

CREDIT OPINION

26 May 2023

Update



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RATINGS

de Volksbank N.V.

Domicile	Utrecht, Netherlands
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A2
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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de Volksbank N.V.

Update to credit analysis following rating action

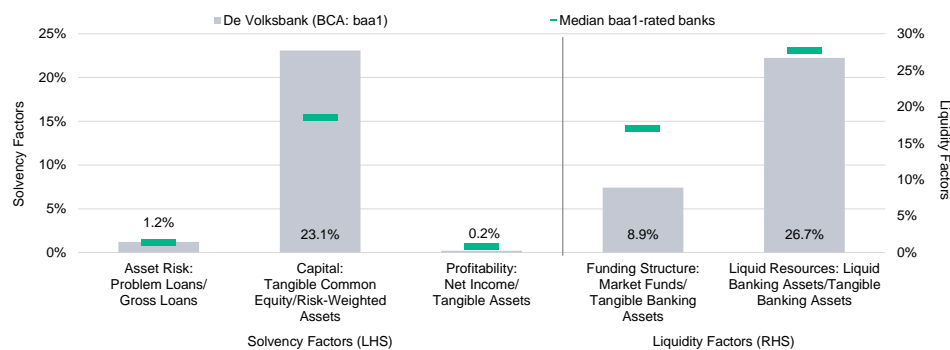
Summary

De Volksbank's long-term deposit and senior unsecured debt ratings of A2 reflect the bank's Baseline Credit Assessment (BCA) of baa1, and the application of our Advanced Loss Given Failure (LGF) analysis, which results in a low loss-given-failure and one notch of uplift in view of these debt instruments' volume and the current and future cushion brought by subordinated instruments. These ratings also reflect one notch of government support uplift because of the bank's systemic importance in the Netherlands.

The bank's BCA of baa1 reflects its very low risk profile, strong capital base, and sound funding structure and liquidity. These strengths are constrained by a relatively modest profitability and the highly concentrated nature of its business model.

Exhibit 1

Rating Scorecard - Key financial ratios



Source: Moody's Financial Metrics

Credit strengths

- » De Volksbank's asset book is primarily focused on low-risk Dutch retail mortgages
- » The bank has built a very strong capital buffer despite a relatively high leverage
- » The bank benefits from a sound funding and liquidity profile
- » De Volksbank benefits from a moderate likelihood of government support in a stress scenario

Credit challenges

- » De Volksbank's profitability is challenged by low margins in the highly competitive Dutch mortgage market
- » The bank's credit profile is constrained by the lack of diversification and is highly correlated with the Dutch mortgage market

Outlook

The outlook on de Volksbank's long-term deposit and debt ratings is stable, reflecting our view that the bank's asset risk will remain very low and its capital buffer will continue to be strong. Rising interest rates, low cost of risk and tight control over operating costs will support the bank's profitability.

Factors that could lead to an upgrade

- » Although unlikely over the outlook horizon, de Volksbank's BCA could be upgraded if the bank reduced its reliance on Dutch mortgages through business diversification without materially increasing its asset risk. An upgrade of the bank's BCA would likely result in an upgrade of all the ratings.
- » A higher than expected increase in the volume of subordination brought by senior unsecured or subordinated debt issuance could result in an upgrade of the bank's deposit rating. The senior unsecured debt rating could also be upgraded as a result of higher subordination.

Factors that could lead to a downgrade

- » De Volksbank's BCA could be downgraded as a result of a material deterioration in the bank's asset quality and solvency driven by a severe downturn in the domestic economy, or a deterioration in its liquidity profile. A downgrade of the bank's BCA would likely lead to a downgrade of all its ratings.
- » A material decrease in the amount of outstanding senior unsecured debt and junior deposits, together with lower-than-expected issuance of junior senior unsecured debt, could also lead to a downgrade of the senior unsecured debt and deposit ratings.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

de Volksbank N.V. (Consolidated Financials) [1]

