Utrecht, 12 August 2022

2022 Interim results

Investor presentation

Martijn Gribnau, Chief Executive Officer

Key points first half 2022

Progress in implementation of our strategy in a dynamic and complex market environment

- **Customers:** increase in the number of active multi-customers to 1,047,000 (YE21: 1,015,000); customer-weighted Net Promoter Score lower at +3 (YE21: +6)
- **Society:** improvement of our climate-neutral balance sheet to 58% (YE21: 55%)
- **Employees:** Genuine attention KPI score virtually stable at 7.7 (YE21: 7.8)
- **Shareholder:** Return on Equity stable at 5.5% (1H21: 5.5%)

Good growth in new mortgage production and SME loans; retail savings virtually stable

- **Residential mortgage portfolio**, excluding IFRS value adjustments, up to €48.0bn (YE21: €47.2bn). New mortgage production grew to €4.3bn (1H21: € 3.3bn)
- **SME loans** up by €145m to €975m
- **Retail savings** virtually stable at €45.7bn (YE21: €45.6bn)
- **Assets under management** €0.8bn lower at €4.0bn

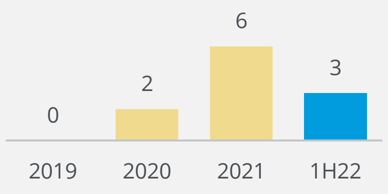
Net profit virtually stable at € 95 million, supported by high results on financial instruments and higher fee and commission income

- **Net profit** of €95m, a 1% increase compared with 1H21 (€94m)

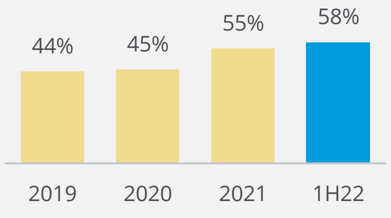
Capital position remains robust, with capital ratios above our minimum objectives. Decrease in CET1 capital ratio and leverage ratio.

- **CET1 capital ratio** lower at 20.8% (YE21: 22.7%) and **leverage ratio** lower at 4.6% (YE21: 5.1%)

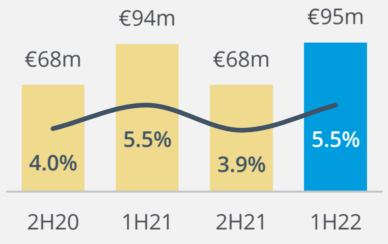
Customer-weighted Net Promoter Score



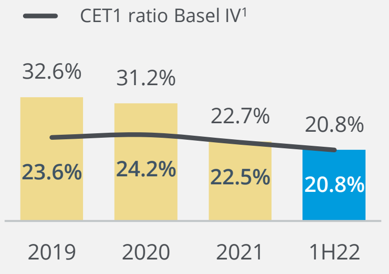
Climate-neutral balance sheet



Net result and RoE



CET1 capital ratio



[1] CET1 ratio based on Basel IV is an estimate

1. Update on strategy

Strategy 2021-2025:
'Better for each other - from promise to impact'

How we stand out: two pillars

Strong customer relationship
Personal customer approach, seamless & pleasant interaction, suitable propositions

Social impact
De Volksbank creates social impact on the climate and good housing by integrating these themes into its services

Four growth priorities

asn bank — Accelerating ASN Bank's growth as a digital, sustainable bank

SNS — Attracting a younger target audience and strengthening business model with fee income

RegioBank — Strengthening local presence with broadening propositions

BLGwonen — Expanding BLG Wonen by improving its distribution reach and service

Five necessary transformations

- Digital and omnichannel dialogue
- Relevant product range, new propositions, small businesses as a new target group
- IT-based customer bank
- Customer-focused
- Efficient and flexible

Capabilities

Strengthen organisational, employee and leadership capabilities

Our mission

We bank with a human touch by creating value for customers, society, employees and shareholder

We aim for optimum total value rather than maximisation of a single value

Progress on strategy: **two pillars**

How we stand out	Highlights first half 2022
Strong customer relationship	✓ In a survey by MarketResponse, RegioBank was voted ‘most customer-friendly bank’ in the Netherlands. SNS (2) and ASN Bank (3) completed the top 3 ✓ The number of active multi-customers continued to increase by 32,000 to 1.047 million ✓ After reaching an all-time high score of +6 in 2021, our customer-weighted NPS decreased to +3
Social impact	✓ Collaboration with Qredits, a Dutch organisation that assists entrepreneurs with microcredits (up to € 50,000), SME loans and mortgages (up to € 250,000), mentoring and elearning ✓ To contribute to a better living environment, we sponsor i.a. students of the Technical University Eindhoven ✓ We reached the milestone of 1 million *Eurowijs* pupils, who use our teaching materials at primary schools ✓ Our climate-neutral balance sheet was 3 percentage points higher at 58%

Progress on strategy: **four growth priorities**

Growth priority	Highlights first half 2022
asn bank Accelerating ASN Bank's growth as a digital, sustainable bank	✓ ASN Bank launched three sustainable insurance products via partner a.s.r. ✓ ASN Bank made interest rebates available for existing sustainable residential homes with an energy label A ✓ ASN Bank provides customers with insight in the sustainable return of their investment portfolio
SNS Attracting a younger target audience and strengthening business model with fee income	✓ The campaign to reposition SNS has progressed well. In February, we saw an increase in spontaneous brand recognition and brand preference ✓ SNS organised the online event Future Money Talks, offering young adults the opportunity to talk with each other and SNS on their future
RegioBank Strengthening local presence with broadening propositions	✓ RegioBank has finalised the implementation of the full-franchise business model ✓ RegioBank organised the National Village Summit as an ambassador of quality of life in regional areas ✓ RegioBank made it possible for associations and foundations to open an account
BLGwonen Expanding BLG Wonen by improving its distribution reach and service	✓ BLG Wonen launched a pilot in cooperation with National Mortgage Guarantee (NHG), to enable so-called 'high-rent tenants' to buy a home by providing them with a mortgage based on a rent statement

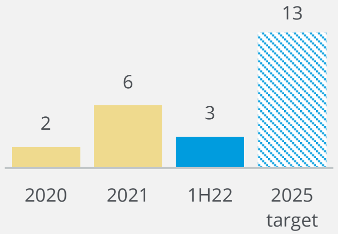
Progress on strategy: **five necessary transformations**

Transformation	Highlights first half 2022
Digital and omnichannel dialogue	✓ Apple Pay became available for customers of ASN Bank, SNS and RegioBank ✓ ASN Bank introduced a new personal banking environment for its customers ✓ The website, app and personal banking environment of SNS were rebranded ✓ The SNS app now features live chatting and chatbot pilot was launched
Relevant product range, new propositions, small businesses as a new target market	✓ SNS and RegioBank announced the introduction of a basic banking services package for a monthly rate as per 1 July, ASN Bank will follow on 1 October ✓ Together, de Volksbank brands grew the SME loan portfolio by € 145 million
IT-based customer bank	✓ We steadily build on our IT foundation under strict architecture ✓ We continued to invest in a robust data processing infrastructure for the reporting chain
Customer focused	✓ As from 1 March, we adopted the agile way of working throughout the organisation. Since then we have appointed all members of the new Leadership Team of de Volksbank ✓ On 16 May, the Executive Committee took office. Since then, all vacancies in the ExCo have been filled
Efficient and flexible	✓ Our sourcing strategy has been determined and is now being put into practice ✓ The new Quantitative Risk Management (QRM) application was implemented in our interest rate and risk models

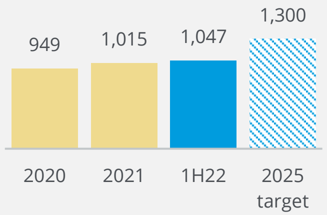
2025 long-term objectives

Customers

Customer-weighted average NPS

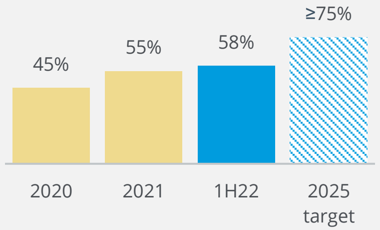


Active multi-customers
(in thousands)



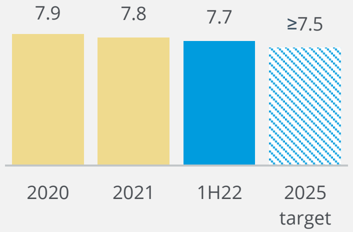
Society

Climate-neutral balance sheet[1]



