is defined as the difference between the net outstanding balance of the loans (or book value of the REO) as per 30 June 2012, and the estimated recoverable amount pursuant to the exit strategies assumed by SNSPF.

As previously stated, SNSPF's exit strategy assumptions are generally formulated by SNSPF on an RC level for the Dutch Non-Core portfolio and on a loan or REO level for the International Non-Core portfolio. SNSPF has represented that they are investigating potential strategic options involving the Non-Core loans, REO and RCs, including but not limited to, a potential asset protection scheme.

EY's approach and procedures performed

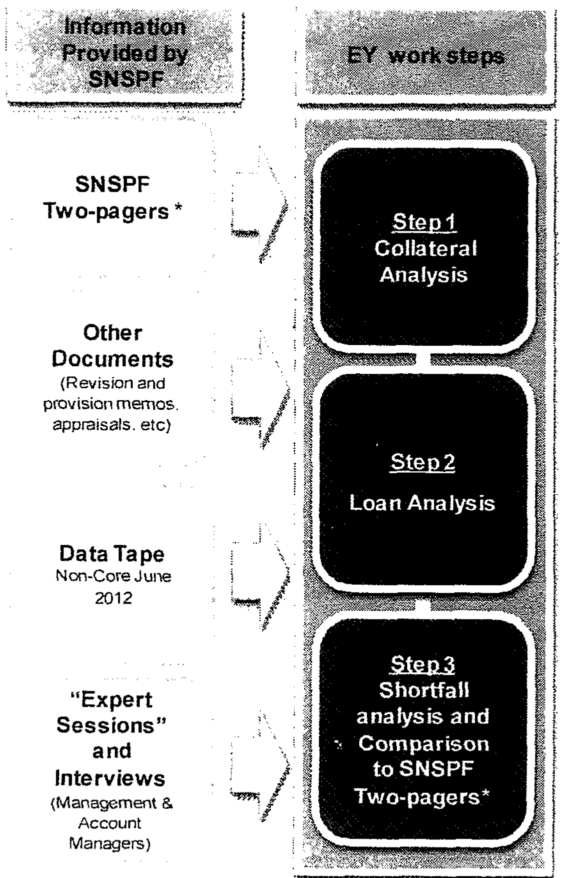
EY's work related to the Dutch and International Non-Core portfolios consisted of a desktop analysis of the loan and collateral (or REO) information provided by SNSPF, which is generated through SNSPF's ongoing management of the portfolio. The desktop approach was dictated by the limited time available to perform our procedures. Because physical site inspections of the collateral were not performed, our analysis is considered to be "desktop" whereby certain assumptions were made that can affect the estimated collateral or REO value (e.g. condition, age, location, construction quality, current or deferred maintenance, etc). EY also leveraged certain procedures and analyses which EY had previously performed on the Non-Core portfolio. It should be noted that our work did not include an analysis of the loan documentation (e.g. loan agreements, mortgages, forbearance agreements, additional securities, loan statements, and other loan related documentation).

As mentioned in the SOW, EY generally used a bifurcated approach in analyzing the Dutch and International Non-Core portfolios. The primary reasons for using a bifurcated approach are i) the difference in portfolio composition between Dutch and International Non-Core, and ii) the short time frame available for EY's analysis. As previously described in the Introduction section, the Dutch Non-Core loan portfolio generally consists of RCs that contain primarily investment finance loans with a large number of properties that serve as collateral. Given the volume of underlying collateral and the short time frame for EY's analysis, EY performed a simplified desktop analysis of the Dutch Non-Core loans (similar to the approach used in EY's Core report). This simplified approach consisted of estimating the value of the individual properties that serve as collateral for each RC as of 30 June 2012, and comparing these amounts to the outstanding balance of the corresponding loans as of 30 June 2012 to calculate estimated potential additional shortfalls.

In contrast, the International portfolio generally contains large individual project development loans where the underlying collateral often consists of a limited number of projects that are complex and in varying

EY's approach to the analysis of the Non-Core portfolio

EY's Approach



[*] "SNSPF Two-pagers" are documents prepared by SNSPF that summarize SNSPF's view on exit strategies and related estimated shortfalls in base, bear, and bull case scenarios.

stages of development. The International Non-Core portfolio also contains large commercial properties that are already completed, but which tend to have challenges in generating sufficient cash flow. Given the complexity of these loans and relatively manageable number of underlying assets, EY performed a more detailed analysis of the International loans and related property cash flows, as projected in accordance with SNSPF's assumed exit strategy. This approach was also applied to some of the Dutch participations since they also tend to relate to development loans [2]. The different approaches used by EY are further explained in Appendix B.

As shown in the adjacent diagram, EY's desktop approach to analyzing potential additional shortfalls for the Dutch and International Non-Core portfolios consisted of three primary work steps: (i) collateral analysis, (ii) loan analysis, and (iii) estimated potential additional shortfall analysis. A more detailed description of these work steps and EY's overall approach to the desktop analysis is set forth in the following appendices:

- Appendix A contains a listing of loans in-scope and the corresponding assumptions varied in the bull and bear scenarios, as well as the bull and bear case estimated collateral value spreads compared to the base case.
- Appendix B contains a detailed description of EY's approach to performing the collateral and loan analysis, and the methodologies employed to estimate potential additional shortfalls.
- Appendix C summarizes the general assumptions used by EY in estimating collateral values for the Dutch Non-Core portfolio.
- Appendix G contains a market overview for the following countries in which SNSPF has exposure: The Netherlands, North America, Germany, Spain, France and Denmark. While this information on market conditions helped to frame our macro view of these geographies, the sensitivity adjustments applied to key assumptions were formulated on an individual loan, REO, or RC basis.

Sensitivity analysis of estimated collateral value

Sensitivity analyses were performed on the estimated base case collateral values by varying key assumptions, such as discount rates, capitalization rates, occupancy rates, and achievable market rents in order to calculate bear and bull case scenarios. The selection of specific assumptions and the degree to which they were sensitized was determined on an asset by asset basis, taking into account factors such as collateral type, asset class, submarket conditions, and macro market outlook (please refer to Appendix A for a summary of the varied assumptions).

[2] The following Dutch Non-Core participations were analyzed using a similar approach to that used in the International Non-Core portfolio: IJssselmonde, The Post, Babylon, and The Wall.

EY's approach to the analysis of the Non-Core portfolio

Comments on EY's potential additional shortfall analysis in comparison to that of SNSPF

We noted the key differences listed below with respect to EY's approach to analyzing estimated potential additional shortfalls, as compared to that of SNSPF. As further described in the Executive Summary, these differences in methodology will generate different estimated potential additional shortfall results. These differences in approach relate to EY's analysis of the Dutch Non-Core portfolio. Generally, EY and SNSPF used similar methods in estimating potential additional shortfalls when analyzing the International Non-Core portfolio.

- EY's analysis is based on a desktop analysis only (unless otherwise stated, no physical inspection of the collateral was performed). SNSPF has deeper knowledge of the collateral and the borrowers' financial strength.
- SNSPF has included assumptions regarding future net cash flows from the collateral in their potential additional shortfall analysis, which result in different potential additional shortfall estimates as compared to EY. SNSPF assessed the shortfalls from a lender perspective in that the potential loan shortfall is calculated by taking the estimated collateral value at the exit date (based on SNSPF's methodologies discussed in the Introduction) and adding to it the estimated value of future redemptions. SNSPF assumes such future redemptions would be derived from contractual amortization and/or assumed future cash sweeps (out of rental income), which SNSPF could generate through their long term asset management of each credit and leveraging their senior position, where applicable. SNSPF also included in their analysis estimated value resulting from the assumed solvency and liquidity position of counterparties and/or guarantors.

  EY has taken a more simplistic approach whereby we estimated collateral values on a desktop basis as of 30 June 2012, and compared the collateral value estimate to the corresponding outstanding loan balance as of 30 June 2012. In determining estimated collateral value as of 30 June 2012, EY utilized a number of methodologies (as explained in Appendix B) which inherently take into account the asset's ability to generate cash flow. EY recognizes that the estimated collateral values for the Dutch Non-Core portfolio as of 30 June 2012 reflect conditions in the real estate market as of such date. Potential future recovery of the market under the assumption of a different exit date has not been considered by EY in the analysis of the Dutch Non-Core portfolio. In addition, potential additional recovery through SNSPF's asset management activities has not been considered by EY. Given this approach, EY did not include assumptions regarding future loan redemptions in our potential additional shortfall analysis as this might result in double counting. EY also did not analyze the likelihood of the future cash flows assumed by SNSPF.
- SNSPF analyzed credit risk, taking into account the quality and financial strength of the RC, and analyzed the debt service coverage ratio ("DSCR") and interest coverage ratio ("ICR"). EY did not analyze the financial quality of the RC, or the strength of the DSCR or ICR, as our shortfall analysis

EY's approach to the analysis of the Non-Core portfolio

calculated the difference between the outstanding balance of the loans as of 30 June 2012 and the estimated collateral value as of 30 June 2012.

- SNSPF valued the residential collateral in the Dutch Non-Core portfolio on the basis of the DCF approach encompassing the future cash flows generated by the assets, either by renting or retail sell-out ("uitponding"), in which the appraisers based their assumptions (i.e. sell-out pace) on recently realized sales. EY's analysis is also based on the "uitpondwaarde" concept of valuation; however, EY applied a more simplistic approach. EY analyzed comparable offers in each location to estimate the vacant possession value of the collateral and applied a general market discount to the vacant possession value to estimate the value appropriate for a leased residential portfolio.

Limitations to analysis

The estimated potential additional shortfall analysis performed by EY should not be used for any purpose other than as an estimation of potential additional shortfalls resulting from longer term exit strategies. The results herein should not be used as part of an Internal Capital Adequacy Process ("ICAAP"). Financial Institutions subject to ICAAP must assess all risk exposures including credit, market, operational, and other risks. An assessment of the risk factors would then lead to an estimation of required capital. An ICAAP analysis would include an individual estimation of the probability of default and loss given default for each credit position. EY did not perform such an estimation of either the probability or loss given default. Instead, we analyzed estimated potential additional shortfalls based on an assumed strategy that may or may not include default scenarios. Additionally, the bear case estimates do not assume an alternative strategy or default scenario. As such, EY's analysis and findings should not be used to assess the capital adequacy of SNSPF. In addition, EY's analysis and findings are not intended to support SNSPF management in their process to determine IFRS provisions.

Appendix B - EY worksteps

I. Collateral analysis

Estimate of collateral value

EY analyzed the underlying collateral for each loan, REO, or RC in the context of SNSPF's assumed exit strategy. External appraisals were analyzed to determine whether the appraisal methodologies and conclusions contained therein were consistent with SNSPF's assumed exit strategy (i.e. regarding timing and marketability).

EY performed a desktop analysis, as defined above, to estimate collateral recovery value using one of the following standardized approaches:

1 Income/cash-flow analysis for income producing properties

- Direct capitalization approach: First, an analysis of the income and expense for the underlying assets was performed. Next, the stabilized net operating income ("NOI") was estimated for the property by analyzing in-place and market vacancy levels, incentives, above/below market rents and transfer tax. The capitalization rate that was applied reflects an all risk yield and was based on market capitalization rates for similar property types, adjusted for various factors such as location, the financial condition of the tenant, the current lease contract, etc. The NOI at the stabilization date was then divided by the capitalization rate to calculate the estimated indication of value. Finally, this stabilized value estimate was adjusted to account for transaction costs, the impact of lease up costs, capital expenditures required and time required for asset stabilization.
- Discounted cash flow (DCF) approach: Cash flows generated by a property were projected based on historical operating performance, future market expectations, and other known factors impacting the collateral or REO. A terminal capitalization rate was applied to the projected stabilized NOI in the terminal year of the cash flow projections in order to estimate a value for the collateral at the end of the determined holding period. A market derived discount rate was then applied to the cash flow projection to calculate the present value of the estimated income stream associated with the property.
- The retail sell out ('uitpondwaarde') valuation concept has been generally applied to residential collateral. Under this valuation concept, the vacant possession value ('leegwaarde') has been used to which a discount has been applied, ranging from [redacted] depending on the quality of the collateral, relettability, location, etc. The obtained value ('uitpondwaarde') is then compared to the direct capitalization approach in order to assess the plausibility of the derived estimate of value.

Appendix B - EY worksteps

2 Residual value analysis

- When a market supported project development plan was available (including instances where relatively interested qualified parties may enter into a transaction), a life of the project cash flow was created to estimate the residual value of the land.
- This approach involves calculating an estimated value of the completed asset and deducting the costs to complete the property; taking into account fees, construction costs, financing costs, leasing costs, and a profit/risk margin.

3 Comparable sales/market analysis

- A comparables analysis was performed in the absence of a feasible development plan for land or to further support the results of another approach, as needed
- This approach involved collecting information for recent comparable transactions or current for-sale listings. Sale or listing prices from these were adjusted for differences in property quality, location, land use or transaction timing as deemed appropriate.

II A. Analysis of loans in the Dutch Non-Core portfolio

The loans in the Dutch Non-Core portfolio were also analyzed by EY regarding (i) open funding commitments, (ii) cross-collateralizations, (iii) interest rates, (iv) maturities, and (v) derivatives. The Dutch Non-Core loans generally have extended maturities, with most beyond 2015. As such, SNSPF to a certain degree has limited control over the exit strategies for these loans unless the borrower defaults and the property is expected to become REO. Hence, the timing of exit in the Dutch Non-Core portfolio can often be more subjective as compared to the International Non-Core portfolio. In addition, there are thousands of underlying assets that serve as collateral for the loans in the Dutch Non-Core portfolio as compared to a relatively limited number of properties in the International Non-Core portfolio.

To simplify the approach and calculation of expected additional shortfalls in the Dutch Non-Core portfolio, EY performed the following the work:

- Generally we excluded potential future accrued interest and loan redemptions due to the extended maturities inherent in the Dutch Non-Core portfolio. We only included additional funding or redemptions for a limited number of loans if the historic performance suggests that these items will continue in the future.
- Due to the uncertainty of future operating cash flow for RCs with extended exit time horizons, we excluded any potential cash flow sweeps that may reduce the outstanding loan balance. Conversely, SNSPF has included future potential excess net cash flows from the collateral in their potential additional shortfall analysis, which results in reduced potential additional shortfalls. SNSPF assessed the shortfalls

Appendix B - EY worksteps

from a lender perspective in that the potential loan shortfall is calculated by taking the underlying collateral value and by adding the value derived from future contractual amortization or cash sweeps (out of rental income) as well as the value coverage provided by the insolvency and liquidity of the counterparty and/or guarantor(s).