	12-22 ²	12-21 ²	12-20 ²	12-19 ²	12-18 ²	CAGR/Avg. ³
Total Assets (EUR Million)	69,828.0	72,081.0	65,218.0	60,971.0	59,770.0	4.0 ⁴
Total Assets (USD Million)	74,523.7	81,675.4	79,797.9	68,439.8	68,325.8	2.2 ⁴
Tangible Common Equity (EUR Million)	3,533.0	3,450.0	3,397.0	3,382.0	3,514.0	0.1 ⁴
Tangible Common Equity (USD Million)	3,770.6	3,909.2	4,156.4	3,796.3	4,017.0	(1.6) ⁴
Problem Loans / Gross Loans (%)	1.1	1.2	1.3	1.3	1.3	1.2 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	23.1	24.7	32.9	34.9	37.6	30.6 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	14.9	17.1	19.0	18.4	18.0	17.5 ⁵
Net Interest Margin (%)	1.2	1.1	1.3	1.4	1.5	1.3 ⁵
PPI / Average RWA (%)	2.0	1.3	2.8	3.8	3.7	2.7 ⁶
Net Income / Tangible Assets (%)	0.3	0.2	0.3	0.5	0.4	0.3 ⁵
Cost / Income Ratio (%)	68.6	81.0	70.4	61.9	63.7	69.1 ⁵
Market Funds / Tangible Banking Assets (%)	8.9	10.5	9.1	10.4	12.4	10.3 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	26.7	26.2	19.7	14.2	12.3	19.8 ⁵
Gross Loans / Due to Customers (%)	86.7	87.2	96.0	105.7	108.7	96.8 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

Profile

De Volksbank N.V. (formerly SNS Bank NV) is the fourth-largest retail bank in the Netherlands. It is wholly owned by the Dutch state agency NL Financial Investments (NLFi). As of year-end 2022, de Volksbank reported €73 billion in consolidated assets, a savings deposit base of €45 billion and a loan book of €49 billion. De Volksbank essentially provides residential mortgages (around 94% of the total loan book), as well as current accounts, savings accounts, insurance and investment products. The bank services individual retail customers and, to a lesser extent, small and medium-sized enterprises (SMEs) in the Netherlands. It currently operates through four brands, namely SNS, ASN Bank, RegioBank and BLG Wonen. As of year-end 2022, De Volksbank reported a market share of 5.9% on mortgages and 10.4% on savings products.

In February 2021, the bank presented to NLFi its strategic plan 2021–2025 which set relatively ambitious business and financial targets including, among others, a growth in its active multi-customer base to 1.3 million people and a return on equity of 8% in 2025. On 3 July 2022, NLFi submitted a report to the Dutch Ministry of Finance, advising the Dutch Ministry of Finance that it was too early to privatize the bank and that the strategic plan implemented by the bank was necessary whatever the decision taken with regard to the privatization. On 22 February 2023, the Dutch Minister of Finance wrote to the House of Representatives that she intended to take a directional decision about the future of the bank before the end of 2023.

Detailed credit considerations

De Volksbank's asset book is primarily focused on low-risk Dutch retail mortgages

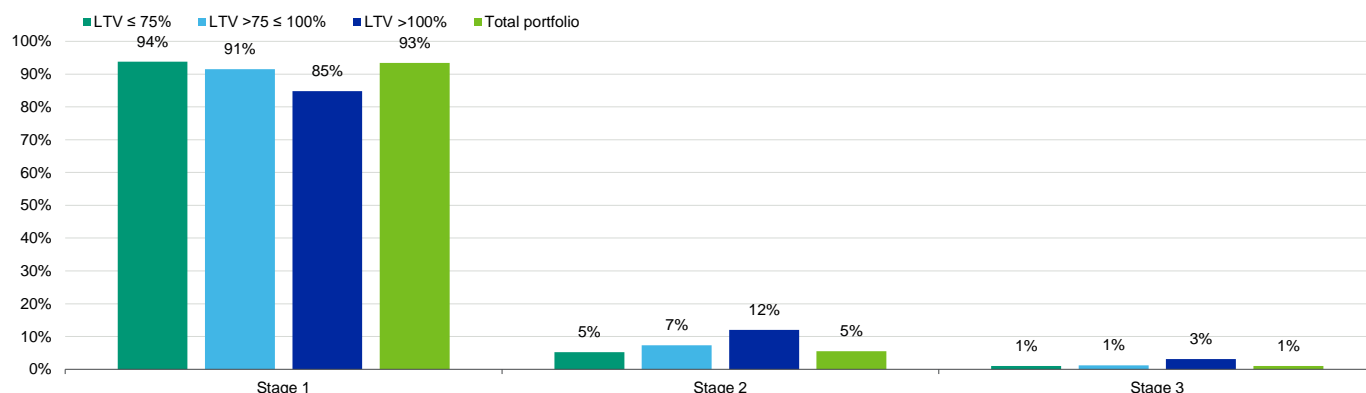
De Volksbank's asset-risk profile is strong. As of year-end 2022, the €49 billion customer loan portfolio was 94% composed of residential mortgages, 2% of SME loans and close to 4% of loans to corporate and governments. Consumer loans remain negligible and amounted to €54 million.