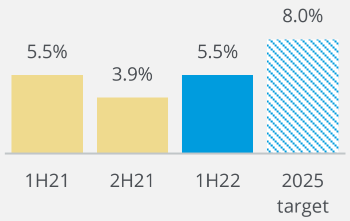
Employees

Genuine attention for employees



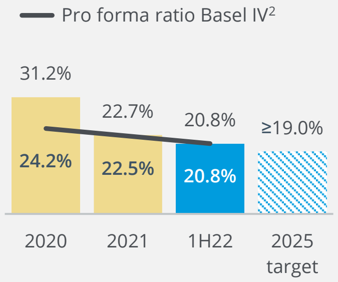
Shareholder

Return on Equity

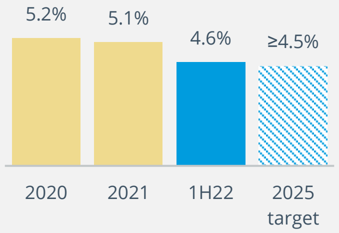


Other objectives

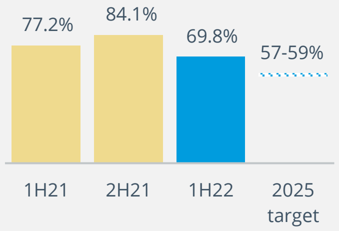
CET1 capital ratio



Leverage ratio



Cost/income ratio[3]



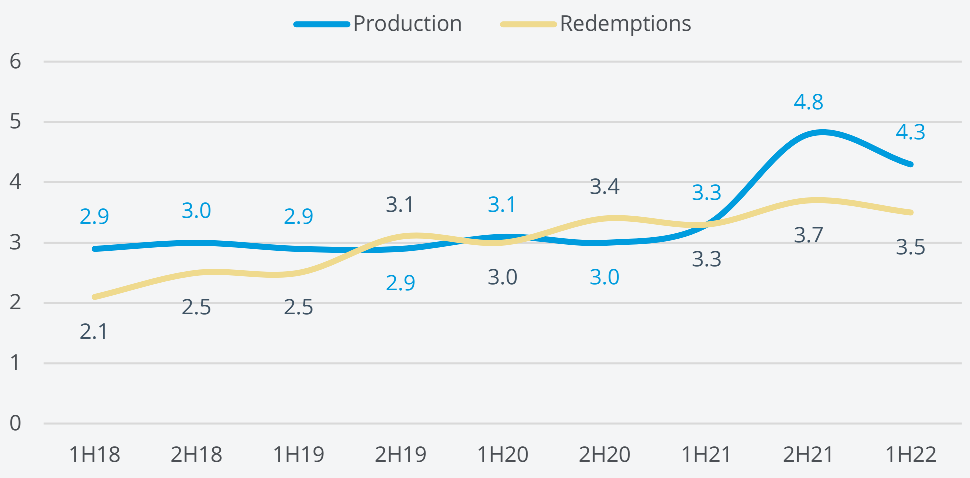
[1] As from 2021, the climate-neutral balance sheet is calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology

[2] The CET1 ratio based on Basel IV is an estimate

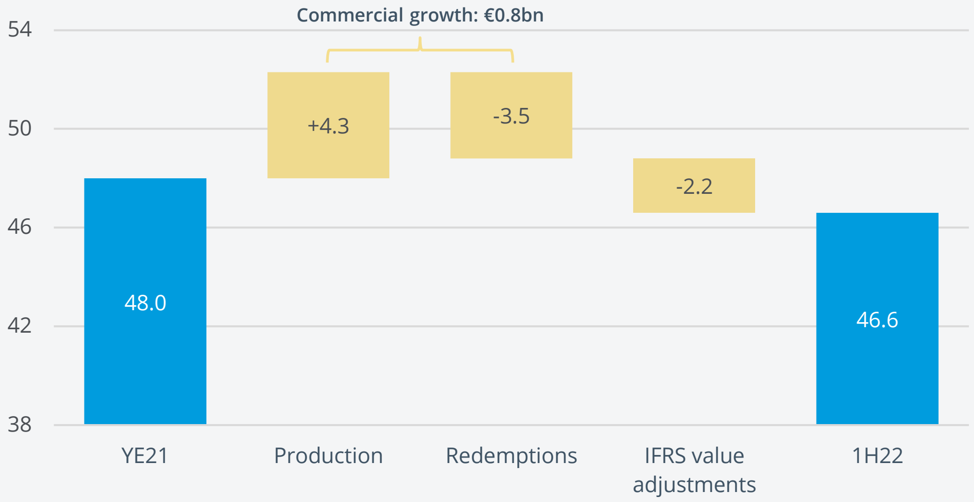
[3] Including regulatory levies, excluding incidental items

Commercial growth in residential mortgages as production outpaces redemptions

Mortgage production vs redemptions (in € bn)



Development residential mortgage portfolio (in € bn)[1]

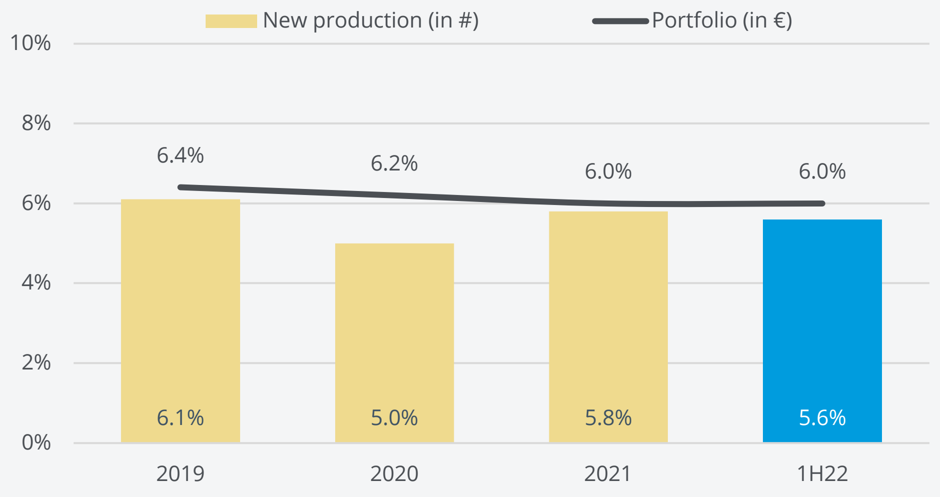


- In 1H22, new residential mortgage production grew to €4.3bn (1H21: €3.3bn). As mortgage rates began to rise in the first half of 2022, homeowners were eager to lock in rates for a longer period. Mortgage redemptions increased by €0.2bn to €3.5bn, mainly due to the rising mortgage refinancing volumes
- The residential mortgage portfolio, including IFRS value adjustments, decreased by €1.4bn to €46.6bn, as commercial growth (€0.8bn) was more than offset by a €2.2bn decrease in IFRS value adjustments, due to the increase in interest rates
- Interest rate renewals rose to €1.4bn (1H21: €1.3bn), due to higher early renewals, partly compensated by lower regular renewals; the share of early renewals was ~63% (1H21: ~41%)

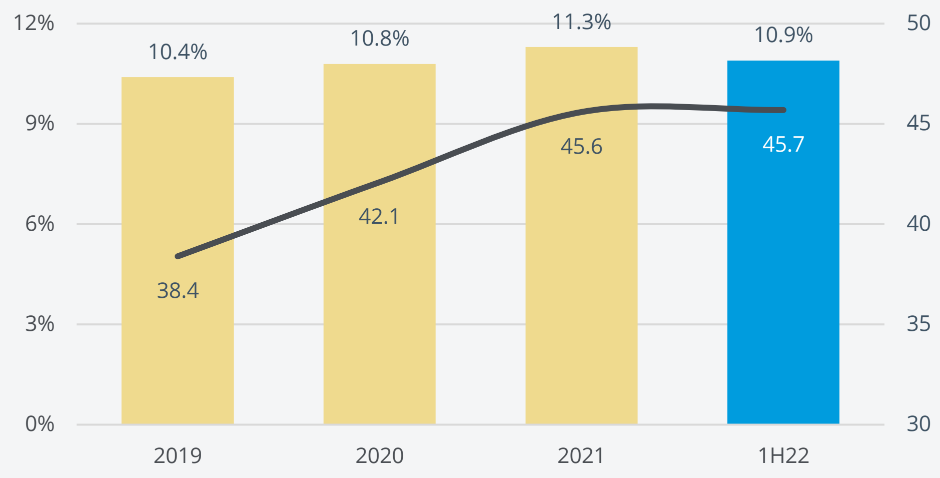
[1] As from 2022, funds for new mortgage loans that have been deposited by de Volksbank at a Notary Public's third-party account, but of which the deed of transfer of title has not yet been signed at said Notary Public's office, are presented in line item Other assets.. Comparative figures for 2021 have been adjusted accordingly

Market shares of new residential mortgage production and retail savings down slightly

Market share of residential mortgage loans



Market share and portfolio of retail savings (RHS in € bn)