- SNSPF valued the residential collateral in the Dutch portfolio on the basis of the DCF approach encompassing the future cash flows generated by the assets, either by renting or retail sell-out ('uiponding'), in which the appraisers based their assumptions (e.g. sell-out pace) on recently realized sales. Next, the resulting estimate of value derived from the DCF approach is compared to the 'uitpondwaarde' valuation concept, applying a discount to the vacant possession values specific to each property and location. EY's analysis is also based on the "uitpondwaarde" concept of valuation; however, EY applied a more simplistic approach. EY analyzed comparable offers in each location to estimate the vacant possession value of the collateral and applied a general market discount to the vacant possession value to estimate the value appropriate for a leased residential portfolio.

II B. Estimated potential additional shortfall calculations for the Dutch Non-Core portfolio

To estimate the potential additional shortfall EY started with the outstanding balances as of 30 June 2012, subtracted the estimated collateral values according to EY's collateral analysis as of 30 June 2012. We then made adjustments to the estimated shortfall based on the analysis and consideration of any potential value associated with relevant securities (i.e. guarantees and pledged accounts) or cross-collateralized assets. These calculations resulted in EY's estimate of the base case potential additional shortfall.

Lastly, the potential additional shortfall estimates in the base, bear and bull case scenarios were compared to SNSPF's potential additional shortfall estimates, which are presented in the SNSPF Two-pagers that SNSPF provided to EY. Variances were then explained using the documentation provided to EY by SNSPF and information obtained during the account manager discussions.

III A. Analysis of loans in the International Non-Core portfolio

In addition to analyzing the collateral or REO, EY analyzed the following loan characteristics: (i) outstanding balance, (ii) open funding commitments, (iii) cross-collateralizations, (iv) interest rates, (v) maturities, and (vi) derivatives. Future potential funding, accrued interest, and redemptions were estimated through the assumed holding period to project an outstanding balance at the time of exit. In addition, interest rate swaps and/or other derivatives were only included if the expiration date is after the projected loan exit date. This roll-forward resulted in an outstanding balance projection at the time of exit, on an undiscounted basis, pursuant to SNSPF's assumed exit strategy.

[redacted]

Appendix B - EY worksteps

III B. Estimated potential additional shortfall calculations for the International Non-Core portfolio

After analyzing the loan status, future balance projections, and the corresponding collateral for each loan, we calculated potential additional shortfall estimates at the exit date based on SNSPF's assumed exit strategies. We subtracted the outstanding balance of the loans at the assumed exit date, from the estimated recovery value of the collateral to calculate a base case estimate of potential additional shortfalls. Where applicable, we also analyzed the impact of any potential additional value from relevant securities (i.e. guarantees, pledged accounts) or cross-collateralized assets. These calculations resulted in a base case potential additional shortfall estimate. We also calculated the potential additional shortfall in bear and bull case scenarios, which were driven primarily by adjustments to certain key collateral assumptions.

Lastly, the potential additional shortfall estimates in the base, bear and bull case scenarios were compared to SNSPF's potential additional shortfall estimates, which are presented in the SNSPF Two-pagers that SNSPF provided to EY. Variances were then explained using the documentation provided to EY by SNSPF and information obtained during the account manager discussions.

[redacted]

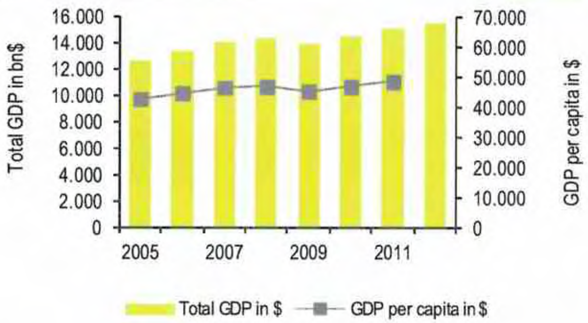
[redacted]

US - Macro Economic Overview

North America

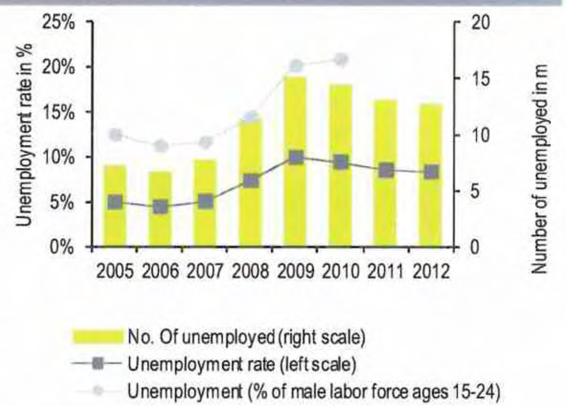
Canada & USA- Locations

Gross Domestic Product



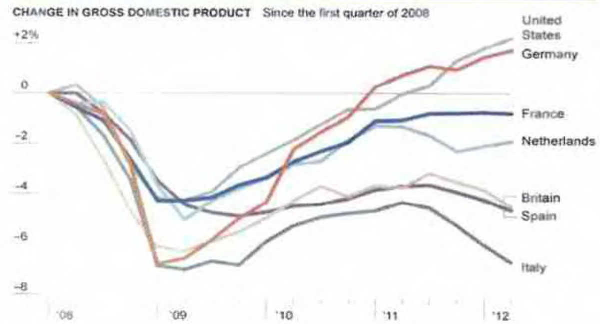
Source: Bureau of Economic Research

Unemployment



Source: Bureau of Economic Research

Change in GDP



Sources: Erustat, Bureau of Economic Research

Summary

- The US economy continues to build positive momentum, however faces strong headwinds and suffers from a lack of clarity making fundamentally strong growth challenging. Worries in the US continue to focus on the upcoming election, "fiscal cliff", continued risk from European sovereign debt.
- Recent news out of the Federal Reserve further illustrates the shaky ground of the recovery. The FED outlined policies designed to promote growth through continued quantitative easing and a commitment to hold rates at or near zero through at least 2015.
- During the first half of 2012 the number of unemployed decreased by 330,000, far off the pace of the annual reduction of 1.296 mm seen between 2010 -2011. The unemployment rate in the 15-24 age cohort finished 2010 at above 20%, well above the 5 year average of 15.00%.

Source: Bureau of Economic Research

US - Condo and Single Familiy Home Markets

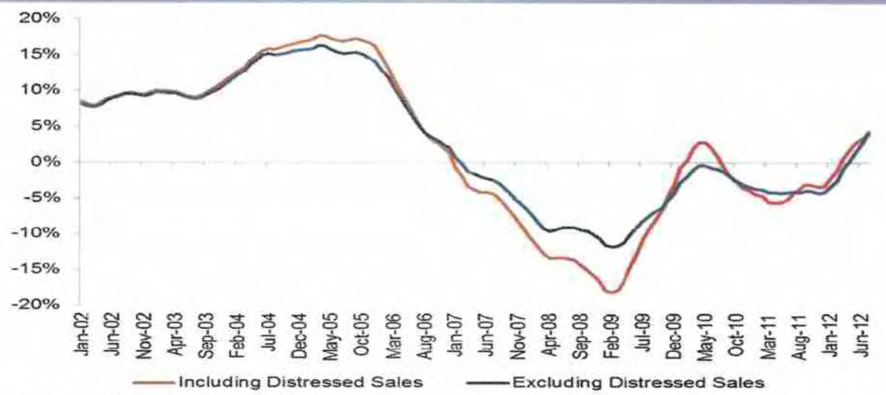
DC Single Family Value movement compared to other Major Metro Markets

Increase in Single Family Home Sale Prices 1Q 2012 - 2Q 2012

Metro Area	Single Family	
	With Distressd	W/O Distressed
Pheonix-Mesa-Geindale, AZ	19.90%	14.90%
Houston-Sugar Land-Baytown, TX	5.40%	5.90%
Washington Washington-Arlington-Alexandria, DC, VA, MD, WV	4.40%	4.50%
Dallas-Plano-Irving, TX	3.80%	7.20%
New York-White Plains-Wayne, NY-NJ	3.40%	3.10%
Los Angeles-Long Beah-Glendale, CA	2.60%	4.80%
Riverside-San Bernardino-Ontario, CA	2.50%	4.30%
Philadelphia, PA	1.80%	2.60%
Atlanta-Snady Springs-Marietta, GA	-0.30%	3.60%
Chicago-Joliet-Naperville, IL	-1.50%	1.90%

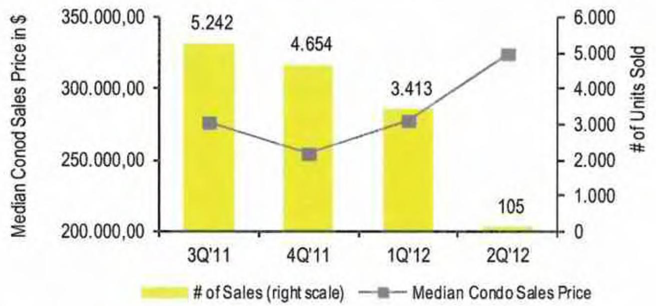
Source: FHA

US Single Family and Condo % Price Movement



Source: CoreLogic July 2012

DC Condo Sales Volume and Median Price



Source: Condo.com

Summary

- Nationally, July was a strong month for US home sales. Prices pushed up 3.8%, not including foreclosures or short sales. This represents the largest month-to-moth increase since August 2006, and also marks the 5th straight month with an increase. The markets with the largest increase were some of the hardest hit during the 2008 financial crisis: Arizona, Utah, Idaho, South Dakota and Colorado.
- The DC Metro market continues to be a stand-out nationally. The median condo price increased by 5.91% during Q2 2012, while single family homes saw an increase of 4.40% during the same period.
- Although pricing in the DC area continues to improve, the sales volume for both single family homes and condos is showing signs of slowing. During Q2 2012, 125 condos changed hands, a significant reduction from the previous three quarters. The single family market saw a 9.87% drop in number of sales.

US - Retail Market

Community Shopping Center Vacancy Rates

Source: REIS

Shopping Center Transactions- Q1 2012

Buyer	Project	Price (m$)	GLA (sqf)	$/ sqf
Simon Property Group	The Mills Portfolio 2012	3,854	22,975,214	448
CPP Investment Board	Westfield Retail Portfolio	2,057	12,578,918	381
SyWest Development	Donahue Schriber Retail Portfolio 12	122	701,311	174
Arrow Retail	Streets of Woodfield	118	711,402	166
TIAA-CREF	Shops of Wisconsin Place	113.30	118,442	956
			Average	425

Source: Jones Lang LaSalle

US Retail Cap Rate and Avg PSF Sales Price

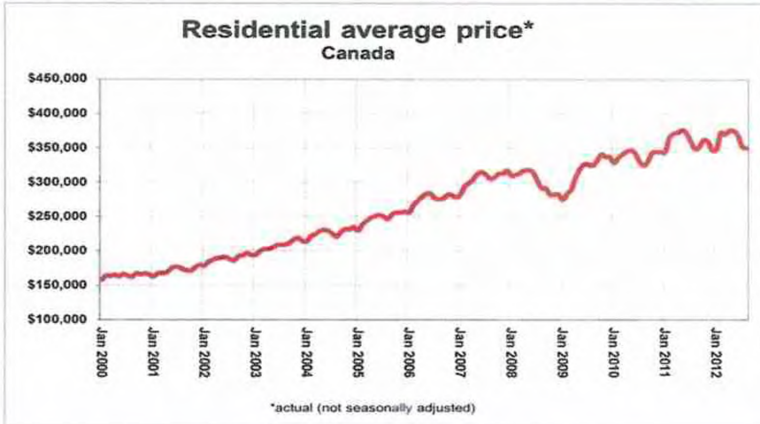
Source: Real Capital Analytics

Summary

- In the first quarter of this year, nationally retail vacancy fell by 20 basis points year-over-year with a total of 12.3 mm sf of positive absorption. Deliveries remain below the 5-year average with only 7.2 mm sf of new space coming to the market. Grocery-anchored strip centers continue to be the strongest segment with a 6.4% vacancy rate compared to 10.7% for the overall retail market.
- Community shopping centers, the most similar to NNN-retail sites, continue to lag the general market recovery. The vacancy rate of 10.80% is among the highest of the various retail property types. Additionally investor demand for this asset type remains flat as there is a stronger desire to own regional centers in core markets or in the case where community shopping centers are acquired it is typically in large portfolio transactions.
- Institutional investors remain the primary driver of the demand for retail assets. Cap rates have declined by 10-15 basis points since Jan-2012. However, the pace of decline has slowed possibly showing demand for retail assets is waning.
- Investors expect sales volume to continue to improve and further evidence can be found in the number of chains expecting to open new locations, with the market anticipating retail/restaurant expansion of 5% during 2012-2013.