As reflected in a stage 3 loan ratio consistently below 1.2% since 2018 (1% at year-end 2022, down from 1.1% at year-end 2021), de Volksbank's mortgage loans' quality is good (Exhibit 3) and 24% of them benefits from the National Mortgage Guarantee (NHG) scheme. Loans are spread across all Dutch provinces and not concentrated in large cities where house prices have increased the most and overheating risk is more acute.

Exhibit 3

De Volksbank's residential mortgages' quality is good

Breakdown by IFRS stages and LTV of the non-NHG guaranteed mortgage portfolio



Source: Company reports and Moody's Investors Service

The proportion of interest-only¹ and investment-based mortgages², which we consider as more prone to repayment risks, has continued to reduce, although at a slower pace, to 52% of the portfolio at year-end 2022 from 53% at year-end 2021 and 64% at year-end 2017. The average loan-to-value (LTV) ratio of the mortgage book was still low at 51% at year-end 2022 (year-end 2021: 53%), significantly down from 74% at the end of 2017 as a result of the house price increase and the Dutch government's measures to lower the LTV ratio at origination to a maximum of 100% in 2018. The increasing share of annuity mortgages has also contributed to lower LTV ratios. The vast majority (91%) of the outstanding mortgages at year-end 2022 consisted of loans that have been originated with a fixed-rate for at least 10 years (after which, the interest rate can be reset or becomes variable), which renders the portfolio relatively immune from rising interest rates.

De Volksbank's SME loan book primarily consists of mortgage loans extended to small and micro-sized businesses in the Netherlands to purchase or refinance commercial real estate (of up to €2 million), and to a lesser extent of working capital loans (of up to €50,000 euros and a maximum tenor 5 years). The stage 3 loan ratio on this portfolio was 4.2% at year-end 2022, down from 8% at year-end 2021, primarily as a result of an increase in the loan book. That being said, the amount of stage 3 loans has decreased by almost half to €46 million at year-end 2022 from the peak of €89 million reached at end-June 2020. Fast growth in this book nonetheless represents increased risk in the current challenging macroeconomic environment.

The corporate and government loan portfolio is made up of sustainable loans mainly extended to entities operating in the renewable energy sector and private placement loans granted to housing associations, healthcare institutions and companies owned by or affiliated with the government. The major part of these loans benefit from government guarantee. The stage 3 ratio of the book nonetheless increased to 2.3% at year-end 2022 from 0 in 2021 as a few corporate loans, although not in arrear, were transferred to the stage 3 bucket.

As of year-end 2022, the stage 3 loan ratio on the overall customer loan book was 1.1%, slightly down from 1.2% at year-end 2021. Stage 2 loans increased to 4.9% from 3.7% a year earlier, but this is primarily due to scope extension in stage 2 to incorporate a portion of risk interest-only mortgages.

Although up from a net loan loss reversal of €58 million in 2021, the cost of risk on loans to customers remained very low in 2022 at €39 million or 8 bps of average loans. Out of the total amount, €23 million relate to loan loss provisions on the aforementioned few corporates transferred to the stage 3 bucket in 2022. The rest of the provisioning essentially comes from deteriorated economic forecasts, while actual defaults remain very low. Out of the €154 million loss provisions outstanding on the customer loan book at year-end 2022, 55% were stage 1 and stage 2 provisions.

The bank also holds a financial investment portfolio for liquidity purposes, amounting to €5.6 billion as of year-end 2022. It mainly comprises government bonds (€2.6 billion at year-end 2022) and financial corporations' bonds (€2 billion). Almost the entire

investment portfolio has very high credit quality. Interest rate risk in the banking book is relatively small at year-end 2022 as reflected in a duration of equity of 1.4 years.

De Volksbank's low risk profile is reflected in its a3 Asset Risk score, three notches below the macro-adjusted score. The negative adjustment reflects both the risks related to a strong concentration on a single asset class as well as our expectation of a moderate deterioration in asset quality and normalization of the cost of risk due to a weakening macroeconomic environment.