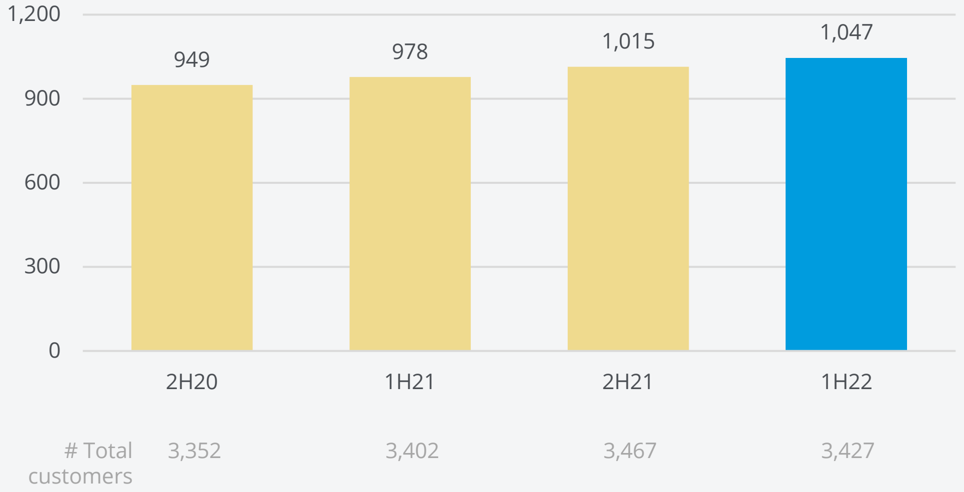


- Our market share of new residential mortgage production decreased to 5.6% (2021: 5.8%), in a rapidly changing housing market environment
- Mortgage rates increased sharply: In early 2022, a 10-year mortgage was still available at a rate of 1.1%, but at the end of June this rate had risen to 3.6%
- On average, house prices were 19% higher YoY and the number of transactions declined by 23% YoY

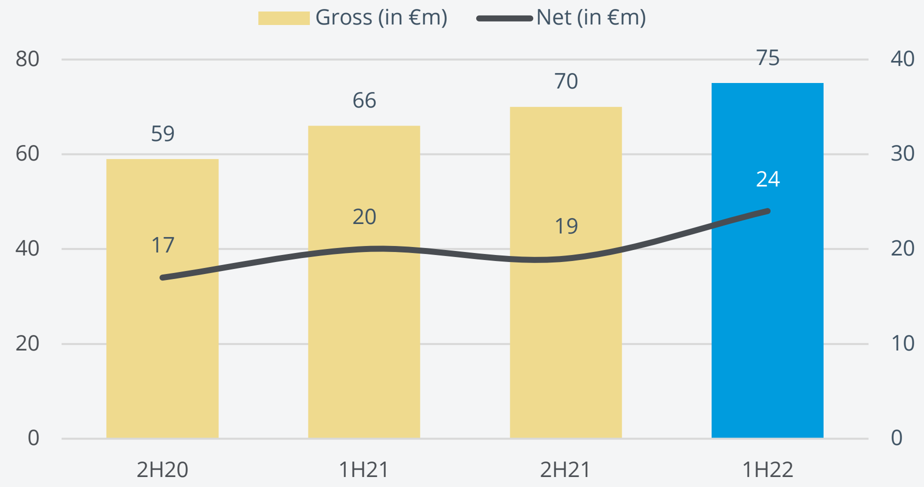
- Our retail savings balances increased marginally to €45.7bn (+€0.1bn)
- The market share of retail savings dropped to 10.9% (2021: 11.3%)
- As from 1 July 2021, de Volksbank brands charge 0.5% interest per year on that part of the balance that exceeds €100,000. We announced that we will remove negative interest rates as from 1 October 2022

Increase in active multi-customers and fee and commission income

Development in active multi-customers (in thousands)



Gross/Net fee and commission income



- In 1H22, the number of active multi-customers rose by 32,000 to 1,047,000. Our target for YE25 has been set at 1.3m
- In 1H22, the total customer base decreased by 40,000, due to the outflow of mono-savings customers following the announcement of '*Basisbankieren*' which consists of the bundling of basic banking services, i.e. payments, savings and personal service, into one package, coupled to a monthly fee

- Gross and net fee income and commission income increased by 14% and 20% respectively, mainly driven by higher mortgage advisory fees and the contribution of property valuation platform Fitrex, acquired on 1 September 2021
- In line with our strategy, both fee income per customer and fee income versus interest income increased

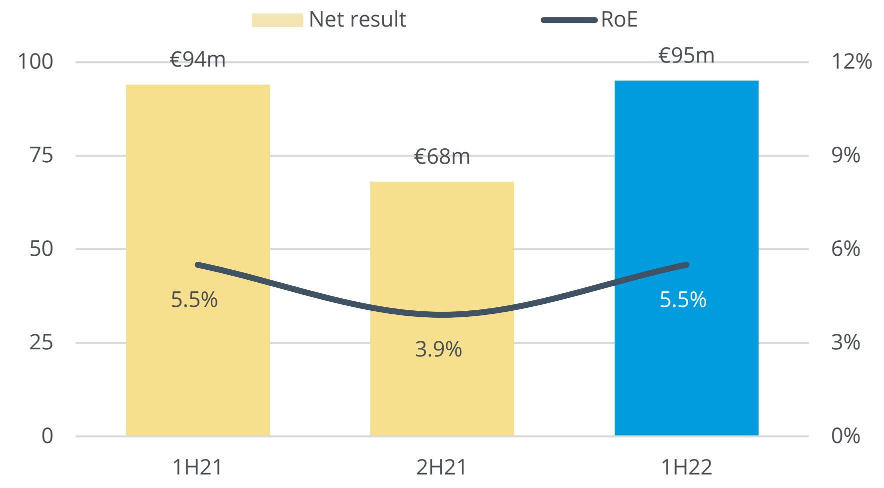
2. Financial results & outlook

Net profit virtually stable at €95m, supported by high results on financial instruments and higher fee and commission income

Result (in € millions)

	1H21	2H21	1H22	1H22/ 1H21	1H22/ 2H21
Total income	417	410	463	*+11%*	*+13%*
Total operating expenses	322	345	323	*+0%*	*-6%*
Impairment charges	-31	-27	11	--	--
Result before tax	**126**	**92**	**129**	*+2%*	*+40%*
Taxation	32	24	34	*+6%*	*+42%*
Net result	**94**	**68**	**95**	*+1%*	*+40%*
Incidental items	6	11	--	--	--
Adjusted net result	**88**	**57**	**95**	*+8%*	*+67%*
Return on equity	5.5%	3.9%	5.5%		
Adjusted Return on equity	5.1%	3.3%	5.5%		

Net result and Return on Equity



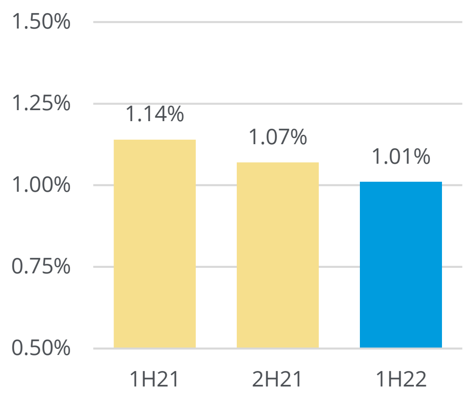
- Compared with 1H21, net profit increased by €1m to €95m, due to €46m higher total income. This was almost fully offset by a €42m swing in impairment charges and €1m higher operating expenses
- Compared with 2H21, net profit increased by €27m, attributable to €53m higher total income and €22m lower operating expenses, partly compensated by a €38m swing in impairment charges
- Return on equity remained stable at 5.5%
- Adjusted for incidental items, net profit rose by 8%. Incidental items in 2021 consisted of positive revaluations of a previous contribution made under the DGS related to the insolvency of DSB

Total income up 11%, driven by high results on financial instruments and higher fee and commission income

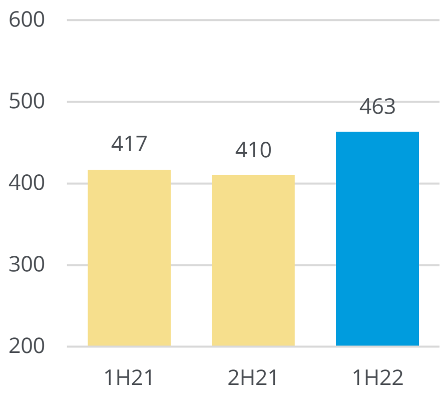
Income (in € millions)

	1H21	2H21	1H22	1H22/ 1H21	1H22/ 2H21
Net interest income	392	383	372	*-5%*	*-3%*
Net fee and commission income	20	19	24	*+20%*	*+26%*
Investment income	-2	5	-2	--	--
Other results on financial instruments	7	3	69	*+100%*	*+100%*
Total income	**417**	**410**	**463**	*+11%*	*+13%*

Net interest margin
(as a % of average assets)



Total income
(in € millions)