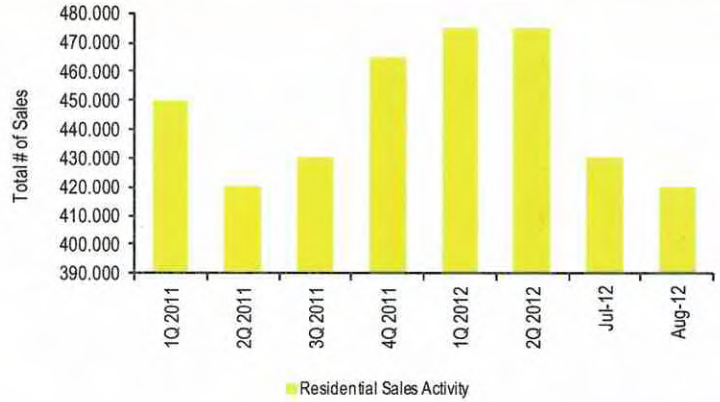
Canadian - Residential Market

Residential Average Price



Source: Canadian Real Estate Association

Residential Sales Activity



Source: Canadian Real Estate Association, not seasonally adjusted

Summary

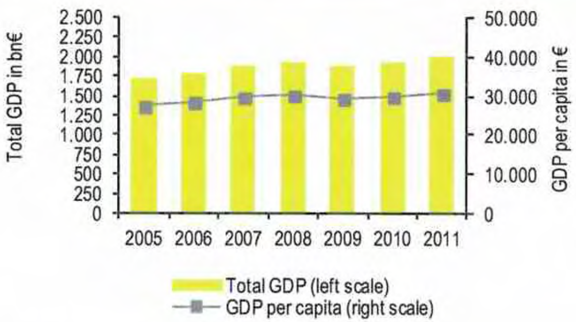
- The Canadian residential market is showing sings of cooling off. Home sales for the month of August were down 5.8% the largest month-to-month drop since April 2011. Newly listed homes fell by 1.7%.
- All major markets: Greater Toronto, Greater Montreal, Greater Vancouver, The Fraser Valley, Calgary, Edmonton and Ottawa, which account for 80% of the Canadian market, reported declines in sales and listings. Greater Toronto saw the single largest month-to-month decline of 7.7%.
- The Canadian government announced key changes for future home owners that went into effect on July 9, 2012. The most crucial of these changes was adjusting the amortization schedule from 30 years to 25 years.
- This move was designed to cool the market as buyers have had access to historically low interest rates leading to very strong demand driving up prices and trimming the inventory available over the past several years.
- The number of months inventory increased from 6.1 months to 6.5 months, and government reports indicate this number will continue to rise as fewer first time homebuyers qualify for mortgages with the new regulations.

Europe

France - Locations

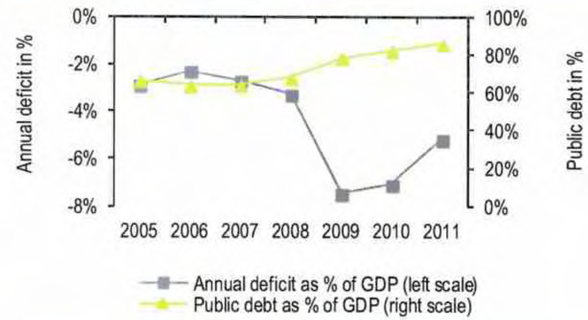
France - Macro Economic Overview

Gross Domestic Product



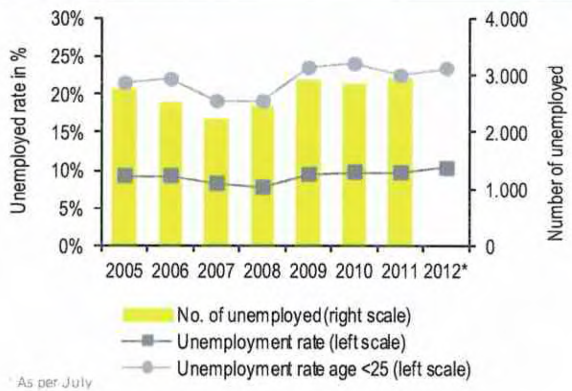
Source: Datosmacro

Public Debt and Annual Deficit



Source: Datosmacro

Unemployment



* As per July

Source: Datosmacro

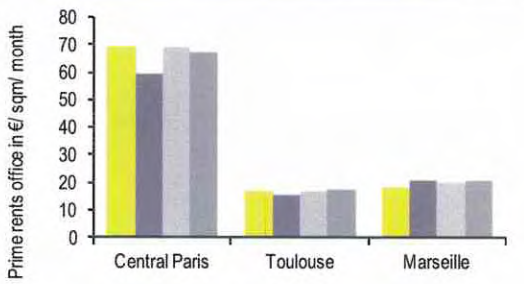
Summary

- France, being the euro-zone's second largest economy, posted zero growth in the first quarter of 2012 as private consumption stagnated, exports slowed and businesses cut back their investment. However, after an approx. 2.6% contraction of GDP in 2009, France recorded growing GDP in 2010 and 2011.
- The public deficit was reduced to 5.2% in 2011, (vs 7.1%), demonstrating willingness to consolidate public debt. However, additional efforts will be needed to meet the 3% target required for members of the euro monetary union.
- With approx. 3 million unemployed and an unemployment rate of approx. 10.3% in July 2012, France has reached its highest unemployment level in more than 13 years.

Sources: Eurostat, BBC, Insee, Bloomberg

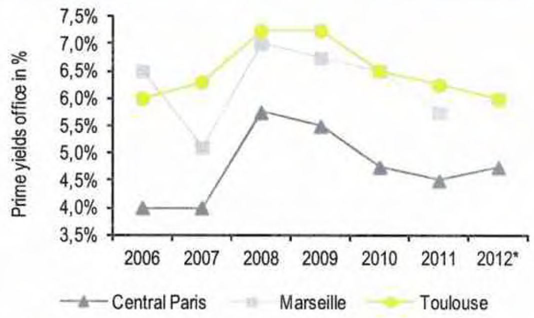
France - Office Market

Office Prime Rents for Selected Cities



Source : BNP Paribas

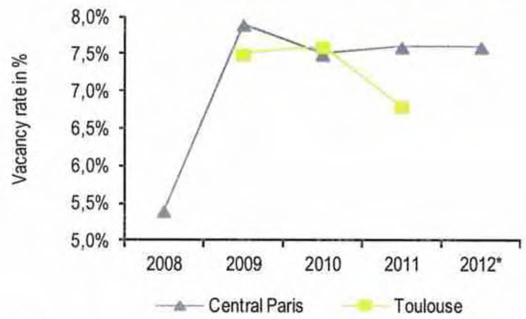
Office Prime Yields for Selected Cities



*Q1

Sources : CBRE

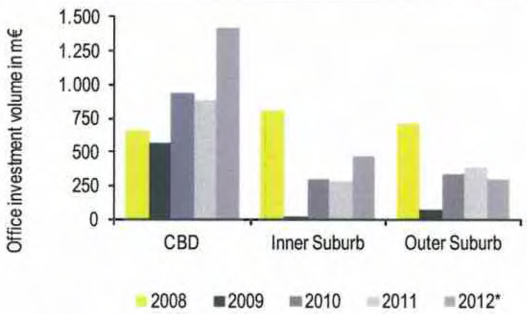
Office Vacancy Rates for Selected Cities



*Q1

Sources :BNP Paribas

Total Office Transaction Volume



*As per June

Source : JLL

Summary

- Although the prime rent was approx. €810 in Paris Central Business District, the top rent of offices located outside of the CBD was at approx. €830/sqm. Rents in Marseille and Aix-en-Provence have not changed significantly since 2010. However, they have contracted as new offices are often poorly located and the supply level for low quality existing office space is very high. The top rent in Toulouse in 2011 was approx. €210 for an existing building, enhancing the demand of the city center and scarcity of high quality space available.
- For high quality assets a contraction in the average yield could be observed between 2010 and 2011. As such, the average yield for offices in Marseille, for instance, has fallen from approx. 8% to 6.7%; prime yields have meanwhile remained stable at approx. 6.10%. However, the first quarter of 2012 shows an increase of prime yields, both, in Marseille and Central Paris.
- Due to low level of building starts over the last two years and, additionally, less availability (decreased by approx. 9%) in Central Paris, the vacancy rate has remained constant in 2011 (7.6%) compared to 2010.
- Total office transaction volume in Paris has seen some significant increase in H1 2012 (approx. €2,2bn), compared to all year volume in 2011. Most transactions (in volume) have been recorded in CBD (approx. €1,4bn), approx. €470m for inner suburbs and approx. €300m for outer suburbs. The total of Paris' transactions in H1 2012 is approx. 42% higher than all year figures to 2011 (€1,6m) which demonstrates increased appetite of real estate investors.

Sources: JLL, CBRE

France - Retail Market

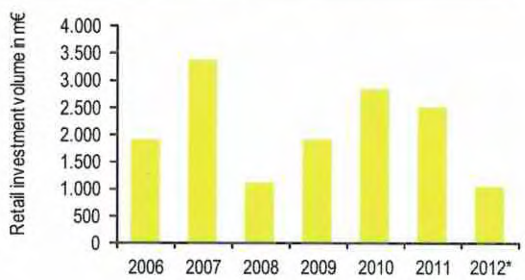
Rent Range in 2011 and 2012

* H1

Regional Shopping Centers located in Ile-de-France & Retail Parks in France

Source: CBRE

Retail Investment Volume



* H1

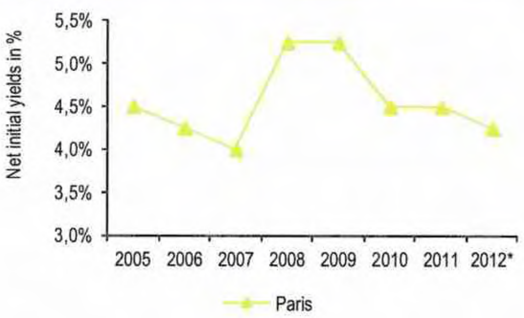
Source: CBRE

Shopping Center Transactions

	Buyer	Vendor	Project	GLA (sqm)	€/ sqm
2011	Private Vinci	Corio	Saint-Jacques	15,800	6,076
2011	Immobilier Promotion	Proudreed	Carré Feydeau	13,100	3,053
2010	Galeries Lafayette	Altarea Cogedin / ABP / Predica	Cap 3000	65,000	6,923
2010	Hammerson	National Pension Services	O'Parinor	45,900	5,163
2010	Hammerson	Allianz	Espace Saint-Quentin	29,000	6,310
				Average	5,505

Source: CBRE

Development of Rental Yields



* H1

Source: BNP Paribas

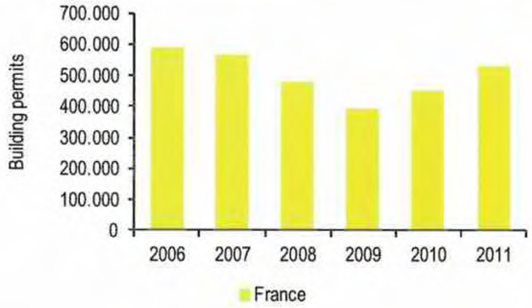
Summary

- Rental trends in both the city center and out of town reflect the cautious attitude of retailers. Rents for prime locations have increased in Paris and regional cities, whereas rents have stabilized or even declined in secondary locations.
- In 2011, very limited availability of prime assets (long leases, blue-chip tenants) has led to a drop in investment volume. In 2011 investment volume was at approx. €2,6bn, representing approx. 14 % of commercial real estate investment (vs. 23% in 2010). However, in the first six months of 2012 the retail investment volume dropped even further to approx. €1bn.
- Regardless of the type of retail asset (street level, shopping center, department store), it is the prime locations that have attracted most interest from retailers as they guarantee the maximum footfall and sales. Secondary locations and new retail projects are more difficult to sell. Delays are forecasted in the completion of the main shopping center and retail park schemes.
- Retail sales growth have declined since 2011, down to approx. +1.5% in Q1 2012. The sector results are mixed. Some sectors such as household equipment/furnishings and fashion/accessories have been particularly affected (-0.5% and -0.4% respectively over the same period). Other sectors, despite a slowdown, have maintained outstanding growth levels, such as IT equipment (+11%) and sports goods (+2.5%). The perfume/beauty sector is particularly dynamic with growth of approx. 6.2% in Q1 2012.
- Due to investors' interest in retail, prime yields have continued to contract, albeit with rankings intact: street-level: 4.25 - 4.5%, shopping centre: 4.75 - 5%, and retail warehouses: 6 - 6.5%.

Source: BNP Paribas, CBRE

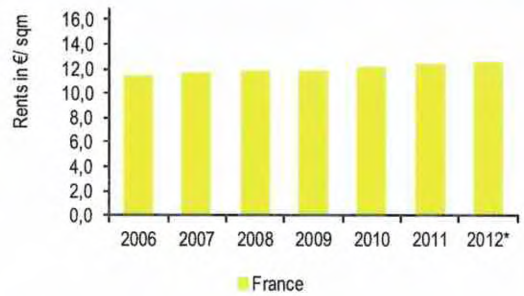
France - Residential Market

Number of Building Permits



Sources: CBRE, tatistiques.developpement-durable.gouv.fr

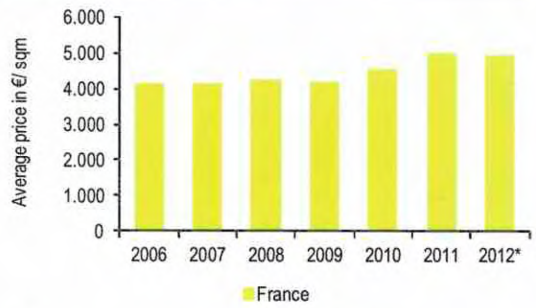
Average Rents of Existing Apartments



*H1

Sources: CBRE, tatistiques.developpement-durable.gouv.fr

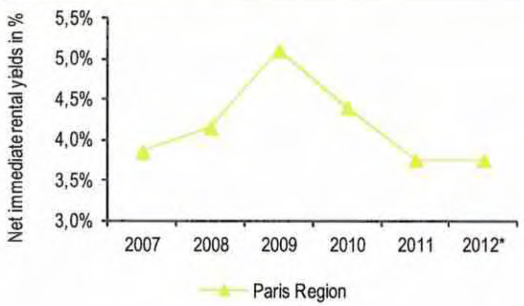
Sales Prices of New Units



* Q2

Sources: CBRE, tatistiques.developpement-durable.gouv.fr

Net Initial Yields (Prime)



* As per July

Source: CBRE

Summary

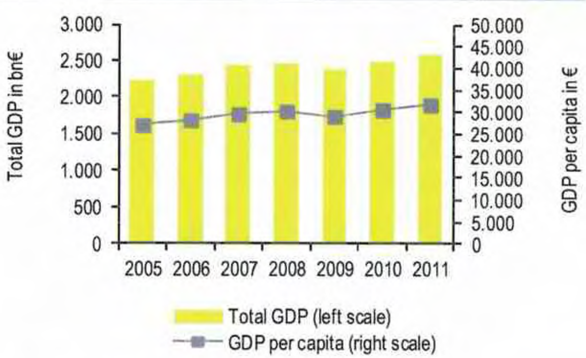
- The supply of new housing available at the end of the third quarter 2011 resulted in an approx. 14% increase to approx. 72,000 units (of which approx. 63,000 were apartments). After a slight recovery in 2010, housing construction grew again in 2011. However, according to the latest reports from developers, construction is likely to contract in 2012, as fiscal housing subsidies are being reduced.
- Rents of existing apartments showed little growth over the past years, and are at approx. €12.6/ sqm on an all France average.
- In 2011, apartment block investment sales activity was particularly strong despite a slight slow down towards the end of the year, amidst a poor economic climate and tougher conditions to obtain financing. The sharp price increases encouraged owners to sell during the year in order to make substantial capital gains.
- After three years of growth, the average sales price of new apartments in France decreased slightly in the first half of 2012. The rise from 2010 to 2011 of approx. 4.2% is mainly related to the steady pressure on land prices in regions of site scarcity and to the higher construction costs correlated to low-energy building standards. Although the high cost of development land is not the only reason for rising prices of new housing, it accounts for a large part of the rise. Compared to an average of 15% in major regional cities, the value of the land can be up to 55% of the total construction cost in Paris.
- Yields have stabilized at low levels at around 3.75% as per July 2012 (similar to 2011); a sharp rise in 2008 and decline in 2009 were due to financial crisis' influences.