The bank's capital buffer is large given its risk profile

De Volksbank's Common Equity Tier 1 (CET1) capital ratio was 20.3% as of year-end 2022, well above both its current regulatory requirement of 9.72% and the pro forma requirement of 10.6% including the estimated impact of the rise in the Dutch countercyclical buffer (CCyB) to 1% from nil from 25 May 2023. Although still exceeding the bank's internal target of 19% minimum, the CET1 ratio was nonetheless down from 22.7% at year-end 2021, due to a 9% rise in risk-weighted assets (RWAs), primarily driven by higher exposure to financial institutions and corporate in the liquidity portfolio aimed at optimizing the return on its excess liquidity.

Despite the issuance of €0.3 billion in Additional Tier 1 securities in June 2022, the leverage ratio decreased to 4.7% at year-end 2022 from 5.1% at year-end 2021. The decrease was mainly driven by the expiry at the end of March 2022 of the ECB's temporary relief measure that allowed banks to exclude certain central bank exposures from the denominator of the ratio in the context of the COVID pandemic.

As of year-end 2022, both the bank's CET1 capital base and its RWAs continued to be adjusted for precautionary add-ons pending the finalization of the update of its Advanced Internal Ratings Based (A-IRB) model and the supervisory examination of its new data warehouse. As a result of these adjustments, the risk-weight of mortgages at de Volksbank was higher than the floor imposed by De Nederlandsche Bank (DNB) since 1 January 2022, and which hence did not have any further impact on the bank's capital ratios at year-end 2022. The bank also estimates that the finalization of Basel 3 rules will have limited effects on its CET1 ratio.

Based on capital and total eligible senior unsecured liabilities, de Volksbank's risk-weighted minimum requirement for own funds and eligible liabilities (MREL) stood at 41.3% and its non-risk-weighted MREL at 8.8% of leverage ratio exposure (LRE) as of year-end 2022, in compliance with its current requirements. Excluding non-subordinated instruments, the non-risk-weighted MREL ratio of the bank was 7.5% of LRE as of year-end 2022. With €1 billion senior non-preferred notes issued since the beginning of 2023 (€500 million in February and another €500 million in May),³ the bank already complies with the expected final requirement of 7.82% of LRE, which will become effective from 1 January 2024.

We adjust the Capital score by one notch from the macro-adjusted score to aa2 to reflect the bank's relatively high leverage compared to risk-weighted capital ratios.

De Volksbank's profitability will benefit from higher interest rates despite a highly competitive environment

With a business model strongly focused on the competitive domestic mortgage market, de Volksbank's profitability, although commensurate with its risk profile, is structurally lower than that of the large Dutch universal banks.⁴

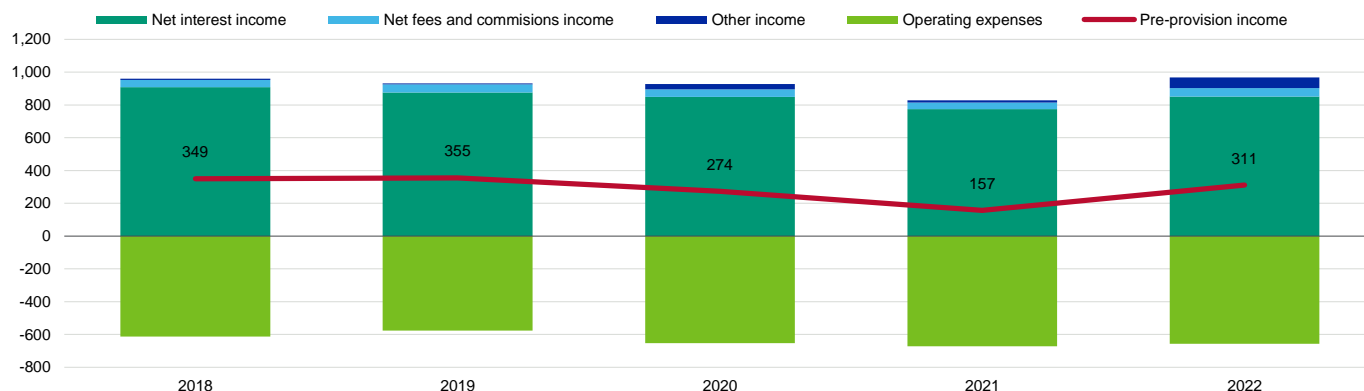
Additionally, as a result of its high reliance on net interest income (NII accounted for 92% of the banks total revenue on average over the past five years) and its large deposit funding base, the negative impact of the low interest rate environment on its net interest margins (NIM), and hence on its profitability, has been particularly strong from the end of 2018 to the middle of 2022. The bank's profitability, measured as the ratio of net income by tangible assets, fell to 26 bps in 2022 from 44 bps in 2018 while NIM fell to 1.01% in H1 2022 from 1.47% in 2018.

