

de volksbank Green Bond Allocation Report 2022



Introduction

De Volksbank aims to meet the specific financial needs of its customers in a people-oriented, efficient and sustainable manner. Our mission is 'banking with a human touch'. We achieve it by creating value for all our stakeholders: our customers, society, our employees and our shareholder. We aim for optimum shared value rather than maximisation of a single value. Together with our brands we strive for a strong customer relationship and increasing our social impact.

De Volksbank is the fourth largest retail bank operating in the Dutch market, with more than 3.2 million customers. We offer simple and transparent mortgage, savings and payment products to private individuals, self-employed persons and smaller companies. We also offer insurance and investment products.

At year-end 2022, we were 62% climate neutral which puts us well on track to achieving our interim target of at least 75% by 2025. Our KPI 'climate-neutral balance

sheet' consists of an estimation of the emissions avoided with our activities and the emissions caused by us. These calculations are based on the Partnership for Carbon Accounting Financials (PCAF) methodology and cover scope 1, 2 and 3 emissions. De Volksbank was the first bank in the Netherlands with approved Science Based Targets for our scope 1, 2 and 3 emissions. The latter includes emission reduction targets on mortgages (real estate), renewable energy (power), and investments covering relevant balance sheet categories.

This Green Bond Allocation Report 2022 reflects the allocation and reporting requirements as stated in the Green Bond Framework 2023¹. We have had our Green Bond Framework 2023 externally assessed by ISS Corporate Solutions. In the Second Party Opinion (SPO) alignment with the ICMA Green Bond Principles has been confirmed. Moreover, evaluations on other elements assessed in the SPO are described further in the SPO. De Volksbank is also a member of the ICMA Green Bond Principles. In September 2019, de Volksbank issued its first 'Green Senior Preferred Bond' in the amount of €500 million. This issuance was rewarded with the Green Bond Award of the Year by Environmental Finance. In this Green Bond Allocation Report 2022, de Volksbank N.V. reports on the use of proceeds during the financial year 2022, in respect of:

- The EUR 500,000,000 Notes due September 2024 (Green Bond) that de Volksbank N.V. issued in September 2019 (ISIN XS2052503872);
- The EUR 500,000,000 Notes due October 2030

- (Green Bond) that de Volksbank N.V. issued in July 2020 (ISIN XS2202902636);
- The EUR 500,000,000 Notes due March 2028 (Green Bond) that de Volksbank N.V. issued in March 2021 (ISIN XS2308298962);
- The EUR 500,000,000 Notes due June 2026 (Green Bond) that de Volksbank N.V. issued in June 2021 (ISIN XS2356091269).
- The EUR 500,000,000 Notes due May 2026 (Green Bond) that de Volksbank N.V. issued in May 2022 (ISIN XS2475502832).
- And the EUR 300,000,000 Notes due June 2027 / Perp. (Green Bond) that de Volksbank N.V. issued in June 2022 (ISIN XS2454874285).

Besides this Allocation Report, an Impact Report will be published as well. The Impact Report compares the GHG emissions of the Eligible Green Loan Portfolio in tonnes of CO₂ equivalents to that of a comparable group of real estate with an average energy-efficiency. The 2022 impact assessment further describes the environmental impact of the green buildings within the Eligible Green Loan Portfolio compared to the reference group. EY performed a limited assurance engagement on the Green Bond Allocation Report over the year 2022. The report contains allocation reporting on a portfolio level.

¹ www.devolsbank.nl/investor-relations/green-bonds

We highlight that the criteria in the Green Bond Framework have been revised, which may render comparison of reports over time difficult or not possible.

Green Bond Allocation Report 31 December 2022

De Volksbank will make and keep readily available reporting on the allocation of net proceeds of the green bond issued to the Eligible Green Loan Portfolio annually, at least until full allocation.

The Green Bond Allocation Report 2022 will, on a best-efforts basis, include:

- The size of the Eligible Green Loan Portfolio, per Eligible Project Category
- The total amount of proceeds allocated to the Eligible Green Loan Portfolio per Eligible Project Category
- The number of Eligible Green Loans
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing

In 2022, the Eligible Green Loan Portfolio consisted of the category Green Buildings. The Green Bond Allocation Report, as well as the Impact Report, will be made available via the de Volksbank website:

www.devолksbank.nl/investor-relations/green-bonds

| ELIGIBLE GREEN LOAN PORTFOLIO | | | GREEN FUNDING | | | | |
|-------------------------------|---------------------|---------------------------|-------------------|---|----------------|-----------------------------------|----------------------|
| Category | Number of buildings | Amount (EUR) ² | Instrument (ISIN) | Allocated | Issuance Date | Due Date | Amount (EUR) |
| Green Buildings ³ | 23,484 | 5,594,774,243 | XS2052503872 | Green Senior Unsecured | September 2019 | September 2024 | 500,000,000 |
| | | | XS2202902636 | Green Tier 2 | July 2020 | October 2030 | 500,000,000 |
| | | | XS2308298962 | Green Senior Non-Preferred | March 2021 | March 2028 | 500,000,000 |
| | | | XS2356091269 | Green Senior Non-Preferred | June 2021 | June 2026 | 500,000,000 |
| | | | XS2475502832 | Green Senior Non-Preferred | May 2022 | May 2026 | 500,000,000 |
| | | | XS2454874285 | Green Additional Tier 1 | June 2022 | June 2027 / Perp. | 300,000,000 |
| | | | | 4,926,503,590 | | Total Green Bond Issuances | |
| | | | N/A | Pearl 1 RMBS | September 2006 | September 2047 | 15,344,693 |
| | | | N/A | Covered Bond Programme | N/A | N/A | 652,925,961 |
| | 668,270,653 | | | Total other outstanding transactions | | | 668,270,653 |
| Total | | 5,594,774,243 | | Total allocated⁴ | | | 3,468,270,653 |
| | | | | Balance of unallocated proceeds | | | 0 |
| | | | | Percentage of net proceeds of Green Funding allocated to Eligible Green Loan Portfolio | | | 100% |
| | | | | Eligible Green Loans allocated to other outstanding transactions | | | 668,270,653 |
| | | | | Value of loans added to the Eligible Green Loan Portfolio since 01-01-2022 | | | 935,813,940 |