Europe

Germany - Locations

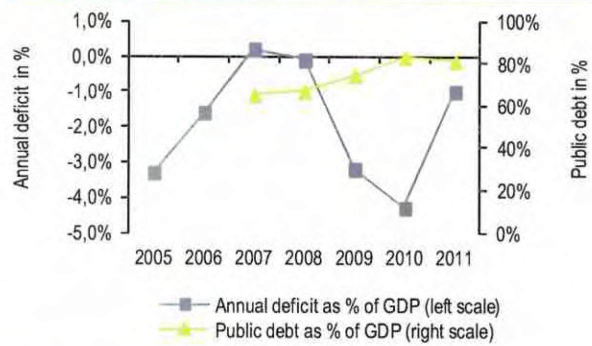
Germany- Macro Economic Overview

Gross Domestic Product



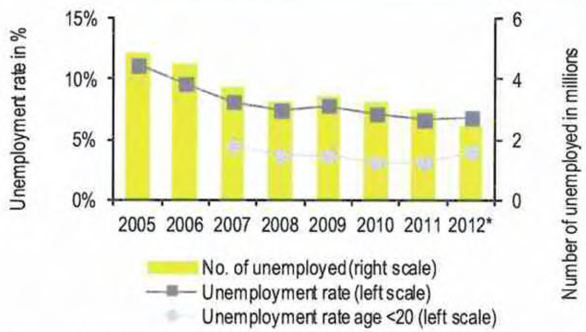
Source: Statistisches Bundesamt

Public Debt and Annual Deficit



Sources: Statistisches Bundesamt, Eurostat

Unemployment



*As per July 2012

Sources: Statistisches Bundesamt

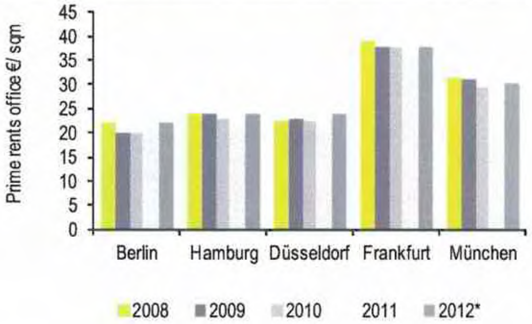
Summary

- Germany's economy has outperformed the euro-zone, growing by 3% in both of the past two years, showing a steady recovery from the economic crisis in 2009. In 2012, Germany's economy grew by 0.5% in the first quarter and by approx. 0.3% in the second quarter.
- The public deficit was reduced to 1% in 2011, demonstrating Germany's willingness to consolidate public debt.
- Although Germany's total unemployment dropped to a two-decade low in January this year, the unemployment rate rose to approx. 6.8% until June 2012. By this month, the unemployment rate of people aged 15 to 24 was approx. 7.9%, making Germany's youth unemployment rate the lowest in the entire EU (22.6% average for the EU).

Sources: spiegel.de, bloomberg, bbc, destitas

Germany- Office Market

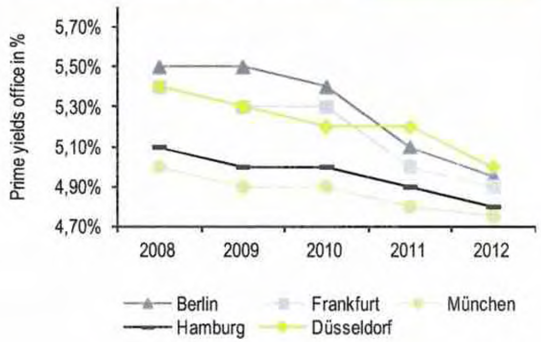
Office Prime Rents for Major Cities



* Q1

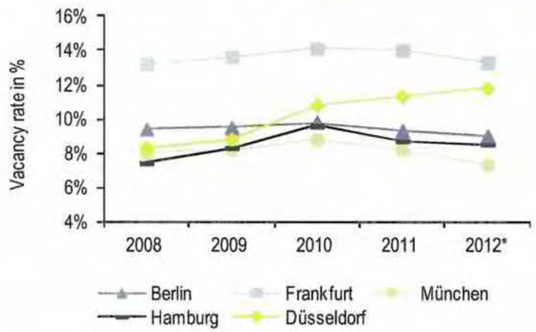
Sources: CBRE, BNP Paribas, AtisReal

Office Prime Yields for Major Cities



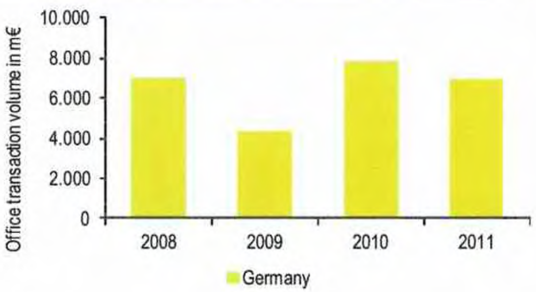
Sources: CBRE, BNP Paribas, AtisReal, Eurohypo

Office Vacancy Rates for Major Cities



Sources: Lübke, Jones Lang LaSalle, Colliers

Total Office Transaction Volume



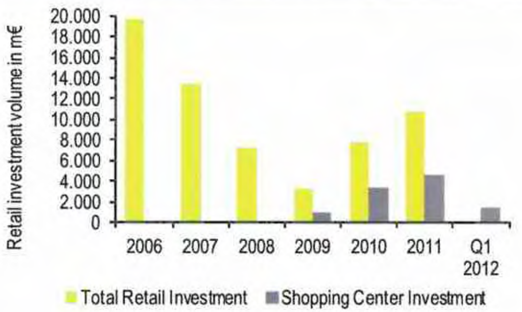
Source: JLL

Summary

- Due to economic slow-down caused by the debt crisis in the euro-zone, Germany experienced a decline in demand and letting turnover.
- Sustained demand for space in Germany's six main office markets of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne and Munich, combined with low development completion levels in the first half of 2012 pushed the average vacancy rate down to 9.3% in Q1/Q2 2012, from 10.4 % in Q1/Q2 2011.
- Although, in general, prime rents seem to maintain on a high stable level, Frankfurt seems to have a slightly positive outlook despite higher vacancy rates compared to other major cities. While Hamburg, Munich and Berlin seem have stabilized, Düsseldorf faces increasing vacancy due to high production in the past two years.
- Yields have come down steadily since 2009 regardless of the location, demonstrating investors' intention to focus on prime products with low associated risk. In addition, a substantial level of demand in office was due to investors seeking alternatives to low interest asset classes, i.e. government bonds.

Germany- Retail Market

New Retail Investment Volume



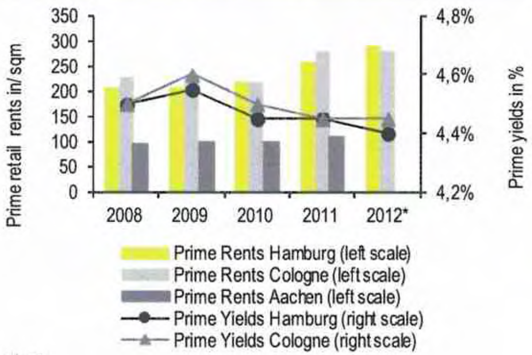
Sources: BNP Paribas

Shopping Center Transactions

Year	Buyer	Vendor	Project	Location	Price (m€)	GLA (sqm)	€/ sqm
2012	Unibail-Rodamco	Perella Weinberg	Share of 5 mfi-Shopping Centers	Various	~500	-	-
2012	CS Euroreal	Union Investment	Europa Galerie	Saarbrücken	~170	25.000	6.800
2012	Allianz	HSH Nordbank	Europa Passage	Hamburg	184	30.000	6.133
2012	Lüder	Treveria plc.	Planetencenter	Garbsen	> 10	12.000	833
2011	Corio N.V.	Sparkasse Hildesheim	Arneken Galerie	Hildesheim	130	28.000	4.643
2011	Deka Immobilien	CS Euroreal	Schloss Arkaden	Braunschweig	250	55.481	4.506
						Average	4.583

Sources: Immobilienzeitung, Thomas Daily

Development of Prime Rents and Yields



*June

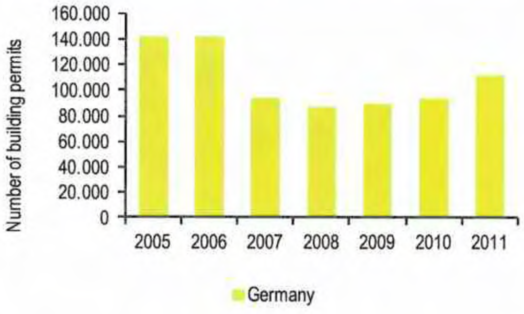
Sources: CBRE, Cushman & Wakefield, JLL

Summary

- In the first quarter of this year, total retail investment volume was approx. € 3,2bn or approx. 47 % less than the volume in Q1 2011. Large shopping centers faced the biggest decrease in transaction volume and number.
- Recent transactions indicated that there is institutional demand for quality retail assets. However, the number and size of deals is less than before the start of the financial crisis. Investors seem to appreciate stable consumer demand and show confidence in the German market.
- Regardless of the city, prime rents have steadily increased since 2009, reaching a peak in 2012. However, top rents in large cities such as Cologne and Hamburg are more than double compared to secondary cities such as Aachen.
- Yields have reached a peak in 2009 and have come down significantly since then to a level of below 4.5 % for top retail locations (yield compression).
- Due to low unemployment rates, consumer spending has not been suffering, resulting in relatively stable performance in the retail sector.

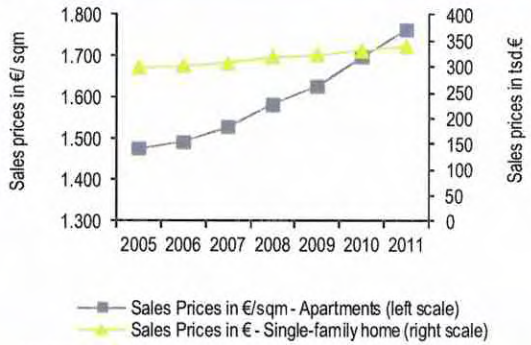
Germany- Residential Market

Number of Building Permits - Apartments



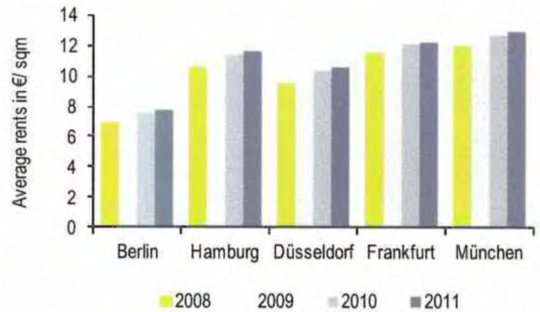
Sources: FERI Reports

Sales Prices of New Units in Berlin



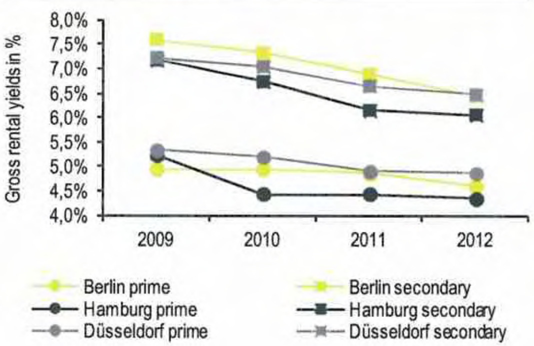
Sources: FERI Reports

Average Rents of New Units



Source: FERI Reports

Gross Rental Yields of New Units



Sources: Engel & Völkers

Summary

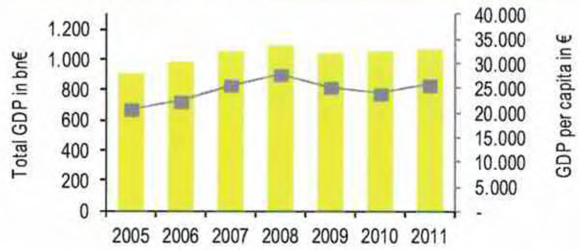
- For decades, the German residential market has proved comparatively stable and shock resistant, resulting in high sales prices and low yields.
- German residential real estate market is robust drawing interest from domestic and international investors with demand often facing a limited supply; there is only a limited number of large transactions and the average transaction size is smaller compared to pre-crisis.
- There are two factors which result in steadily increasing prices (decreasing yields): construction of new units remains below demand, and due to insecurity relating to the future to the euro many investors are looking for residential assets as there is a lack favorable alternatives.
- Although the rent level varies greatly from city to city (e.g. Berlin compared to Munich), rents have generally been increasing over the past years.
- Regardless of the City, gross rental yields have consistently declined since 2010.