With rising interest rates, margins have started to recover in the course of 2022 as reflected by the improved NIM to 1.15% for full-year 2022 as well as 10% increase in net interest income compared to 2021 (Exhibit 4). The progression in 2022 was essentially driven by higher returns on the liquidity and investment portfolios. Income from the mortgage portfolio continued to decrease despite the rise in interest rates as the new mortgages were originated (or renewed) at lower rates than those that were repaid. Lower penalties on mortgage prepayments compared to previous years also had a negative impact on interest revenue from the mortgage book. This revenue trend in the mortgage portfolio will likely reverse only gradually. While the improvement in the bank's overall net interest income over the coming quarters will also depend on potential changes in the remuneration of customer savings, we nonetheless expect further improvement in 2023.

Exhibit 4

Net interest income drove the increasing pre-provision income in 2022

Breakdown of pre-provision income (in € million)



Sources: Company reports and Moody's Investors Service

Net fee and commission income remains a small contributor to total revenue (5% of total revenue on average over the past five years). Yet, the bank has been making efforts to increase fee revenue. The recent introduction of a fixed fee basic banking package as well as the property valuation platform acquired in September 2021 contributed to the 31% progression in fee and commission income in 2022 compared to 2021.

Although 2.2% down from 2021, operating expenses in 2022 (€656 million) are significantly up from the eight-year low of €576 million reached in 2019. Around a third of the increase since 2019 comes from higher regulatory levies (notably the contributions to the deposit guarantee scheme) while the rest is attributable to an increase in the number of customer integrity and service centers-related FTEs (+6.6% between 2019 and 2022) and wage inflation. The implementation of the strategic plan 2021-2025, involving, among others, further digitalization, the rollout of a modular IT platform and the development of product offering in the SME business has also implied material investments and more FTEs. Combined with the expected wage inflation in 2023 and 2024, operating expenses will remain elevated in the coming quarters. The bank's cost-to-income ratio was 68% in 2022.

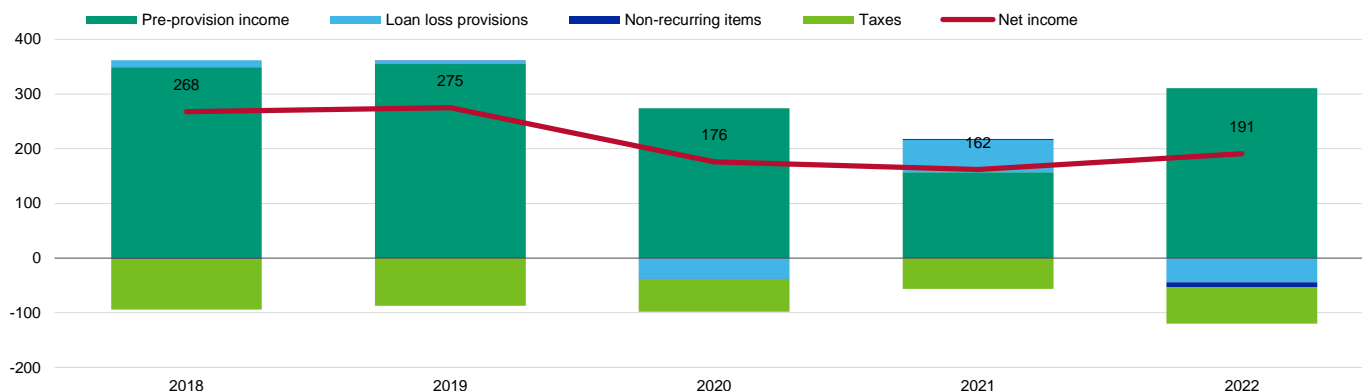
Cost of risk has been very low over the past five years and consistently represented less than 15% of the bank's pre-provision income (the maximum was reached in 2022).

De Volksbank's net profit rose 18% to €191 million in 2022 compared to €162 million in 2021 (Exhibit 5). The increase was essentially driven by 17% rise in net banking income, partly offset by higher cost of risk. While two thirds of the rise in revenue came from the aforementioned increase in NII and fee and commission income, net banking income was boosted in 2022 by €46 million one-off gain on swaptions that had been contracted to hedge the bank's long-term interest income against a sharp rise in interest rates.