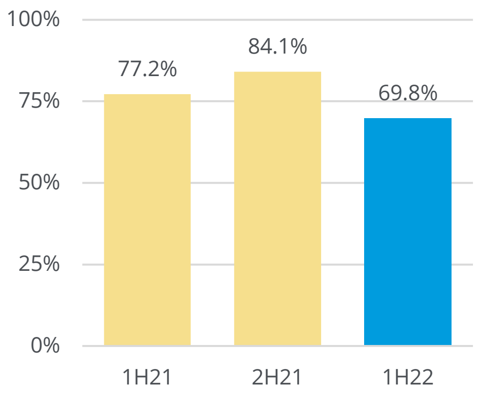
- Net interest income declined by €20m to €372m (-5%) mainly due to lower income on mortgages as a result of interest rate renewals at lower rates. In addition, the interest paid on liquidities deposited with financial institutions, such as the ECB, rose and wholesale funding expenses were higher due to issuances of senior non-preferred debt and covered bonds. These elements were only partially compensated by lower interest expenses on savings and higher compensation for loss of interest on account of early repayments (€49m; 1H21: €38m)
- The net interest margin dropped from 1.14% to 1.01%, mainly driven by lower net interest income
- Net fee and commission income showed a €4m increase to €24m, mainly driven by higher advisory fees driven by higher mortgage advisory fees and the contribution of property valuation platform Fitrex, acquired on 1 September 2021. Management fees were virtually stable, while assets under management to dropped to €4.0bn (YE21: €4.8bn) as a result of negative stock market developments
- Investment income amounted to -€2m, equal to 1H21, and consisted entirely of realised results on fixed-income investments in both periods, sold as part of asset and liability management and optimisation of the investment portfolio
- Other results on financial instruments amounted to €69m. This high level was driven by extraordinary circumstances on financial markets, as evidenced in a sharp increase in interest rates and high volatility. Of these results, €51m is attributable to results on swaptions, which are used to protect our long-term interest income against sharply rising interest rates as of 2021. In addition, trading results and hedge accounting results on investments were higher

Operating expenses virtually stable at €323m; 2% lower when adjusted for incidental items

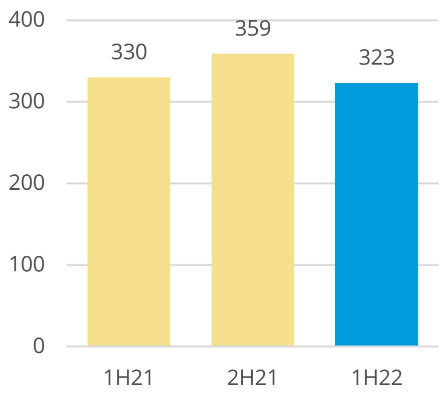
Operating expenses (in € millions)

	1H21	2H21	1H22	1H22/ 1H21	1H22/ 2H21
Total operating expenses	**322**	**345**	**323**	*+0%*	*-6%*
Incidental items	-8	-14	--	--	--
Adjusted operating expenses	**330**	**359**	**323**	*-2%*	*-10%*
- of which regulatory levies	*40*	*39*	*41*	*+2%*	*+5%*
Total FTEs	**3,994**	**3,961**	**3,923**	*-2%*	*-1%*
Internal FTEs	3,228	3,178	3,162	*-2%*	*-1%*
External FTEs	766	783	761	*-1%*	*-3%*

Cost/income ratio



Adjusted operating expenses
(in € millions)



- Total operating expenses were virtually stable at €323m (1H21: €322m). In 1H21, operating expenses were positively impacted by an incidental item, consisting of a €8m revaluation of a previous contribution made under the DGS in relation to the insolvency of DSB. Adjusted for this, operating expenses decreased by 2%, from €330m in 1H21 to €323m
- Regulatory levies went up by €1m to €41m and consisted of a €14m contribution to the resolution fund (1H21: €11m) and a €27m ex-ante contribution to the DGS (1H21: €29m)
- Excluding incidental items and regulatory levies, operating expenses decreased by €8m to €282m, mainly due to lower consultancy costs, the release of a provision for legal proceedings and lower staff costs
- Compared with YE21, the number of internal employees decreased by 16 to 3,162 FTEs and the number of external FTE by 22 to 761. The decrease in the total number of FTEs was partly related to the transition to an agile way of working, which was implemented as from 1 March 2022

Loan impairments: a €11m charge, compared with a €31 million reversal in 1H21

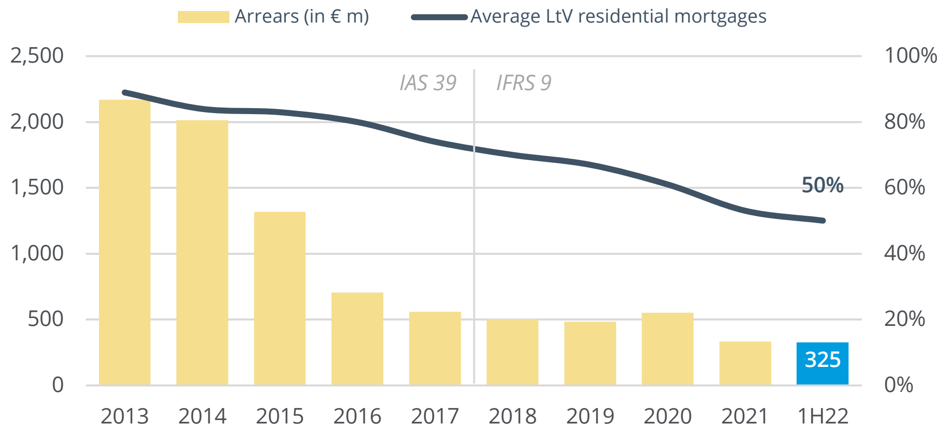
Loan impairments (in € millions)

	1H21	2H21	1H22
Residential mortgages	-21	-25	-2
SME loans	-7	-5	-2
Consumer loans	-1	4	-2
Other	-2	-1	17
Total loan impairment charges	**-31**	**-27**	**11**
Cost of risk residential mortgages	-0.09%	-0.11%	-0.01%
Cost of risk total loans	-0.13%	-0.12%	0.03%

Base scenario macroeconomic parameters

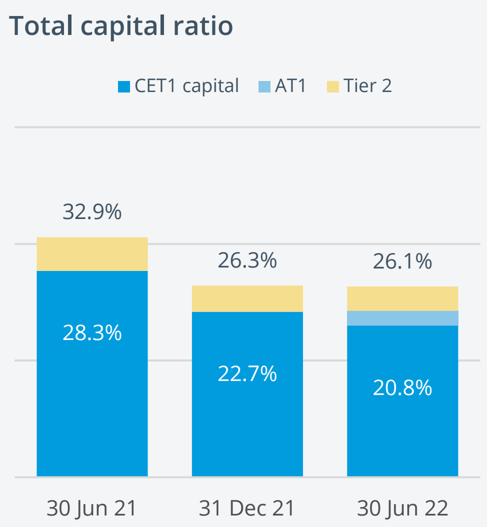
Scenarios as at	31 December 2021		30 June 2022	
	2022	2023	HY 2023	HY 2024
Relative change in house price index	5.3%	4.4%	-3.1%	4.1%
Unemployment rate	2.9%	2.6%	4.7%	4.7%
Number of bankruptcies (monthly)	239	241	366	456

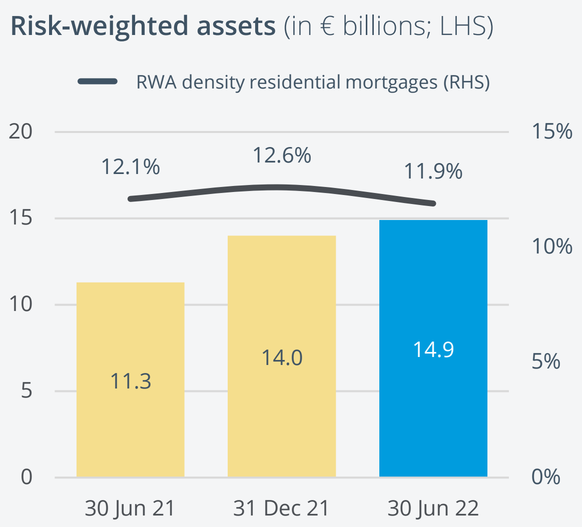
Residential mortgages in arrears; average LtV

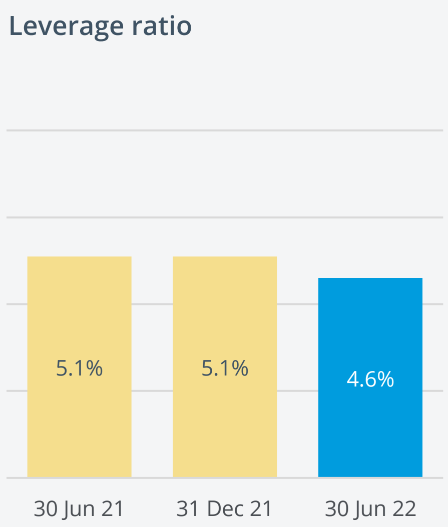


- 1H22 loan impairment charges amounted to €11m, wholly due to the increased credit risk on corporate loans
- Reversal in impairment charges on residential mortgage loans amounted to €2m, as the impact of a less positive macroeconomic outlook was more than offset by a decrease in the Covid-19 related management overlay and a lower general management overlay in place to cover the risk of a big drop in residential house prices. On the other hand, we have now included a management overlay to reflect the risk of high inflation that may affect our customers' payment capacity
- The average LtV of residential mortgages continued to decline to 50% (YE21: 53%)