Spain – Macro Economic Overview

Europe

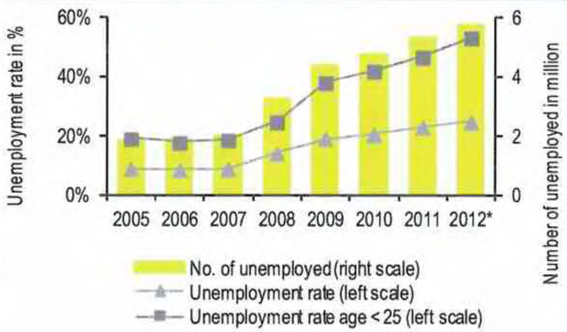
Spain- Locations

Gross Domestic Product



Sources: Datos macro, Worldbank

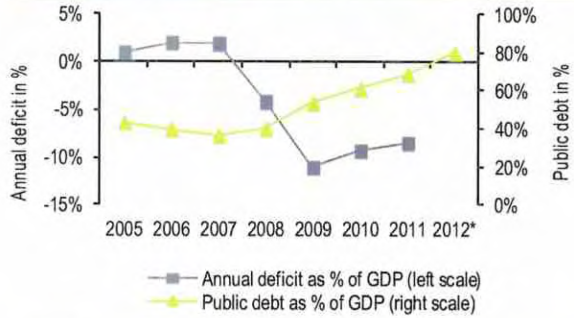
Unemployment



*Q1&Q2 (unemployment rateand total unemployed): as per July (Youth unemployment rate)

Sources: Eurostat, trading economics, Instituto Nacional de Estadística

Public Debt and Annual Deficit



* Spanish Government forecast; excluding 100bn ESM-support

Sources: Trading Economics, Datosmacro, Daily News

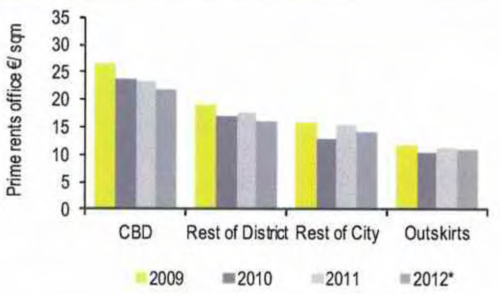
Summary

- From 2010 to 2011 the economy grew by 0.7%. However, in the second quarter of this year, the economy contracted by 0.4% compared to the first quarter, underlying that the bottom of economic downswing seems to be reached.
- Facing its 2nd recession in 3 years, Spain is struggling with an all time high unemployment rate of over 24%. The unemployment rate of under 25 year olds rose to over 52%.
- Given the fact that a recovery of the construction and real estate sector would require a strong recovery of the overall economy, the outlook remains negative for the coming years.

Sources: Datos macro, the economic times, daily news

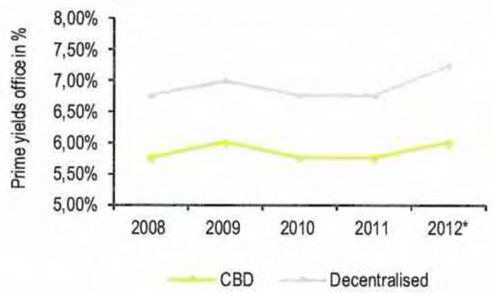
Spain - Office Market

Office Prime Rents in Madrid



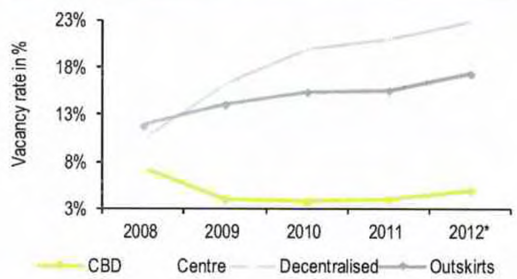
*Q1 & Q2
Source: DTZ

Office Prime Yields in Madrid



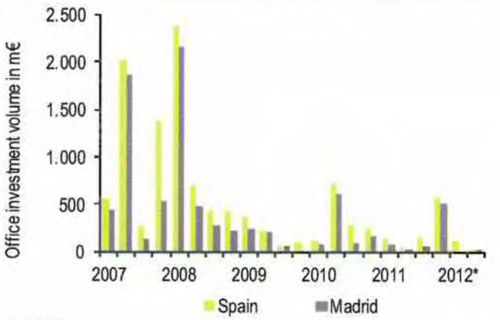
*Q1 & Q2
Source: Cushman & Wakefield

Office Vacancy Rates in Madrid



*Q1 & Q2
Sources: CBRE, BNP Paribas

Total Office Investment Volume



* Q1 & Q2
Source: BNP Paribas

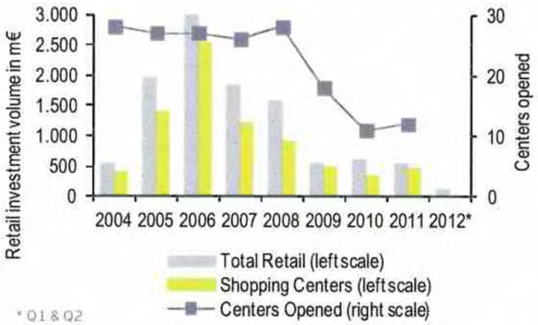
Summary

- As the European debt crisis had serious affects on the Spanish banking sector causing a freeze of debt financing, the investment market dropped to an all time low and decisions on investments were widely suspended. Since the gap between sellers' and purchasers' expectations has widened, it is difficult to complete deals. There have been several investment deals recorded for offices (e.g. Torre Picasso, sold in 1/2012 for € 400m, showing a top price of approx. € 28.600m), however, these are not due to international investors wishing to hold Spanish offices but rather due to national investors securing unique properties that rarely come to the market.
- Prime rents have been slightly declining year-over-year and prime yields have seen some further upward pressure, especially for secondary properties. Vacancy rates in decentralized areas and the outskirts experienced similar developments as both have been consistently increasing since 2008 to approx. 22,8% and 17,4 % in 2012, respectively.
- Most of the total investment volume of 2012 is contributed to the office sector, followed by retail. The trend in 2011, showing a substantial investment volume in non-traditional sectors, has not continued. The investment in office space in most of Spain and Madrid fluctuated within the last years with a drop from 2010 to 2011. During the second quarter of 2012, approx. 83 transactions were recorded, 14 less than the same period of the previous year. Transactions this year were focused on small space units while approx. 60 % of deals were related to offices of less than 500 sqm.

Sources: Jones Lang LaSalle, CBRE, DTZ, Cushman & Wakefield, BNP Paribas, Fen

Spain - Retail Market

New Retail Investment Volume



* Q1 & Q2

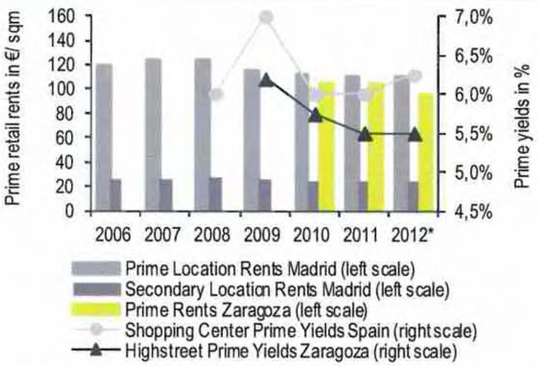
Source: Savills, Jones Lang LaSalle

Shopping Center Transactions & Main Investment Deals

Year	Buyer/ Developer	Vendor	Project	Location	Price (m€)	GLA (sqm)	€/sqm
2011	Galician company Invest Cos	-	Marineda City	A Coruña	400	176.000	2.273
2011	Unibail-Rodamco	Acciona	Splau	Barcelona	185	55.100	3.360
2011	El Corte Ingelés	Hermanos Revilla	La Vaguada	Madrid	50	85.500	585
2011	Rockspring	Eroski	22 Super Eroski	Several locations	45	29.000	1.552
2011	Doughty Hanson	Sonae Sierra	Plaza Éboli	Parla	120	31.000	3.871
2011	Doughty Hanson	Sonae Sierra	El Rosal	Ponferrada	120	50.000	2.400
2010	Alpha Real Capital	-	H2 Ocio	Rivas Vaciamadrid	83	50.000	1.660
2010	ING Real Estate	-	Eroski Bilbondo	Basauri	50	37.000	1.351
2010	-	Multi Development	Espacio Torrelodones	Torrelodones	65	22.000	2.955
2010	-	Eroski	12 Hiper Eroski	Several locations	150	120.000	1.250
						Average	2.126

Sources: Savills, Consultany International, British Land, Cushman & Wakefield, Jones Lang LaSalle

Development of Prime Rents and Yields



* Q1 & Q2

Sources: Deka Bank, Cushman & Wakefield, CBRE, Feri

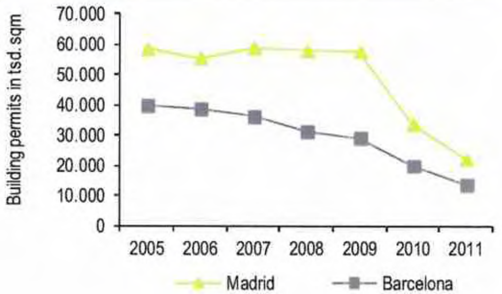
Summary

- After a steady downward trend of new shopping center investments between 2006 and 2010, the shopping center investment volume in 2011 stabilized at only approx. €485m. Approx. 70% of the 2011 volume was due to the Marineda City, representing the largest shopping and leisure center in Spain and third largest in Europe (one of the three largest projects in Europe in 2011).
- The following two shopping centers, scheduled to be completed at the end of this year are contributing to a growing investment volume in 2012:
  - 'Puerto Venecia' in Zaragoza is (with approx. 206.000 sqm GLA) the biggest shopping and leisure center in Europe. Its total investment volume amounts to approx. € 1bn (approx. 5.000 €/sqm cost of development).
  - 'As Cancelas' in Santiago de Compostela with approx. 50.000 sqm (GLA) and a total investment volume of approx. € 130m (approx. 2.600 €/sqm cost of development).
- Although neither new projects nor major investment transactions have been reported recently, earlier transaction volume this year shows that the shopping center investment volume is recovering from its lowest levels.
- The current economic climate is creating an ongoing gap between prime and secondary locations, both, with regards to yields and in particular rents. Secondary locations continue to struggle with vacancy increasing and rents are coming under downward pressure due to the large number of available units.
- Spain's prime shopping center rents (covering a range of 58 - 90 €/sqm) are below highstreet shop rents in Zaragoza with approx. 100 €/sqm, since Zaragoza is the fastest growing city in Spain and expected to become Spain's 3rd or 4th most important city. However, shopping center rents in secondary locations in Zaragoza are way below these figures.

Sources: Savills, Jones Lang LaSalle, Cushman & Wakefield

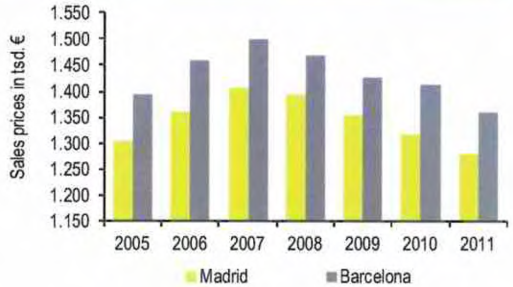
Spain - Residential Market

Number of Building Permits - Apartments



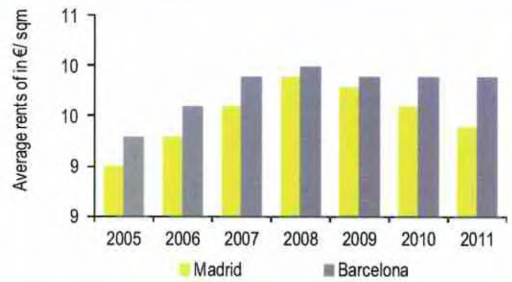
Source: Feri

Sales Prices of New Units *



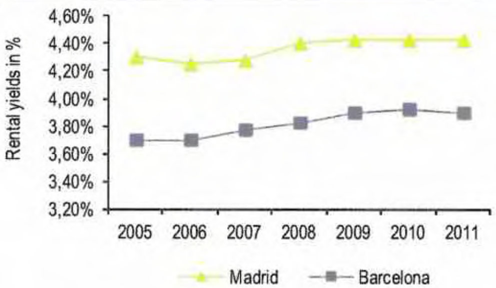
*Including Townhouses, Rental Apartments, Single-Family Houses and Condominiums
Source: Feri

Average Rents of New Units



Source: Feri

Rental Yields of New Units*



*Including Townhouses, Rental Apartments, Single-Family Houses and Condominiums
Source: Feri

Summary

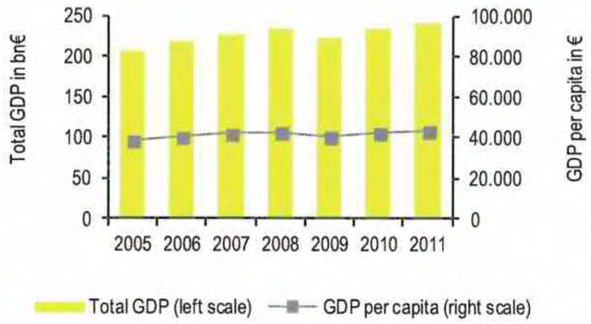
- As the European debt crisis had serious affects on the Spanish banking sector causing a freeze of debt financing, the investment market dropped to an all time low and decisions on investments seem to be widely suspended.
- Surprisingly, neither sales prices of new rental buildings nor average rents of new buildings decreased dramatically which is mainly due to the fact that Spanish banks would not allow sales below mortgage values and release borrowers from their remaining debt.
- The secondary home market has been dominated by foreign investors before the crisis; this demand has virtually come down to zero, causing a stop of building activities all over the Spanish coast. In addition, there is a lot of oversupply in the secondary market caused by owners trying to sell their properties.
- The market for first resident apartments and houses has dropped significantly, since domestic purchasers expected decreasing prices in the future and obtaining financing has become more difficult.