² These amounts represent the 31 December 2022 total outstandings to loans that de Volksbank has identified as Eligible Green Loans in accordance with the de Volksbank Green Bond Framework 2023. Additional Eligible Green Loans will be added to de Volksbank's Eligible Green Loan Portfolio to the extent required. Eligible Green Loans in on balance sheet transactions (retained securitisations) are also included in the total amount of Eligible Green Loans. The total amount of Eligible Green Loans in on balance sheet transactions amount to 944,276,992 euro.

³ Green buildings in this Green Bond Allocation Report are buildings built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A, as defined in the Green Bond Framework 2023. For more information please visit: www.devолksbank.nl/investorrelations/green-bonds

⁴ EY's Limited Assurance Report based on the allocation of the proceeds to Eligible Green Loans, is included on the following pages of this document.

Publication details

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Contact

De Volksbank welcomes feedback on all its publications. Please send all comments and suggestions to pers@devolksbank.nl.

Limited assurance report of the independent auditor on de Volksbank N.V.'s Green Bond Allocation Report

To: the Executive Committee of de Volksbank N.V. and the holders of Green Bonds issued by de Volksbank N.V.

Our conclusion

We have performed a limited assurance engagement on the accompanying Green Bond Allocation Report for the year 2022 of de Volksbank N.V. at Utrecht.

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Green Bond Allocation Report 2022 is not prepared, in all material respects, in accordance with the reporting criteria as included in the Reporting criteria section of our report.

Basis for our conclusion

We have performed our limited assurance engagement on the Green Bond Allocation Report 2022 in accordance with Dutch law, including Dutch Standard 3000A "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" (Assurance engagements other than audits or reviews of historical financial information [attestation engagements]). Our responsibilities under this standard are further described in the Our responsibilities for the assurance engagement on the Green Bond Allocation Report 2022 section of our report.

We are independent of de Volksbank N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch code of ethics).

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

Reporting criteria

The reporting criteria used for the preparation of the Green Bond Allocation Report 2022 are the reporting criteria developed by de Volksbank N.V. and included in the Green Bond Framework 2023, which is accessible on the company's website (www.devolsbank.nl/investor-relations/green-bonds).

The absence of an established practice on which to draw, to evaluate and measure of the information in the Green Bond Allocation Report 2022 allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the Green Bond Allocation Report 2022 needs to be read and understood together with the reporting criteria used.

Limitations to the scope of our assurance engagement

The Green Bond Allocation Report 2022 includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Green Bond Allocation Report 2022.

The references to external sources or websites are not part of our assurance engagement on the Green Bond Allocation Report 2022. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Responsibilities of the Executive Committee and the Supervisory Board for the Green Bond Allocation Report 2022

The Executive Committee is responsible for the preparation of the Green Bond Allocation Report 2022 in accordance with the reporting criteria as included in the Reporting criteria section of our report.

The Executive Committee is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting. In this context, the Executive Committee is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the Executive Committee regarding the scope of the Green Bond Allocation Report 2022 and the reporting policy are included in the Green Bond Framework 2023 of de Volksbank N.V. as published on the company's website.

Furthermore, the Executive Committee is responsible for such internal control as it determines is necessary to enable the preparation of the Green Bond Allocation Report 2022 that is free from material misstatement, whether due to error or fraud.

The Supervisory Board is responsible for overseeing the reporting process of the Green Bond Allocation Report 2022 of de Volksbank N.V.

Our responsibilities for the assurance engagement on the Green Bond Allocation Report 2022

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

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS, Regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

The procedures of our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues, relevant laws and regulations and the characteristics of the company as far as relevant to the Green Bond Allocation Report 2022
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Green Bond Allocation Report 2022. This includes the evaluation of the reasonableness of estimates made by the Executive Committee
- Obtaining through inquiries a general understanding of internal control, reporting processes and information systems relevant to the preparation of the Green Bond Allocation Report 2022, without obtaining evidence about implementation or testing the operating effectiveness of controls
- Identifying areas of the Green Bond Allocation Report 2022 with a higher risk of misleading or unbalanced information or material misstatements, whether due to error or fraud. Designing and performing further assurance procedures aimed at determining the plausibility of the Green Bond Allocation Report 2022 responsive to this risk analysis. These further assurance procedures consisted amongst others of:
 - Interviewing management and relevant staff at corporate and business level responsible for the strategy, policy and results relating to the Green Bond Allocation Report 2022
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Green Bond Allocation Report 2022
 - Obtaining assurance information that the Green Bond Allocation Report 2022 reconcile with underlying records of the company
 - Reviewing, on a limited test basis, relevant internal and external documentation
 - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level
- Reconciling the relevant financial information with the financial administration
- Evaluating the overall presentation and content of the Green Bond Allocation Report 2022
- Considering whether the Green Bond Allocation Report 2022 as a whole, including the disclosures, reflects the purpose of the reporting criteria used

Amsterdam, 10 November 2023

Ernst & Young Accountants LLP

signed by Jan Niewold