Decrease in CET1 capital ratio primarily due to an increase in risk-weighted assets







- In 1H22, the CET1 capital ratio decreased to 20.8% (YE21: 22.7%), primarily due to an increase in risk-weighted assets (RWA)
  - CET1 capital decreased by €80m, as net profit retention (adjusted for 60% regular dividend pay-out ratio) was more than offset by a €105m decrease in the fair value reserve
  - RWA increased by €0.9bn, largely due to the increased risk-weighted short-term exposures to other financial institutions. RWA for our residential mortgage portfolio, calculated according to the Internal Rating Based (IRB) approach, decreased due to the continued improvement of our customers' average credit quality
- In 1H22, the leverage ratio decreased to 4.6%, as a result of the expiration of the ECB's temporary Covid-19 relief measure on 1 April 2022 to exclude certain central bank exposures from the leverage ratio exposure
- In order to strengthen and diversify our capital and MREL position, we issued €500m of green senior non-preferred (SNP) notes in April 2022, followed by the issuance of €300m of green Additional Tier 1 notes in June 2022
- As at the end of June 2022, we estimate that our RWA according to fully phased-in Basel IV standards would be similar to our total RWA under current regulations. The pro-forma Basel IV CET1 ratio stood at 20.8%

Outlook

- We expect the decrease in net interest income to come to a halt in the course of 2022, despite sharply lower compensation received for loss of interest on account of early repayments of mortgages. The expected rebound in the second half of 2022 is the result of higher interest income on mortgages and other assets and lower hedging costs in the rising interest rate environment. Net fee and commission income in the second half of 2022 is expected to be higher compared with the first half of 2022, reflecting the continued progress of our growth initiatives. Other results on financial instruments are expected to drop sharply compared with the exceptionally high level in the first half of 2022

- In all, we expect total income to be up compared with the 2021 level

- Operating expenses in the second half of 2022 are expected to be higher compared with the first half of 2022, mainly driven by strategy-related expenses. For 2022 as a whole, operating expenses are projected to be higher compared with 2021 due to the absence of the one-off gain of 2021

- Economic developments in the Netherlands and their consequences for the financial resilience of our customers are highly uncertain. This may affect our credit loss provisioning. Based on the current outlook and due to the sound quality of our loan portfolio, we expect the level of impairment charges on loans and advances to be low in the second half of 2022

- All things considered, we expect the net profit for 2022 to hold up compared with the 2021 level

Questions & answers

3. Appendices

Summary P&L

In € millions	2020	2021	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21	1H22
Net interest income	850	775	455	453	442	433	436	414	392	383	372
Net fee and commission income	46	39	21	23	25	26	29	17	20	19	24
Other income	27	13	4	2	4	-1	15	12	5	8	67
Total income	**923**	**827**	**480**	**478**	**471**	**458**	**480**	**443**	**417**	**410**	**463**
Total operating expenses	652	667	301	308	278	296	292	360	322	345	323
Impairment charges	38	-58	-16	4	-13	6	45	-7	-31	-27	11
Total expenses	**690**	**609**	**285**	**312**	**265**	**302**	**337**	**353**	**291**	**318**	**334**
Result before tax	**233**	**218**	**195**	**166**	**206**	**156**	**143**	**90**	**126**	**92**	**129**
Taxation	59	56	46	47	52	35	37	22	32	24	34
Net result	**174**	**162**	**149**	**119**	**154**	**121**	**106**	**68**	**94**	**68**	**95**
Incidental items	-34	17	--	--	--	--	--	-34	-6	-11	--
Adjusted net result	**208**	**145**	**149**	**119**	**154**	**121**	**106**	**102**	**88**	**57**	**95**
Ratios											
Cost/income ratio	70.6%	80.7%	62.7%	64.4%	59.0%	64.6%	60.8%	81.3%	77.2%	84.1%	69.8%
Adjusted cost/income ratio	65.8%	83.3%	62.7%	64.4%	59.0%	64.6%	60.8%	71.1%	79.1%	87.6%	69.8%
Cost/asset ratio	0.92%	0.84%	0.88%	0.94%	0.81%	0.86%	0.83%	1.01%	0.82%	0.86%	0.77%
Net interest margin	1.30%	1.11%	1.47%	1.47%	1.40%	1.34%	1.35%	1.25%	1.14%	1.07%	1.01%
Cost of risk residential mortgages	0.06%	-0.10%	-0.03%	0.01%	-0.03%	0.04%	0.14%	-0.02%	-0.09%	-0.11%	-0.01%
RoE	5.1%	4.7%	8.5%	6.8%	8.6%	6.7%	6.2%	4.0%	5.5%	3.9%	5.5%
Adjusted RoE	6.1%	4.2%	8.5%	6.8%	8.6%	6.7%	6.2%	5.9%	5.1%	3.3%	5.5%

Summary balance sheet

In € millions	30-06-2018	31-12-2018	30-06-2019	31-12-2019	30-06-2020	31-12-2020	30-06-2021	31-12-2021	30-06-2022
Total assets	**62,534**	**60,948**	**63,941**	**62,841**	**65,378**	**67,484**	**70,473**	**72,081**	**74,857**
Cash and cash equivalents	3,114	815	1,948	2,026	1,079	4,672	8,036	10,305	9,111
Loans and advances to banks	2,373	3,589	4,208	3,791	6,817	5,990	5,759	4,527	7,444
Loans and advances to customers	50,197	50,536	51,551	50,461	50,867	50,542	50,127	50,570	49,363
Derivatives	898	732	705	718	702	864	588	591	2,839
Investments	5,331	4,782	4,914	5,350	5,469	5,114	5,494	5,638	5,427
Tangible and intangible assets	76	69	139	128	114	110	90	93	87
Tax assets	214	133	133	99	64	42	64	39	82
Other assets	331	292	342	268	266	150	314	318	504
Total liabilities and equity	**62,534**	**60,948**	**63,941**	**62,841**	**65,378**	**67,484**	**70,473**	**72,081**	**74,857**
Savings	*37,674*	*37,376*	*38,475*	*38,404*	*40,521*	*42,111*	*44,689*	*45,646*	*45,744*
Other amounts due to customers	*10,835*	*10,841*	*11,298*	*10,641*	*11,073*	*11,541*	*11,757*	*12,482*	*12,978*
Amounts due to customers	**48,509**	**48,217**	**49,773**	**48,664**	**51,594**	**53,652**	**56,446**	**58,128**	**58,722**
Amounts due to banks	2,859	1,116	891	541	246	945	1,175	1,059	2,711
Debt certificates	5,378	5,822	6,490	6,906	6,545	6,119	6,885	7,402	7,588
Derivatives	1,091	1,120	1,926	1,841	2,188	2,163	1,256	1,013	1,037
Tax liabilities	20	15	15	15	16	17	12	9	7
Other liabilities	598	487	679	492	852	558	694	382	529
Provisions	112	98	72	64	45	80	77	102	84
Participation certificates and subordinated debt	511	502	512	502	510	500	504	500	504
Shareholders' equity	3,456	3,571	3,578	3,435	3,382	3,450	3,424	3,486	3,675

Key balance sheet items

Key balance sheet items (in € millions)

	31 Dec 21	30 Jun 22	Δ
Total assets	**72,081**	**74,857**	*+4%*
Cash and cash equivalents	10,296	9,111	*-12%*
Loans and advances to customers	**50,570**	**49,363**	*-2%*
- of which residential mortgages	47,945	46,565	*-3%*
- of which consumer loans	42	42	*0%*
- of which SME loans	807	954	*+18%*
- of which other, including (semi-) public sector loans	1,776	1,802	*+1%*
Loans and advances to banks	4,527	7,444	*+64%*
Investments	5,638	5,427	*-4%*
Amounts due to customers	**58,128**	**58,722**	*+1%*
- of which retail savings	45,646	45,744	*+0%*
- of which other amounts due to customers	12,482	12,978	*+4%*
Amounts due to banks	1,059	2,711	*+156%*
Debt certificates	7,402	7,588	*+3%*
Shareholders' equity	3,486	3,675	*+6%*

Comments

- In 1H22, the balance sheet total increased by €2.8bn to €74.9bn, mainly driven by cash management transactions. Cash and cash equivalents decreased by €1.2bn. The opposite effect was visible in a €2.9bn increase in loans and advances to banks (partly reflecting an increase in collateral posted) and a €1.7bn increase in amounts due to banks (partly reflecting an increase in received collateral)
- Loans and advances to customers decreased by €1.2bn, driven by a €2.2bn decrease in IFRS value adjustments, due to the increase in interest rates. Excluding this effect, loans and advances to customers increased by €1.0bn, consisting of:
  - Commercial growth of residential mortgages amounted to €0.8bn
  - SME loans increased by €147m to €954m
- Amounts due to customers increased by €0.6bn, mainly due to an increase in current account balances
- Debt certificates increased by €186m, due to the issuance of green senior non-preferred notes totalling €500m, partly offset by the redemption of €0.2bn in green senior preferred notes
- Shareholders' equity rose by €189m to ~€3.7bn, mainly due to the issuance of €300m green Additional Tier 1 notes and 1H22 net profit (€95m), partly offset by the 2021 dividend payment (€97m) and a decrease in the fair value reserve (€105m) as a result of the increased interest rates