Denmark - Macro Economic Overview

Europe

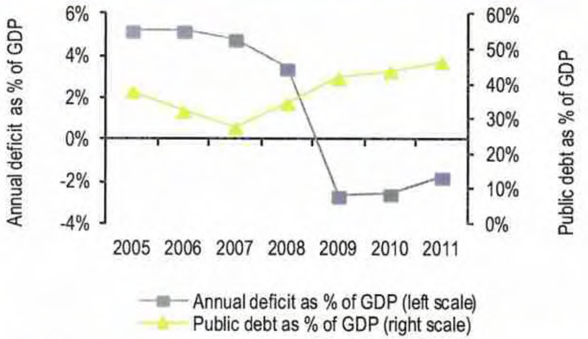
Luxembourg - Locations

Gross Domestic Product



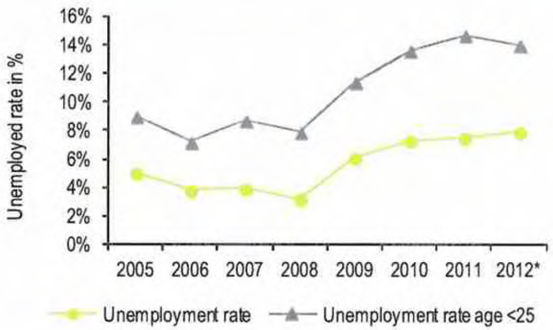
Sources: Datosmacro

Public Debt and Annual Deficit



Sources: Datosmacro

Unemployment



As per July

Sources: Datosmacro

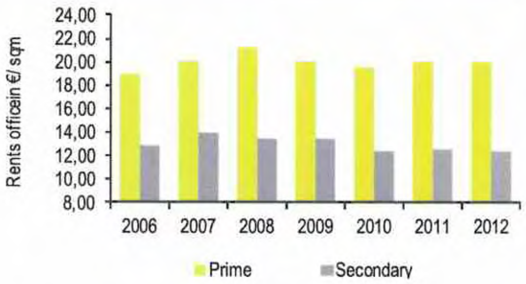
Summary

- H1 2011 showed signs that the Danish economy was on the way to full recovery, but the debt crisis has slowed the recovery. As Denmark is dependent on its exports and the crisis has reduced demand throughout Europe, Danish exports have decreased resulting in GPD growth remaining low.
- After the GDP contraction in 2009, Denmark made a modest recovery in 2010 with real GDP growth of 1.3 %, in part because of increased government spending. However, the country experienced a technical recession in 2010/ 2011.
- Denmark maintained a healthy budget surplus for many years up to 2008 when a budget deficit was experienced in 2009. Nonetheless, Denmark's fiscal position remains among the strongest in the euro-zone.
- Unemployment remained at low levels but has risen sharply with the recession being approx. two-thirds of the average euro-zone unemployment rate.

Sources: Nybolig Erhverv, eubusiness

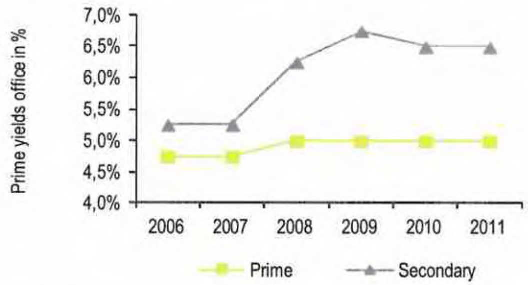
Denmark - Office Market

Office Rents in Copenhagen



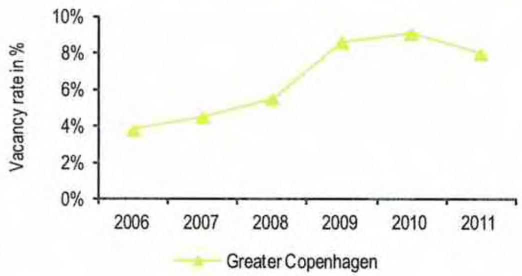
Sources: Sadolin & Albæk, Jones Lang LaSalle

Office Yields in Copenhagen



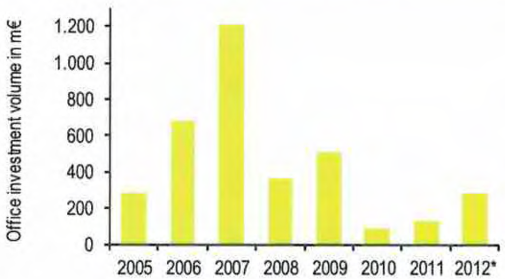
Source: Sadolin & Albæk

Office Vacancy Rates in Copenhagen



Source: Sadolin & Albæk

Total Office Investment Volume Denmark



* Q1 & Q2

Source: DTZ

Summary

- The slow down of the Danish economy has had a negative impact on the Copenhagen office market. Although the office market continues to be under pressure, over the last 12 months it has shown a continuing improvement in terms of activity. The demand for office space has not come to a complete standstill, with domestic occupiers being the main driver of growth and looking for the limited prime CBD space. In secondary locations, the public sector has been the major driver of growth in the past 12 months.
- Both, prime and secondary rents, remain largely stable. However, in order to attract new tenants, rent-free periods and incentives were seen more often, thus reducing effective rents. In Ørestad, prime and secondary rents stood at approx. 15 €/ sqm and approx. 10 €/ sqm respectively at the end of 2011.
- As institutional and foreign investor's demand for prime offices remains healthy, softening in prime yields has not been seen. In Ørestad, prime yields were at approx. 5 .5 %, secondary yields at approx. 5.25 % - 8.50 % at the end of 2011.
- The vacancy rate in Copenhagen rose to approx. 9.5% in the second quarter of 2012 which was mainly due to completion of new office space.
- Transaction activity has slowed down since investors appear critical about the outlook for the European economy. As a result, the number of transactions recorded in H2 2011 was lower than during H1 2011. However, construction activity, which has been down for a while, is expected to increase in 2012 when a number of projects are initiated.

Sources: Jones Lang LaSalle, DTZ, CBRE

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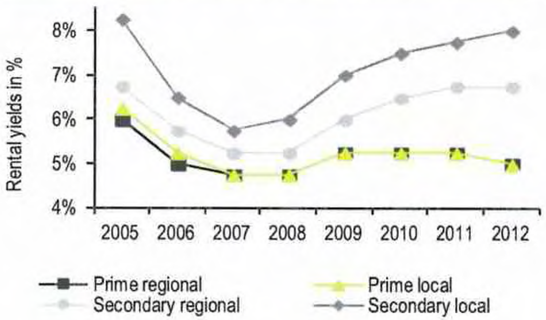
Appendix G - Market Slides

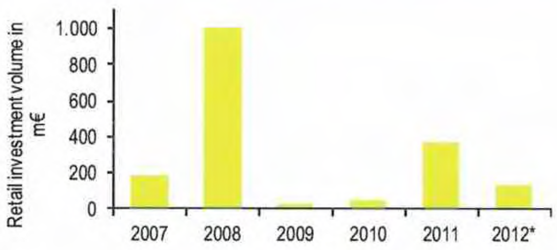
Denmark - Retail Market

Shopping Center Yields in Copenhagen



Source: Sadolin & Albæk

Total Retail Investment Volume



* Q1 & Q2

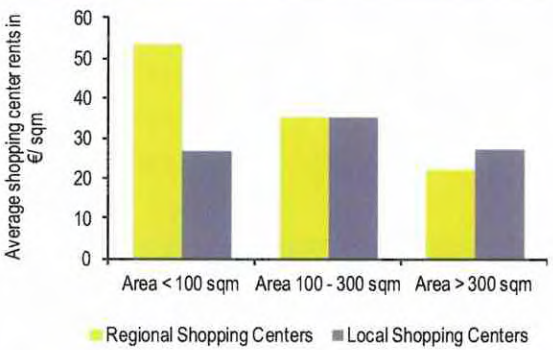
Source: DTZ

Investment Deals in Copenhagen 2011

Buyer	Vendor	Project	GLA (sqm)	€/sqm
AAA Capital	Forced sale	Illum's Bolighus, Amagertorv	10.000	4.300
Aberdeen Property Invest.	Limited parnership	Frederiksberggade	3.300	7.576
Absalon & Co.	Oskar Jensen Gruppen	Portfolio Frederiksberggade	4.350	4.828
Cederholm	Forced Sale	Amagertorv	6.300	3.175
Barfoed Group	Oskar Jensen Gruppen	Pilestraede/ Svaertegade	3.000	6.667
TG Partners	St. Frederikslund	Kronprinsensgade	1.956	4.090
			Average	5.106

Source: Sadolin & Albæk

Shopping Center Retns in Copenhagen



Source: Sadolin & Albæk, Jones Lang LaSalle

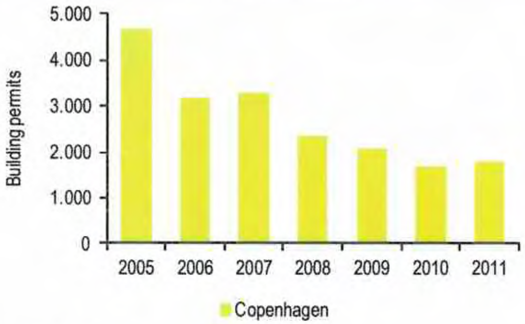
Summary

- Due to failures from the banking sector and current global events causing further uncertainties to the investment market, caution dominates demand for retail properties. Sustainable recovery in the retail sector is likely to be closely linked to recovery of the general economy and after a weak start in 2011, retail investment volume has shown indication that the market starts to recover.
- In Denmark, the large shopping centers are owned mainly by two owners, viz. DADES and Danica, holding 14 and 16 shopping centers, respectively. Due to this market concentration, only a limited number of shopping centers are offered for sale. However, the low transaction activity is due to a gap between seller/ buyer price expectations in this segment. Notable transactions include the sale of the ILLUM department store in the CBD (approx. € 22bn acquisition) as well as three Magasin department stores outside of Copenhagen, which traded in 2011 and at the end of 2010.
- The increasing rental supply, which soared in the early days of the financial crisis on local main shopping streets, has since shrunk. On the high streets, the demand for retail rental properties is strong and sufficient to keep the vacancy down. During recent years, shopping centers have been strongly positioned and are gaining market shares.
- Regardless of the location, shopping center yields in Copenhagen have increased in recent years. However, with prime yields leveling out at around 5% for the last four years, secondary yields have seen a constant up-swing. With regional and local prime yields being almost similar, local secondary yields are permanently approx. 1% higher than regional secondary yields.
- Retail vacancy in greater Copenhagen has constantly been growing from approx. 1% in 2006 to approx. 4% in 2011.

Source: Sadolin & Albæk, DTZ

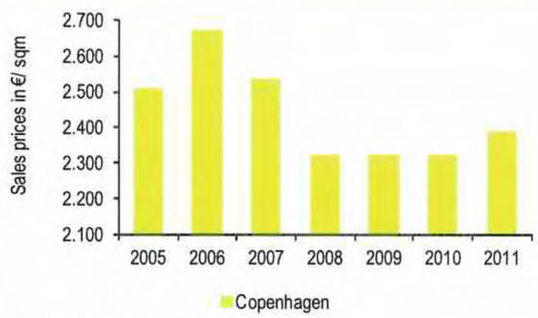
Denmark – Residential Market

Building Permits - Apartments



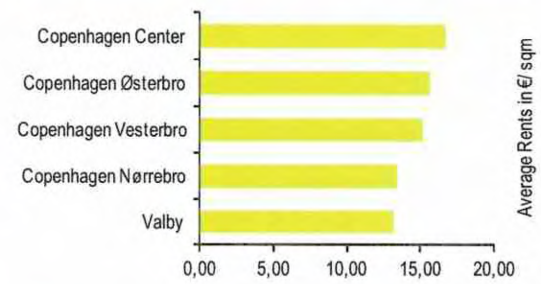
Source: Feri Reports

Average Sales Prices of Apartments



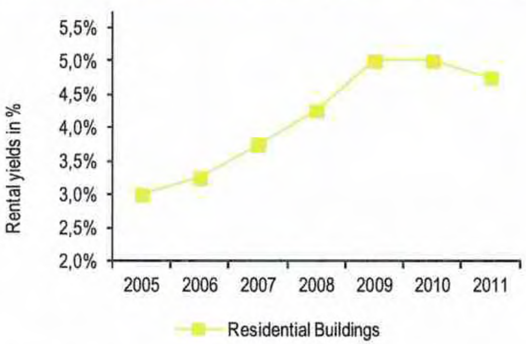
Source: Feri Reports

Average Rents of New Units 2012



Source: Sadolin & Albæk

Rental Yields in Copenhagen



Source: Feri

Summary

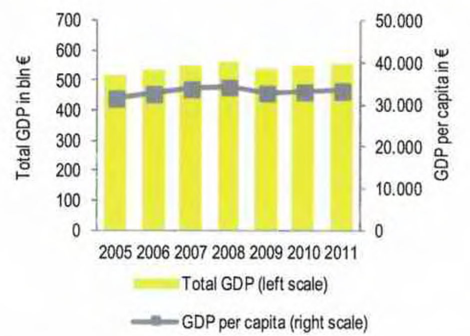
- Overall, the Danish residential property market is characterized by low vacancy rates, strong residential market liquidity as well as strong nationwide preference for ownership housing, accounting for more than 50 % of the residential market. Nevertheless, the decline in residential prices caused by the crisis in 2008 pushed residents to rental properties. This postponed the usual first entry to the ownership market as it was uncertain how long prices would continue to decline. Due to this and increasing unemployment figures, many of the newly completed ownership projects were converted into rental properties which were fully let at attractive rent levels.
- After a long consumption-driven up-swing, Denmark's economy began to slow in 2007 with the end of a housing boom. Apartment prices declined in 2008-09, but have since shown improvement.
- With current population forecasts for the City of Copenhagen forecasting an increase of approx. 100,000 residents over the next 15 years, an increase in residential demand is predicted. Although the number of construction starts is believed to have bottomed out, construction activity is still weak and needs to pick up in order for supply to meet the increase in demand. This, in turn, results in supply and demand imbalances, which will drive up prices. These imbalances are evident in Copenhagen as no vacancies in the residential market are seen.
- The investors' interest turned towards prime properties with attractive locations, primarily including areas such as the city center. These properties have traded at attractive prices, whereas properties that fall outside this area are met with rising yield demands.