Exhibit 5

Rising pre-provision income was partly offset by higher cost of risk in 2022

Breakdown of net income (in € million)



Sources: Company reports and Moody's Investors Service

We assign a profitability score of ba2, two notches above the macro-adjusted score of b1. The adjustment reflects the expectation that the rise in interest rates will further benefit to the bank's profitability.

De Volksbank benefits from strong funding and liquidity, enhanced by its good access to market funding

De Volksbank has a large retail deposit base, which amounted to €57 billion and represented 82% of the bank's total funding (excluding equity) at year-end 2022. The amount of deposits slightly declined from €58 billion at year-end 2021 as a result of the outflow of some mono savings customers following the introduction of a fixed fee for the basic banking package in 2022. The bank's deposit base is nonetheless very granular and we consider it stable. The loan-to-deposit ratio (based on retail clients only) was 90% at year-end 2022, somewhat up from 86% a year before as a result of the small decrease in deposits and 2.7% increase in the loan book.

The bank's wholesale funding (around €8.8 billion at year-end 2022 including Additional Tier 1 and Tier 2 instruments) is essentially long-term and mainly composed of covered bonds (52%) and senior unsecured debt (36%). Out of the total outstanding wholesale funding as of year-end 2022, 48% had a residual maturity of 1 to 5 years and 45% had a residual maturity of more than 5 years, leaving less than €0.6 billion maturing within one year. The issuance of €1 billion additional senior non-preferred notes since the beginning of 2023 (of which €500 million in February and another €500 million in May) further lengthened the bank's wholesale funding maturity structure. The bank fully repaid its €0.77 billion borrowings from the targeted longer term refinancing operations (TLTRO) in Q2 2022.

De Volksbank's liquidity profile would enable it to resist to a prolonged financial market disruption. Its liquidity buffer amounted to €17.2 billion at year-end 2022, of which €8.3 billion central bank reserves, €2 billion sovereign, supranational and local governments' debt, €1.2 billion other liquid assets and €5.7 billion "in-house" residential mortgage-backed securities (RMBS) eligible for central bank refinancing. Although the RMBS are eligible for European Central Bank operations, we consider them of lower quality than central bank deposits or government bonds because they may not be negotiable in the secondary market in a stress situation.

The liquidity coverage ratio of 233% as of year-end 2022 is underpinned by the expected stability of the bank's deposit base, the long tenor of its wholesale funding and the substantial buffer provided by its HQLA holdings relative to potential funding outflows. The net stable funding ratio of 174% as of the same date.

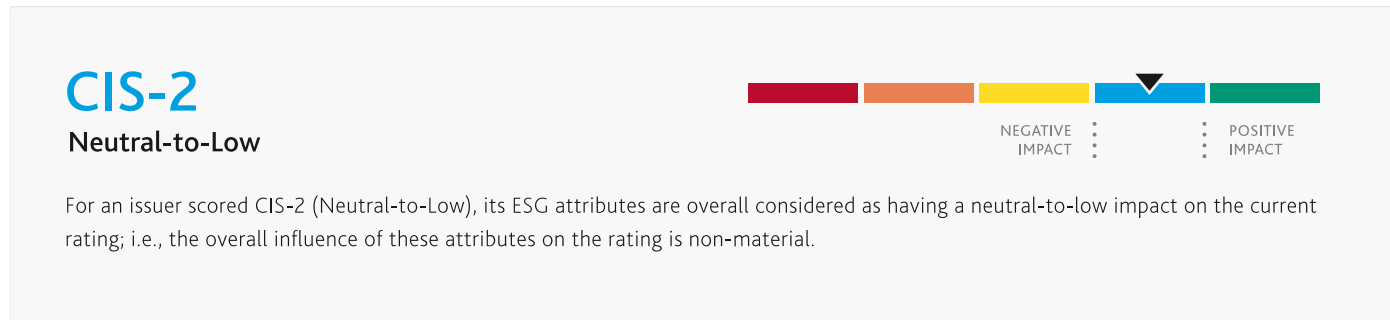
These factors are reflected in the bank's a2 combined Liquidity score.