Breakdown of loans and advances to customers

in € millions	30 June 2021 Gross amount	30 June 2021 Loan loss provision	30 June 2021 Coverage ratio	31 December 2021 Gross amount	31 December 2021 Loan loss provision	31 December 2021 Coverage ratio	30 June 2022 Gross amount	30 June 2022 Loan loss provision	30 June 2022 Coverage ratio
Stage 1	**46,167**	**38**	**0.1%**	**47,435**	**39**	**0.1%**	**46,861**	**47**	**0.1%**
- of which residential mortgages	43,638	30	0.1%	45,102	32	0.1%	46,105	43	0.1%
- of which consumer loans	32	--	0.0%	28	--	0.0%	24	--	0.0%
- of which SME loans	600	7	1.2%	652	6	0.9%	838	3	0.4%
- of which other commercial loans and loans to public sector	1,897	1	0.1%	1,653	1	0.1%	1,714	1	0.1%
Stage 2	**2,436**	**36**	**1.5%**	**1,825**	**1,797**	**1.5%**	**1,631**	**23**	**1.4%**
- of which residential mortgages	2,149	30	1.4%	1,575	1.551	1.5%	1,462	16	1.1%
- of which consumer loans	12	1	8.3%	14	14	0.0%	19	1	5.3%
- of which SME loans	104	4	3.8%	112	108	3.6%	90	6	6.7%
- of which other commercial loans and loans to public sector	171	1	0.6%	124	124	0.0%	60	--	0.0%
Stage 3	**566**	**64**	**11.3%**	**607**	**40**	**6.6%**	**523**	**49**	**9.4%**
- of which residential mortgages	491	37	7.5%	531	17	3.2%	424	14	3.3%
- of which consumer loans	10	9	90.0%	10	10	100.0%	9	9	100.0%
- of which SME loans	64	18	28.1%	66	13	19.7%	47	12	25.5%
- of which other commercial loans and loans to public sector	1	--	0.0%	--	--	--	43	14	32.6%
Total stage 1, 2, 3	**49,169**	**138**	**0.3%**	**49,867**	**107**	**0.2%**	**50,835**	**119**	**0.2%**
- of which residential mortgages[1]	46,278	97	0.2%	47,208	73	0.2%	47,991	73	0.2%
- of which consumer loans	54	10	18.5%	52	10	19.2%	52	10	19.2%
- of which SME loans[2]	768	29	3.8%	830	23	2.8%	975	21	2.2%
- of which other commercial loans and loans to public sector	2,069	2	0.1%	1,777	1	0.1%	1,817	15	0.8%
IFRS value adjustments[3]	1,098	--	--	810	--	--	-1,353	--	--
Total loans and advances to customers	**50,267**	**138**	**0.3%**	**50,677**	**107**	**0.2%**	**49,482**	**119**	**0.2%**
Off-balance sheet items[4]	3,236	4	0.1%	3,386	13	0.4%	3,118	13	0.4%
Total on and off-balance sheet	**53,503**	**142**	**0.3%**	**54,063**	**120**	**0.2%**	**52,600**	**132**	**0.3%**

[1] As from 2022, funds for new mortgage loans that have been deposited by de Volksbank at a Notary Public's third-party account, but of which the deed of transfer of title has not yet been signed at said Notary Public's office, are presented in line item Other assets.. Comparative figures for 2021 have been adjusted accordingly
[2] Gross SME loans include mortgage-backed loans for a gross amount of € 939 million
[3] Consisting of fair value adjustments from hedge accounting and amortisations
[4] Off-balance sheet: liabilities from irrevocable facilities, guarantees and repurchase commitments

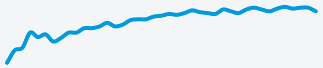
Quality of residential mortgages

in € millions	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022
Gross loans	**46,370**	**46,824**	**47,162**	**46,963**	**46,664**	**46,236**	**46,278**	**47,208**	**47,991**
- of which stage 1	43,706	44,236	45,005	43,977	43,166	43,154	43,638	45,102	46,105
- of which stage 2	2,030	2,039	1,657	2,446	2,949	2,539	2,149	1,575	1,462
- of which stage 3	634	549	500	540	549	543	491	531	424
Loan loss provisions	**61**	**58**	**53**	**71**	**110**	**111**	**97**	**73**	**73**
- of which stage 1	2	2	2	6	24	24	30	32	43
- of which stage 2	11	10	9	22	35	52	30	24	16
- of which stage 3	48	46	42	43	51	35	37	17	14
Stage 2 as a % of gross loans	4.4%	4.4%	3.5%	5.2%	6.3%	5.5%	4.6%	3.3%	3.0%
Stage 2 coverage ratio[1]	0.5%	0.5%	0.5%	0.9%	1.2%	2.0%	1.4%	1.5%	1.1%
Stage 3 as a % of gross loans	1.4%	1.2%	1.1%	1.1%	1.2%	1.2%	1.1%	1.1%	0.9%
Stage 3 coverage ratio[1]	7.6%	8.4%	8.4%	8.0%	9.3%	6.4%	7.5%	3.2%	3.3%
Net loans excluding IFRS adjustments	**46,309**	**46,766**	**47,109**	**46,892**	**46,554**	**46,125**	**46,181**	**47,135**	**47,918**
IFRS adjustments	356	496	1,293	1,198	1,597	1,572	1,098	810	-1.353
Total net loans	**46,665**	**47,262**	**48,401**	**48,090**	**48,151**	**47,697**	**47,279**	**47,945**	**46,565**
Irrevocable loan commitments and financial guarantee contracts	1,769	1,796	1,692	1,598	2,021	1,924	2,293	2,329	2,059
Provision off-balance sheet items	1	0	1	1	1	1	1	7	8
Coverage ratio off-balance sheet items	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.3%	0.4%
Total gross on and off-balance sheet exposure	**48,339**	**48,620**	**48,854**	**48,561**	**48,685**	**48,160**	**48,571**	**49,537**	**50,050**
Impairment charges	-8	-8	-8	2	33	29	-21	-58	-2
Provision as a % of gross loans	0.13%	0.12%	0.11%	0.15%	0.24%	0.24%	0.21%	0.15%	0.15%
Cost of risk[2]	-0.03%	-0.02%	-0.03%	0.00%	0.14%	0.06%	-0.09%	-0.10%	-0.01%

[1] Stage 2/3 loan loss provision as a % of gross exposure to stage 2/3
[2] Impairment charges as a % of average gross exposure -/- IFRS adjustments

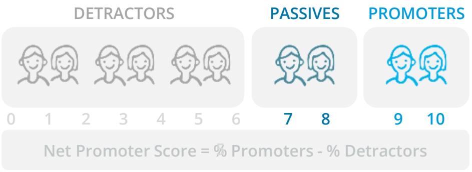
Customer-weighted NPS lower at +3

Net Promoter Score

Brand	2016	2017	2018	2019	2020	2021	1H22	Trend 2010-1H22*
SNS	-18	-13	-11	-11	-9	**-5**	**-9**	
ASN Bank	+14	+17	+18	+17	+16	**+20**	**+18**	
RegioBank	+2	+7	+12	+14	+14	**+14**	**+16**	
BLG Wonen	-29	-24	-22	-17	-5	**-1**	**-2**	
Customer-weighted average	**-8**	**-3**	**-1**	**0**	**+2**	**+6**	**+3**	

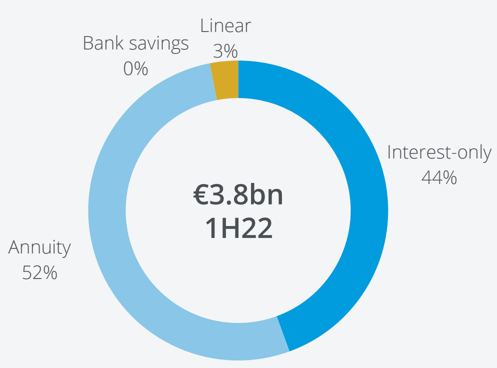
** BLG Wonen's measurement started in 1H13*

- After reaching an all-time high score in 2021 of +6, the customer-weighted NPS decreased to +3. Only RegioBank showed an increase, from +14 to +16. SNS, ASN Bank and BLG Wonen showed a decline, which was also visible at most other Dutch banks
- Despite showing a slightly lower NPS, BLG Wonen reached its highest level of promoters in the first half of 2022
- ASN Bank and RegioBank remain among the select group of Dutch banks with a positive NPS