Source: Sadolin & Albæk

The Netherlands - Macro Economic Overview

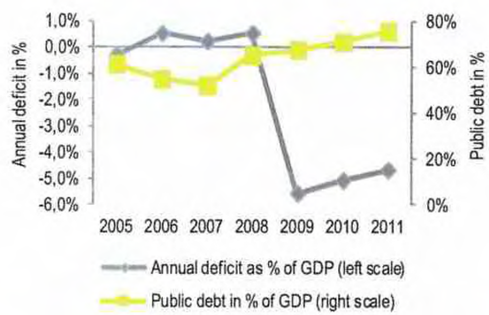
Europe

Gross Domestic Product



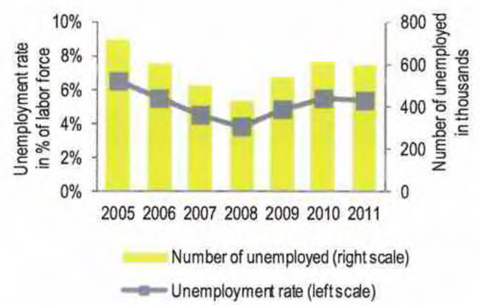
Source: Oxford Economics

Public Debt and Annual Deficit



Source: Oxford Economics

Unemployment



Source: Oxford Economics

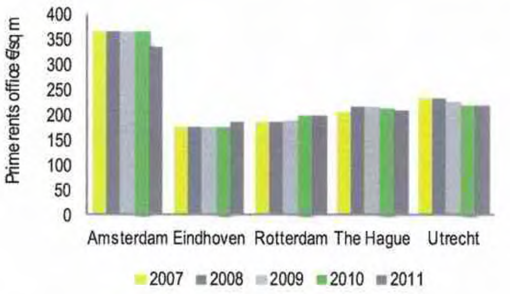
Summary [1]

- According to the OECD, private consumption will remain depressed given sluggish growth in real incomes, reflecting higher unemployment and only modest real wage increases, as well as planned pension cuts and a depressed housing market. A further drag on growth comes from the planned fiscal consolidation. Overall, growth is set to remain sluggish throughout 2012-13, and unemployment will rise further.
- CPB reports that in 2013 the Dutch economy is expected to grow at a modest growth rate of 0.75% of GDP after a decrease of 0.5% in 2012. For the 2013-2017 period, the Central Planning Bureau (CPB) expects a slight recovery, with average growth of 1.5% per year. Under the current forecast, GDP volume is not expected to reach 2008 levels until 2014.

1 Sources: (a) Organization for Economic Cooperation and Development (OECD) - May 2012; (b) Central Bureau of Statistics (CBS) - June 2012; and (c) Central Planning Bureau (CPB)

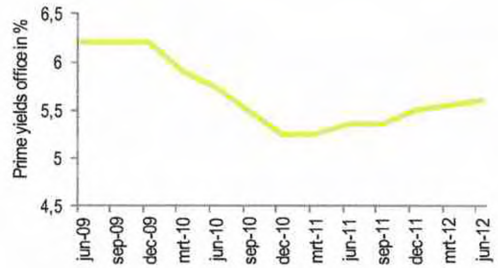
The Netherlands - Office Market

Office Prime Rents for Major Cities



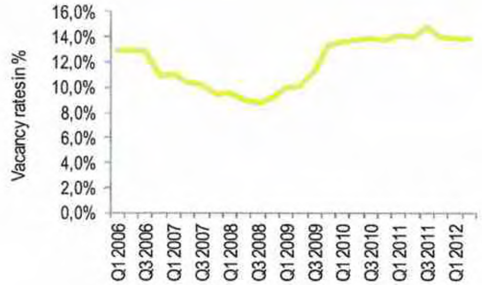
Sources: Jones Lang LaSalle, DTZ

Development Office Prime Net Yields



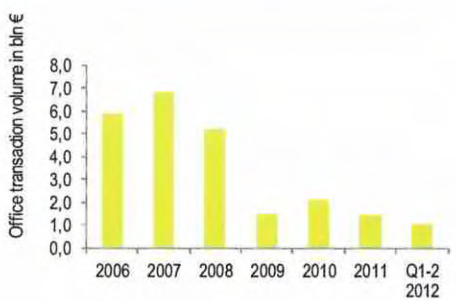
Sources CBRE

Office Vacancy Rates



Sources: Jones Lang LaSalle

Total Office Transaction Volume



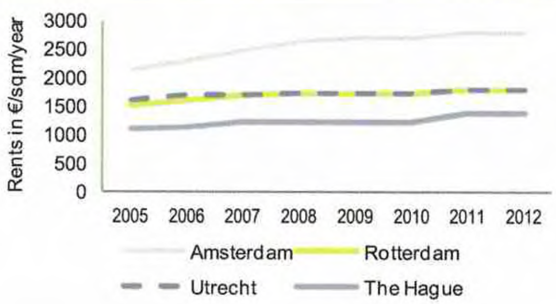
Sources: Jones Lang Lasalle

Summary

- The gap between prime, secondary and tertiary office property performance is widening and this trend will persist. The demand for office space is focused on the most attractive, multifunctional and accessible (i.e. prime) locations. Consequently, vacancy rates in secondary and tertiary office locations are driving a larger portion of the overall current office vacancy rate and this is expected to increase in the coming years. Typical vacancy rates at single tenant office locations exceed often the national vacancy average of 14%. Vacancy rates at these locations typically reach or exceed 20%.
- Rental rates are experiencing a similar pattern as vacancy rates, which are still masked by substantial incentives. In prime submarkets with declining vacancy, however, incentives are gradually reducing. General market rents have continued to decline, however due to low price elasticity in the least attractive areas, it is unlikely that reduced asking rents will trigger demand.
- Prime office yields (currently at 5.6% net) have seen a slight increase at the start of the year, but have remained stable since. Secondary yields continue to widen out. It is expected that the yield gap between favorable and less marketable offices will grow further in the next months. Prime yields should hold firm in the major cities while yields in other areas are expected to increase.
- As banks increasingly take control of real estate assets, more liquidations of German open-ended funds occur, and real estate company bankruptcy filings occur more frequently, these events will likely lead to more 'fire sale' transactions. Nonetheless, these transactions will provide more clarity about pricing of vacant and obsolete office properties. It is expected that foreign private equity firms will make more acquisitions in this opportunistic market segment. Several Dutch institutional funds are also starting to reappear in the investment market, showing renewed interest in attractive medium sized offices.

The Netherlands - Retail Market

Retail Prime Rents



Source: CBRE

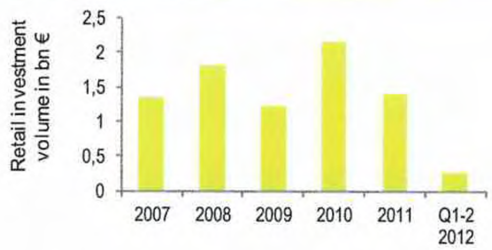
Development of Prime Yields

Sources: CBRE

Consumer Confidence and Spending

Source: CBS

Retail Investment Volume



Sources: Jones Lang LaSalle

Summary

- Data regarding leasing activity in the first half of 2012 indicates that the expansion of international and national retail chains is still continuing. It is expected that large retail chains will continue to reinforce their presence in Dutch shopping streets at Class A locations in the coming months.
- Prime rents have held up due to persistent demand for first-class retail units. Prime rents will likely remain stable in the coming months as well. However, prime rent may increase slightly in the top 10 Dutch shopping cities. Rents for retail warehousing units at home furnishing strips are under a strong downward pressure. Current prime retail park rents in the Amsterdam region are at €135 /sqm / year.
- Prime initial yields for retail units remained unchanged in 2011 and in the first half of 2012. The prime initial yields for shopping centers showed a slight increase of 10 basis points during this period. Initial yields for retail warehouses also increased by an average of 10 basis points over this period.
- In the first half of 2012, approximately €266 million was invested in retail assets. This volume is below the levels seen in the same period of previous years and is around 64% below the five-year average. Shopping centers and retail units experienced the greatest investment at €121 million and €116 million respectively. Approximately €11.4 million was invested in the retail warehousing segment during the first half of 2012.

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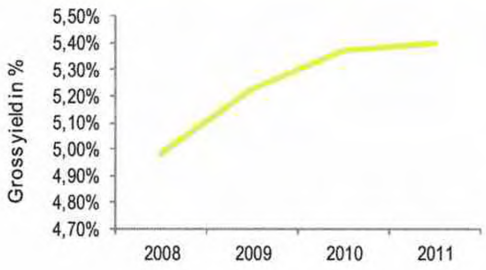
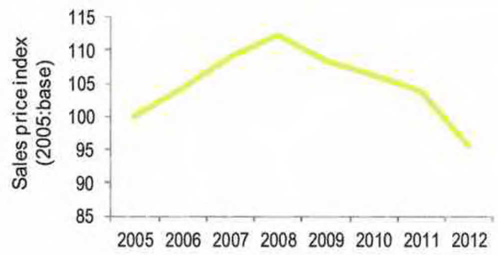
The Netherlands - Residential Market

Gross Yields



Source: DTZ

Sales Prices Vacant Properties

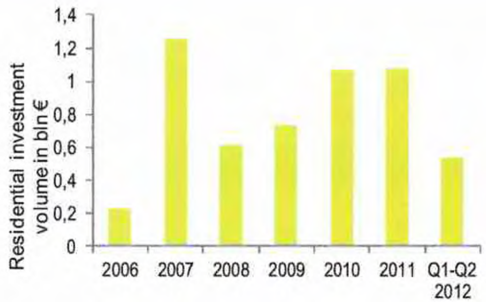


Source: CBS

Average Rents

Source: Paranus

Residential Investment Volume

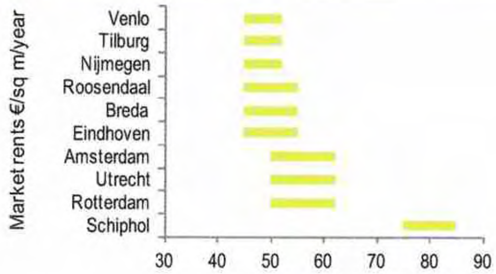


Summary

- Investments in rental dwellings continues to be robust. The growth of the number of households, the aging population, and the competitive nature of the rental sector are contributing factors to the in this segment. The government is facing important decisions regarding the reform of the rental and private housing markets. These decisions will likely have an impact on future investment activity.
- Continuing uncertainty and stagnant transaction levels in the owner-occupied housing market are having an adverse effect on the price of rental dwellings available to investors. Net initial yields for properties both within and outside of the Randstad area have increased during the first quarter of 2012. Only the net initial yields for single-family houses in the best locations declined to 3.60% (4.5% gross).
- According to the Dutch real estate registration office (Kadaster), sales prices of vacant properties declined between 2008 and Q2 2012 by 14%.

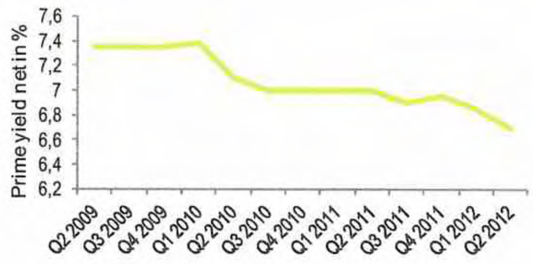
The Netherlands - Industrial Market

Market Rents



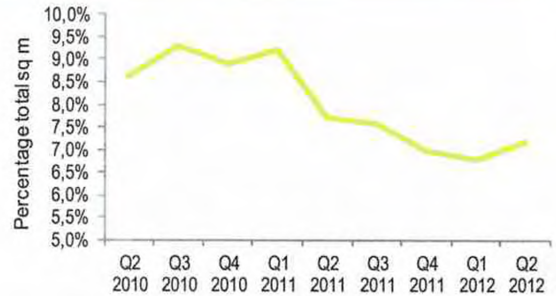
Source: CBRE

Prime Yield Net



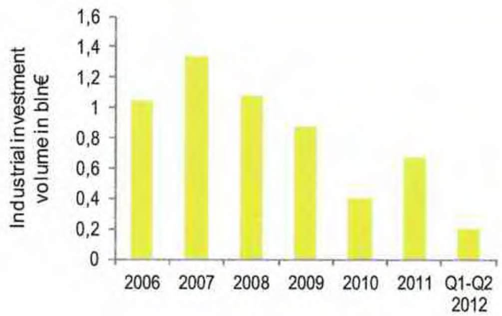
Source: CBRE

Vacancy



Source: CBRE

Investment Volume



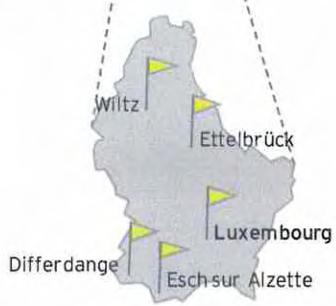
Summary

- The industrial property sector is dominated by properties with standardized features, including distribution warehouses and light industrial multi-tenant units. The Dutch logistics market in particular is one of the most active and established in Europe, reflecting the well-developed and high-quality transport infrastructure.
- Vacancy rates in the logistic space in the 'mainport' areas declined, while other regions showed a slight increase in supply. The current logistics vacancy rate is less than 7.2%, mostly related to outdated properties.
- Prime rents have remained stable. Initially, rents of modern vacant properties (particularly distribution centers) declined in locations that have a large supply of modern / speculative developed properties.
- Investors are primarily focused on prime logistics properties (strong hub, modern space, long-term lease), however, investment opportunities in this segment are scarce. After six months of limited investment activity, several transaction are expected to close in the second half of this year. The prime yield has dropped by 20 basis points. The yield gap between prime and secondary properties is still widening.