ESG considerations

de Volksbank N.V.'s ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 6

ESG Credit Impact Score

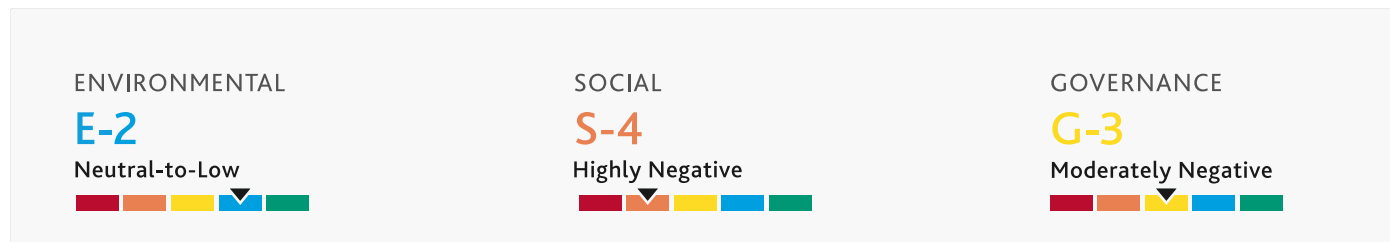


Source: Moody's Investors Service

De Volksbank's ESG Credit Impact Score is neutral-to-low (**CIS-2**), reflecting the limited credit impact of environmental and social factors on the ratings to date. The bank's corporate governance risks mainly stem from reported dissenting views within the management, which resulted in high turnover amongst senior management in recent years.

Exhibit 7

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

De Volksbank faces low exposure to environmental risks. The bank has limited exposure to carbon transition risks because its loan book is concentrated in Dutch residential mortgages (94% of total as of year-end 2022) and it has negligible exposure to the corporate sector.

Social

De Volksbank faces high industrywide social risks related to regulatory and litigation risks, requiring high compliance standards. The Dutch regulator's high focus on mis-selling and misrepresentation is mitigated by developed policies and procedures. High cyber and data risks are mitigated by a strong IT framework.

Governance

De Volksbank faces moderate governance risks. The group has a proven track record of conservative financial policies, contained risk appetite and efficient risk management and controls. However, the bank reported dissenting views within the management, which resulted in high turnover amongst senior management in recent years, and the credibility of its strategy will be established over time. De Volksbank has a relatively simple legal structure, reflecting its domestic and retail franchise. The bank is fully owned by the Dutch state. However, the large presence of independent administrators in the Supervisory Board, and the domestic developed institutional framework mitigate associated governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

De Volksbank is subject to the European Union Bank Recovery and Resolution Directive, which we consider an operational resolution regime. We assume a residual tangible common equity of 3%, post-failure losses of 8% of tangible banking assets, a 25% runoff in junior wholesale deposits, a 5% runoff in preferred deposits and a 25% probability of deposits being preferred to senior unsecured debt. Because de Volksbank's deposits are mainly retail in nature, we assume 90% of them will be preferred (and 10% being junior) in an event of failure.

- » Our LGF analysis indicates a low loss-given-failure for junior deposits and senior unsecured debt, which results in one notch of uplift from the Adjusted BCA in view of these instruments' volume and the present and future cushion brought by subordinated instruments.
- » Our LGF analysis also indicates a moderate loss-given-failure for junior senior debt (senior non-preferred), which results in a positioning in-line with the bank's baa1 Adjusted BCA. We factor in the €1 billion junior senior debt issued since the beginning of 2023.
- » For subordinated debt, our LGF analysis indicates a high loss given failure, leading us to make a one-notch negative adjustment to the bank's Adjusted BCA.

Government support considerations

We consider de Volksbank a systemically important institution in the Netherlands and thus believe that there is a moderate probability of government support for its junior deposits and senior unsecured debt, resulting in an additional uplift of one notch. For other junior securities, we assume a low probability of government support and, therefore, the ratings for these instruments do not include any related uplift.

Counterparty Risk Ratings (CRRs)

De Volksbank's CRRs are positioned at Aa3/Prime-1

de Volksbank's CRRs, before government support, are placed three notches higher than the Adjusted BCA of baa1, based on the level of subordination to CRR liabilities in the bank's balance sheet, and assuming a nominal volume of CRR liabilities themselves. The CRRs also benefit from one notch of government support uplift, in line with our support assumptions on deposits and senior unsecured debt.