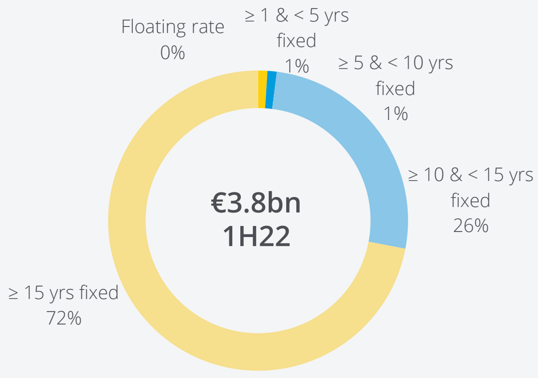


Residential mortgage production

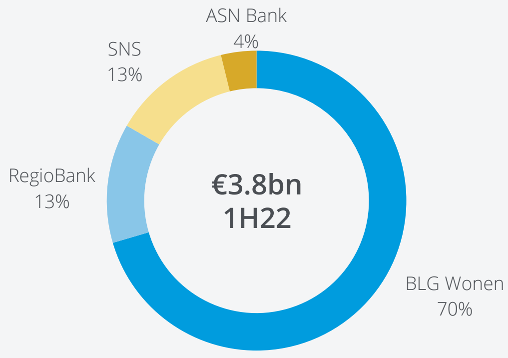
Residential mortgage production by redemption type[1]



Residential mortgage production by interest type[1]



Residential mortgage production by brand on own book[1]

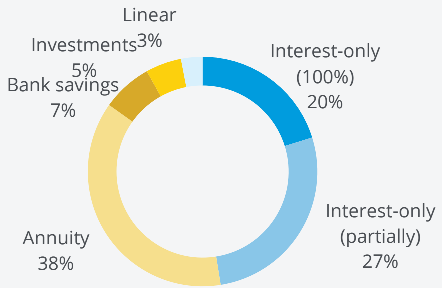


[1] Excluding bridge loans, and 'extra ruimte' mortgages

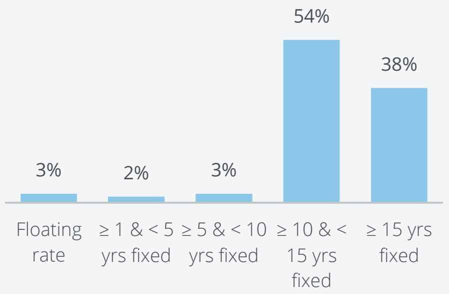
- As a result of rising interest rates, the share of annuity mortgages decreased in 1H22 to 52% (2021: 60%). The share of interest-only mortgages increased to 44% (2021: 36%)
- In 1H22, there was a continued strong demand for mortgages with longer term fixed-rate terms. In 2021, 71% of new residential mortgage production had a fixed-term rate of ≥ 15 years, in 1H22 this share increased to 72%

Residential mortgage portfolio

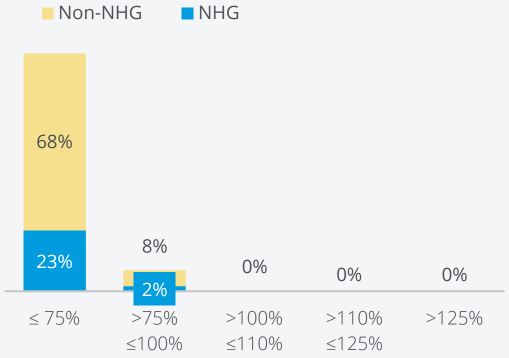
Residential mortgages by redemption type



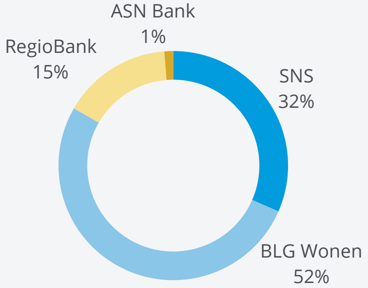
Residential mortgages by fixed-term maturity



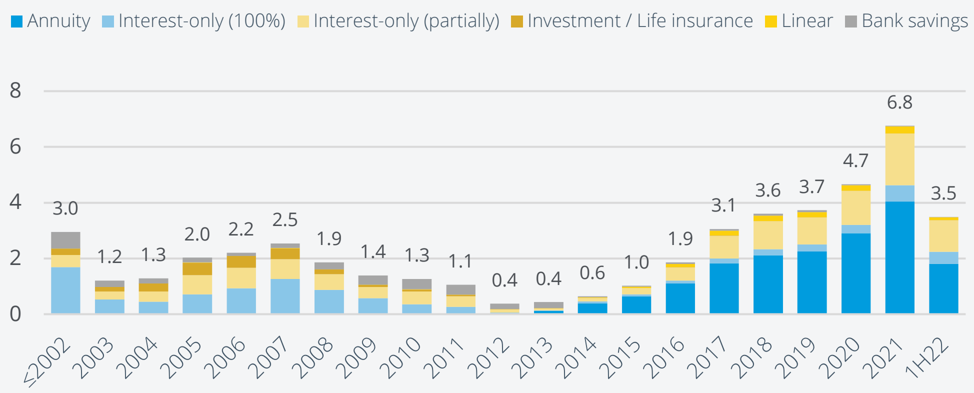
Residential mortgages by LtV bucket



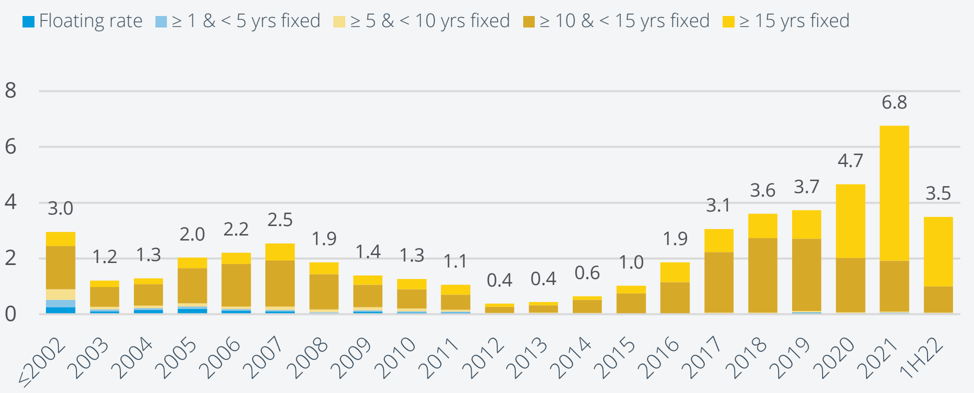
Residential mortgages by brand



Residential mortgages by year of origination and redemption type (in € billions)



Residential mortgages by year of origination and fixed-rate term (in € billions)



Quality of SME loans

in € millions	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022
Gross loans	**753**	**743**	**730**	**704**	**690**	**724**	**768**	**830**	**975**
- of which stage 1	553	558	565	566	506	558	600	652	838
- of which stage 2	103	99	85	67	96	86	104	112	90
- of which stage 3	97	86	80	71	89	80	64	66	47
Loan loss provisions	**40**	**41**	**38**	**31**	**36**	**38**	**29**	**23**	**21**
- of which stage 1	1	1	1	1	1	6	7	6	3
- of which stage 2	8	7	6	5	9	5	4	4	6
- of which stage 3	31	33	31	25	26	27	18	13	12
Stage 2 as a % of gross loans	13.7%	13.3%	11.6%	9.5%	13.9%	11.9%	13.5%	13.3%	9.2%
Stage 2 coverage ratio[1]	7.8%	7.1%	7.1%	7.5%	9.4%	5.8%	3.8%	3.6%	6.7%
Stage 3 as a % of gross loans	12.9%	11.6%	11.0%	10.1%	12.8%	11.0%	8.3%	7.8%	4.8%
Stage 3 coverage ratio[1]	32.0%	38.4%	38.8%	35.2%	29.2%	33.8%	28.1%	19.7%	25.5%
Total net loans	**713**	**702**	**692**	**669**	**654**	**686**	**739**	**807**	**954**
Irrevocable loan commitments and financial guarantee contracts	36	36	38	40	46	45	85	123	126
Provision off-balance sheet items	0	0	0	0	0	1	1	1	1
Coverage ratio off-balance sheet items	0.8%	0.8%	0.8%	0.0%	0.0%	2.2%	1.2%	0.8%	0.8%
Total gross on and off-balance sheet exposure	**789**	**779**	**768**	**744**	**740**	**769**	**853**	**853**	**1,101**
Impairment charges	-7	-5	-3	-8	5	8	-7	-12	-2
Provision as a % of gross loans	5.3%	5.5%	5.2%	4.4%	5.2%	5.2%	3.8%	2.7%	2.2%
Cost of risk[2]	-1.98%	-0.75%	-0.69%	-1.05%	1.56%	1.16%	-1.98%	-1.56%	-0.32%

[1] Stage 2/3 loan loss provision as a % of gross exposure stage 2/3
[2] Impairment charges as % of average gross exposure -/- IFRS adjustments