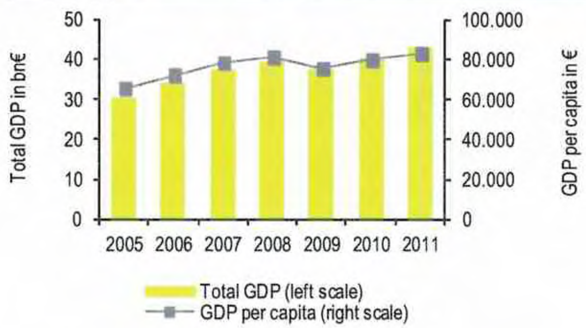
Luxembourg - Macro Economic Overview

Europe

Luxembourg - Locations

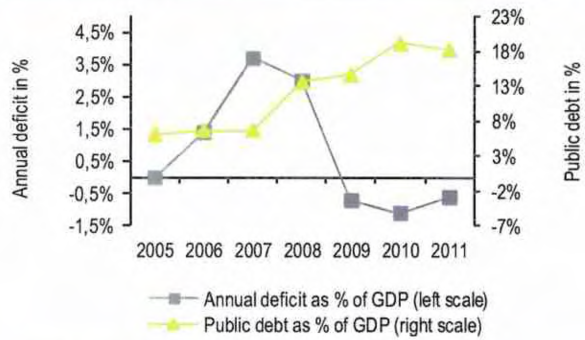


Gross Domestic Product



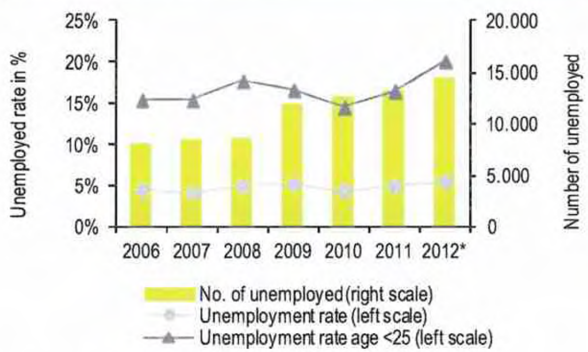
Source: Datosmacro

Public Debt and Annual Deficit



Source: Datosmacro

Unemployment



* As per July

Source: Datosmacro

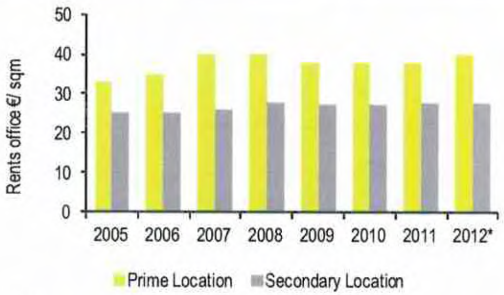
Summary

- Following strong expansion from 2002 to 2007, Luxembourg's economy contracted by approx. 3.6% in 2009, but rebounded in 2010-11. The country continues to enjoy a high standard of living with GDP per capita being the highest in the euro-zone.
- Despite the fact that the public debt to GDP ratio has more than doubled since 2007, with an ratio of approx. 18 % in 2011, Luxembourg remains among the lowest of the euro-zone, having an average ratio of approx. 87 %.
- Government support for the banking sector led to approx. 1% government budget deficit in 2010. Nevertheless, the deficit was cut to approx. 0,6 % in 2011.
- Although the unemployment rate remains low at approx. 5%, the number of unemployed has increased over the last couple of years, caused by the global economic crisis. Moreover, youth unemployment has increased recently to 20%, however below the EU average in July 2012 of 22.6%.

Sources: Eubusiness, Chronicle, BNP Paribas

Luxembourg - Office Market

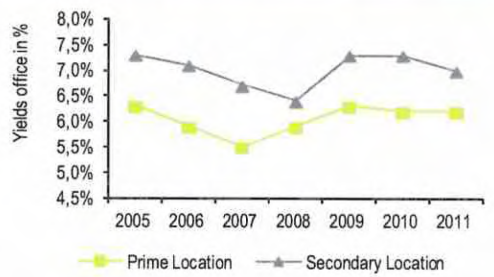
Office Rents in Luxembourg



*Q2

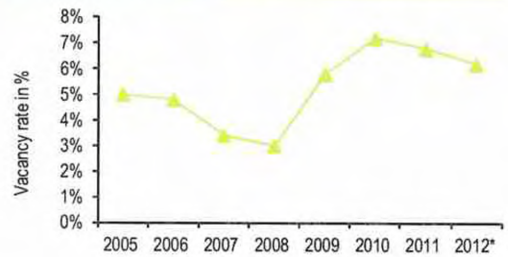
Source: Feri

Office Yields in Luxembourg



Source: Cushman & Wakefield

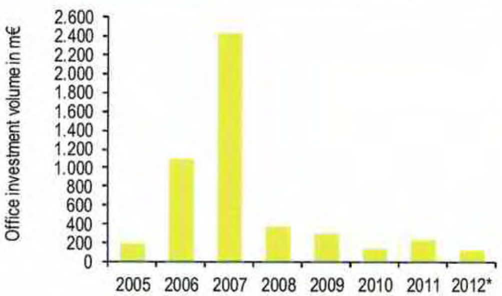
Office Vacancy Rates in Luxembourg



*Q2

Sources: Feri, JLL

Total Office Investment Volume



*Q1 & Q2

Source: Jones Lang LaSalle

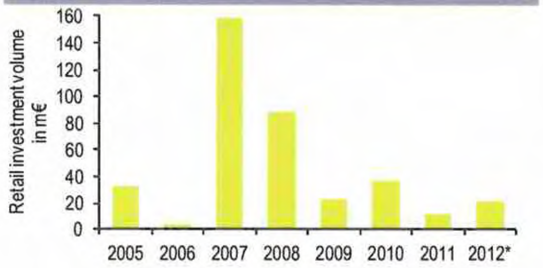
Summary

- Luxembourg's office market was characterized by a low level of completions, as office space under construction has been decreasing since the outbreak of the financial crisis. This is mainly due to a financial sector that is characterized by consolidation, which, in turn, results in a noticeable drop of demand in prime office space. In 2012, office space delivered is expected to be just half of the average level of the past ten years (125,000 sqm) and the share of speculative projects in the pipeline remains low.
- Due to decreasing vacancy rates, the pressure on rents reduces gradually. This relates more to the central locations where vacancy levels are already low. The vacancy rate in peripheral locations is much higher and the owners are still willing to make attractive offers to potential occupants. The decreasing vacancy rates are additionally pushed down by limited completions.
- Prime rents were unchanged at €40/ sqm/ month, up approx. 5% compared to last year. In addition, a number of leases were recently signed involving smaller spaces at rents around €45 /sqm/ month.
- Contrary to the global trend in Western European markets, where office take-up has been on a downward trend since the second half of 2011, transactions in Luxembourg remained resilient so far. In the first half of 2012 an investment volume of around €30m was achieved. A growing interest for the Luxembourg market arises from different types of investors. The lack of investment products that paralyzed the investment market in Luxembourg seems to have come to an end.

Sources: Jones Lang LaSalle, CBRE, Cushman & Wakefield, BNP Paribas, DTZ

Luxembourg- Retail Market

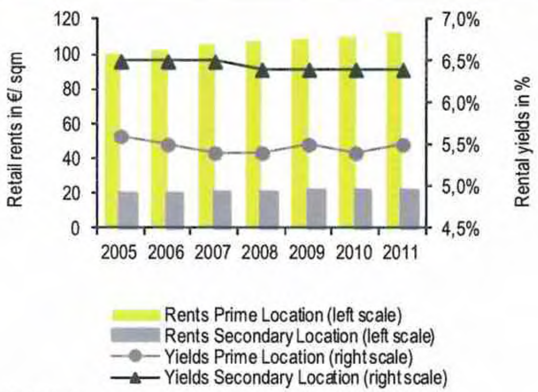
New Retail Investment Volume



* Q1 & Q2

Source: Jones Lang LaSalle

Development of Rents and Rental Yields



Source: Feri

Shopping Center Transactions & Main Investment Deals

Year	Buyer/ Developer	Vendor	Project	Location	Price (m€)	GLA (sqm)	€/sqm
2011	Lux Privat Investor	Lux Family	Tara Jarmon	CBD	4 €	315	11.429
2011	Private Investor	Lux Family	Magasin "Klips"	Station	2 €	250	6.000
2011	NC	NC	Immeuble Victory	Station	1 €	365	3.699
2010	Lux Investor	Metro Group	Batiself Foetz	Foetz	8 €	9.794	817
2010	Dutch Investor	Unknown	Land Sale	Other Periphery	6 €	20.000	300
2010	Lux Investor	Breevast	L'Atrium	CBD	20 €	2.315	8.423
2010	Occupier Owner	Lux . Owner	Restaurant Pure	CBD	2 €	200	8.000
2010	Pylos	Lux. Owner	36 Gare	Station	5 €	800	5.625
						Average	5.537

Sources: Savills Consultancy International, British Land, Cushman & Wakefield, Jones Lang LaSalle

Summary

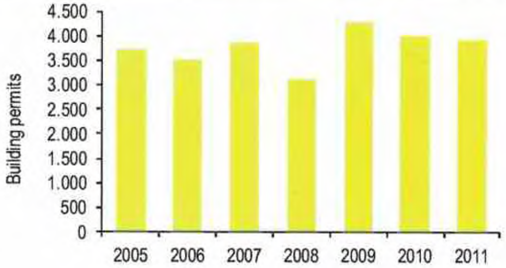
- Retail investment volume fluctuated noticeably over the last years with its peak in 2007. After a significant downwards trend from 2007 to 2009, retail investment volume recovered in 2010 and declined in 2011 again. However, at the end of the second quarter of 2012, the retail investment volume was almost double the volume in 2011.
- Regardless of the location, retail rents have experienced a steady increase from approx. €100/ sqm in 2005 to approx. €112/ sqm in 2011 (prime locations) and from approx. €19/ sqm to €22/ sqm (secondary locations), respectively.
- Contrary to this trend, both, yields in prime and secondary locations remained steady over the past years.
- Luxembourg City is the economic centre of the 'Grande Région' and attracts significant numbers of commuters from France, Germany and Belgium. Moreover, the city hosts twice its residents' population during the day, highlighting the unique potential for retail development.

Sources: Savills, Jones Lang LaSalle, Cushman & Wakefield

Appendix G - Market Slides

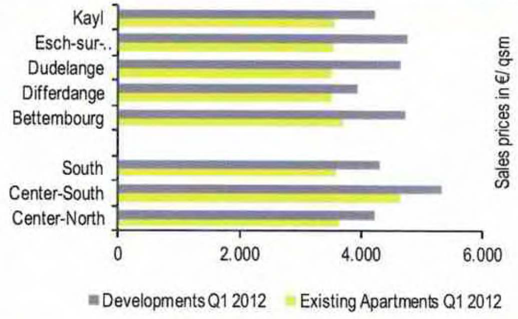
Luxembourg - Residential Market

Number of Building Permits - Apartments



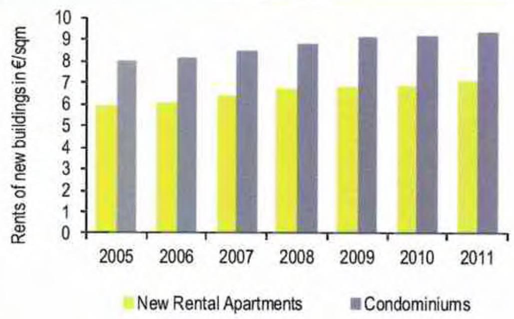
Source: Feri Reports

Sales Prices per City & Region



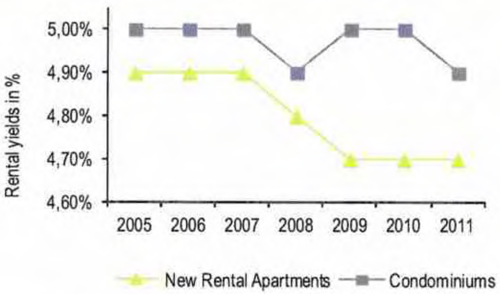
Source: Le Gouvernment du grand-duché de Luxembourg

Average Rents of New Units



Source: Feri Reports

Rental Yields of New Units



Source: Feri Reports

Summary

- Investors for residential properties in Luxembourg's have had a good year. The average price per square meter of apartments in Luxembourg increased by about 13% in the last year.
- Apartment rents have remained at the same levels as last year, so there has been some decline in rental yields which have already been at a low level compared to other countries.
- Most mortgage loans in Luxembourg are at variable rates, making the housing market sensitive to interest rate changes.
- House prices in Luxembourg have been rising since the second half of 2009, after almost two years of declining house prices, with currently low interest rates boosting demand.
- Luxembourg apartment prices have increased in the 4th quarter of 2011 up approx. 6.5% year over year. While prices have remained fairly stable over the first three quarters of 2012, they rose by approx. 5% between the third and fourth quarter of 2011. Both, old apartments and new apartments, were substantially more expensive at the end of the year.
- Rental yields of condominiums, fluctuating for the last five years, show a different trend to new rental apartment yields which decreased between 2007 and 2009 before they stabilized at approx. 4.7 %.

Sources: Patrizia Immobilien AG, globalpropertyguide

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Appendix H - Information sources

Information Sources

EY relied on the information provided by SNSPF listed below for the subset of loans, REO positions, and RCs analyzed in this Report. Please note that our work did not include an analysis of loan documentation (e.g. loan agreements, mortgages, forbearance agreements, additional securities, loan statements, and other loan related documentation).The documents that were analyzed are the following:

- SNSPF Two-Pager documents for the loans, REO, and RCs that had been subject to, and approved by SNSPF's Expert Session process
- SNSPF's Scenario Analysis (MS-Excel)
- Schiermonnikoog Process and Result Presentation SNSPF
- Amended Time Plan SNSPF (Schiermonnikoog II – Aangepast plan juli 2012.ppt)
- Subsequent Event Memos Q1 (in Dutch)
- Subsequent Event Memos Q2 (in Dutch)
- Revision Memos
- Provision Memos
- Risk Memos
- External appraisal reports
- SNSPF 30 June 2012 Data tape (Outstanding balances and provisions are per the 30 June 2012 data tape provided by SNSPF. Whether or not the outstanding balance includes arrears is inconsistent across the portfolio. EY's potential additional shortfall estimates are based on the outstanding balances from the data tape provided by SNSPF.)

To facilitate communication and information flow, EY and SNSPF have established a Q&A protocol and a tracking schedule which centralizes EY's questions for SNSPF Account Managers. This schedule continues to be maintained as we finalize our work on the remaining loans in scope.

Beyond reading the documents and analyzing the data provided by SNSPF, EY also conducted interviews with SNSPF account managers and management team members to get a better understanding of recent events and relevant details pertaining to the loans in scope. In addition, EY attended certain SNSPF Expert Sessions wherein EY listened to SNSPF's discussions regarding the SNSPF Two-Pager documents and the exit strategies contained therein.