Counterparty Risk (CR) Assessment

De Volksbank's CR Assessment is positioned at Aa3(cr)/Prime-1(cr)

The CR Assessment includes three notches of uplift from the bank's BCA of baa1, based on the buffer against default provided by subordinated instruments, and in line with our support assumptions on deposits and senior unsecured debt, one notch of government support uplift to the senior obligations represented by the CR Assessment. The main difference with our Advanced LGF approach, used to determine instrument ratings, is that the CR Assessment captures the probability of default on certain senior obligations rather than the expected loss and, therefore, focuses purely on subordination and takes no account of the volume of the instrument class.

Rating methodology and scorecard factors

Exhibit 8

de Volksbank N.V.

Macro Factors							
Weighted Macro Profile		Strong +	100%				
Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2	
Solvency							
Asset Risk							
Problem Loans / Gross Loans	1.2%	aa3	↓	a3	Expected trend	Sector concentration	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	23.1%	aa1	↔	aa2	Nominal leverage		
Profitability							
Net Income / Tangible Assets	0.2%	b1	↑	ba2	Expected trend		
Combined Solvency Score		a2		a3			
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets	8.9%	a1	↔	a2	Term structure		
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets	26.7%	a3	↔	a3			
Combined Liquidity Score		a2		a2			
Financial Profile							
Qualitative Adjustments				Adjustment			
Business Diversification				-1			
Opacity and Complexity				0			
Corporate Behavior				0			
Total Qualitative Adjustments				-1			
Sovereign or Affiliate constraint				Aaa			
BCA Scorecard-indicated Outcome - Range				a3 - baa2			
Assigned BCA				baa1			
Affiliate Support notching				0			
Adjusted BCA				baa1			
Balance Sheet							
		in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure		
Other liabilities		8,767	12.6%	12,619	18.1%		
Deposits		55,029	78.8%	51,177	73.3%		
Preferred deposits		49,526	70.9%	47,050	67.4%		
Junior deposits		5,503	7.9%	4,127	5.9%		
Senior unsecured bank debt		1,631	2.3%	1,631	2.3%		
Junior senior unsecured bank debt		1,500	2.1%	1,500	2.1%		
Dated subordinated bank debt		500	0.7%	500	0.7%		
Preference shares (bank)		300	0.4%	300	0.4%		
Equity		2,095	3.0%	2,095	3.0%		
Total Tangible Banking Assets		69,822	100.0%	69,822	100.0%		

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	14.5%	14.5%	14.5%	14.5%	3	3	3	3	0	a1
Counterparty Risk Assessment	14.5%	14.5%	14.5%	14.5%	3	3	3	3	0	a1 (cr)
Deposits	14.5%	6.3%	14.5%	8.6%	2	2	2	1	0	a3
Senior unsecured bank debt	14.5%	6.3%	8.6%	6.3%	2	0	1	1	0	a3
Junior senior unsecured bank debt	6.3%	4.1%	6.3%	4.1%	0	0	0	0	0	baa1
Dated subordinated bank debt	4.1%	3.4%	4.1%	3.4%	-1	-1	-1	-1	0	baa2
Non-cumulative bank preference shares	3.4%	3.0%	3.4%	3.0%	-1	-1	-1	-1	-2	ba1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a1	1	Aa3	Aa3
Counterparty Risk Assessment	3	0	a1 (cr)	1	Aa3(cr)	
Deposits	1	0	a3	1	A2	A2
Senior unsecured bank debt	1	0	a3	1	A2	A2
Junior senior unsecured bank debt	0	0	baa1	0	Baa1	(P)Baa1
Dated subordinated bank debt	-1	0	baa2	0	Baa2	
Non-cumulative bank preference shares	-1	-2	ba1	0	Ba1 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Investors Service

Ratings

Exhibit 9

Category	Moody's Rating
DE VOLKSBANK N.V.	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Senior Unsecured	A2
Junior Senior Unsecured -Dom Curr	Baa1
Junior Senior Unsecured MTN	(P)Baa1
Subordinate -Dom Curr	Baa2
Pref. Stock Non-cumulative -Dom Curr	Ba1 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1

Source: Moody's Investors Service

Endnotes

- 1 Including both 100% interest-only loans and the interest-only portion of composite loans.
- 2 Mortgages where money is invested into an investment account during the mortgage term and will be used to repay the capital on the loan at maturity.
- 3 These €1 billion senior non-preferred notes come on top of the €1.5 billion instruments already issued as of year-end 2022
- 4 De Volksbank's average ratio of net income by tangible assets from 2018 up to the end of H1 2022 was 33 basis points to be compared to 45 basis points for the Dutch banking system.

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