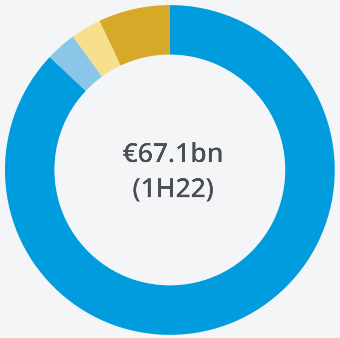
Quality of consumer loans

in € millions	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022
Gross loans	**123**	**110**	**90**	**87**	**70**	**63**	**54**	**52**	**52**
- of which stage 1	82	74	64	62	49	38	32	28	24
- of which stage 2	13	14	11	12	9	13	12	14	19
- of which stage 3	28	22	15	13	12	12	10	10	9
Loan loss provisions	**28**	**24**	**15**	**14**	**13**	**13**	**10**	**10**	**10**
- of which stage 1	0	0	0	0	0	0	0	0	0
- of which stage 2	1	2	1	1	1	1	1	0	1
- of which stage 3	27	22	14	13	12	12	9	10	9
Stage 2 as a % of gross loans	10.6%	12.7%	12.2%	13.8%	12.9%	20.6%	22.2.%	26.9%	36.5%
Stage 2 coverage ratio[1]	7.7%	14.3%	9.1%	8.3%	11.1%	7.7%	8.3%	0.0%	5.3%
Stage 3 as a % of gross loans	22.8%	20.0%	16.7%	14.9%	17.1%	19.0%	18.5%	19.2%	17.3%
Stage 3 coverage ratio[1]	96.4%	100.0%	93.3%	100.0%	100.0%	91.7%	90.0%	100.0%	100.0%
Total net loans	**95**	**86**	**75**	**73**	**58**	**51**	**44**	**42**	**42**
Irrevocable loan commitments and financial guarantee contracts	582	464	461	453	440	431	430	415	408
Provision off-balance sheet items	5	4	3	3	4	2	2	5	4
Coverage ratio off-balance sheet items	0.9%	0.9%	0.7%	0.7%	0.9%	0.5%	0.5%	1.2%	1.0%
Total gross on and off-balance sheet exposure	**705**	**574**	**551**	**540**	**510**	**494**	**484**	**467**	**460**
Impairment charges	-2	-1	--	-2	1	-1	-1	3	-2
Provision as a % of gross loans	22.8%	21.8%	16.7%	16.1%	18.6%	19.0%	18.5%	19.7%	19.2%
Cost of risk[2]	-0.45%	-0.18%	-0.1%	-0.5%	0.60%	-0.16%	-0.36%	0.65%	-0.85%

[1] Stage 2/3 loan loss provision as a % of gross exposure stage 2/3
[2] Impairment charges as % of average gross exposure -/- IFRS adjustments

Funding & liquidity

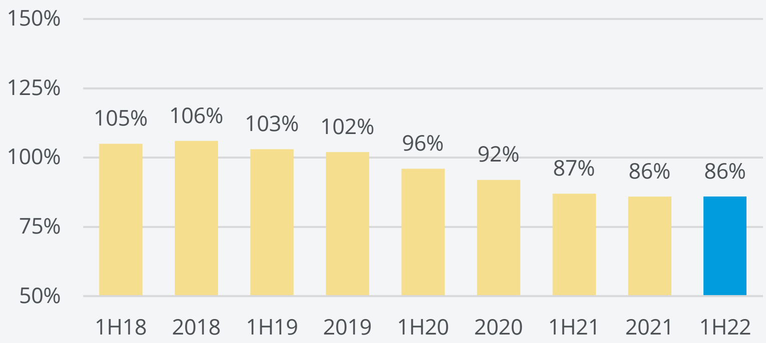
Funding mix



Liquidity position (in € millions)

	1H21	2021	1H22
Central bank reserves	8,391	10,707	9,502
Sovereigns	1,986	1,780	671
Regional/local governments & supranationals	1,512	1,567	1,631
Other liquid assets	544	618	850
Eligible retained RMBS	8,243	7,898	5,857
Liquidity position	**20,676**	**22,570**	**18,511**

Loan-to-Deposit ratio



Key liquidity indicators

	1H21	2021	1H22
LCR	261%	324%	359%
NSFR	171%	176%	179%
Loan-to-deposit ratio	87%	86%	86%

- Retail funding was marginally down to 87% (YE21: 88%)
- The Loan-to-Deposit ratio was stable at 86%, as loans and deposits increased by comparable amounts
- The liquidity position decreased to €18.5bn. Although cash inflows were substantially higher than cash outflows in the first half of 2022, central bank reserves decreased as a higher amount of available liquidity was invested in the money market. In addition, eligible retained RMBS decreased, mainly due to the call and non-replacement of the Lowland 4 transaction, and a higher amount of sovereign bonds was not registered in the DNB collateral pool as at 30 June 2022
- The LCR and NSFR remained well above 100%

Investment portfolio

Breakdown by sector (in € billions)

	2021	%	1H22	%
Sovereigns	3.3	59%	2.8	51%
Financials	1.5	27%	1.7	31%
Corporates	0.8	14%	1.0	18%
Other	0.0	0%	0.0	0%
Total	**5.6**	**100%**	**5.4**	**100%**

Breakdown by maturity (in € billions)

	2021	%	1H22	%
< 3 months	0.2	4%	0.3	6%
< 1 year	0.5	9%	0.4	7%
< 3 years	1.2	21%	1.1	20%
< 5 years	1.1	20%	1.2	22%
< 10 years	2.3	41%	2.0	37%
< 15 years	0.2	4%	0.3	6%
> 15 years	0.1	2%	0.1	2%
Total	**5.6**	**100%**	**5.4**	**100%**

Breakdown by rating (in € billions)

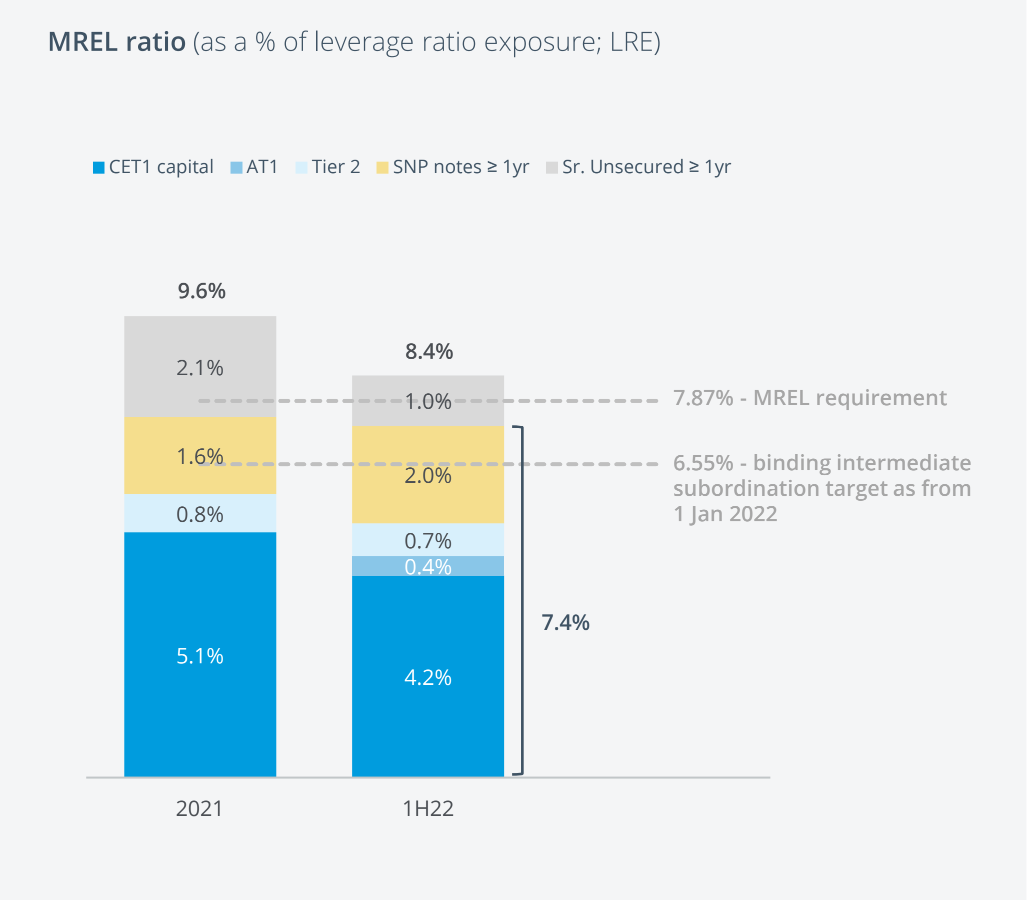
	2021	%	1H22	%
AAA	2.9	52%	3.0	55%
AA	1.9	34%	1.7	32%
A	0.4	7%	0.4	7%
BBB	0.2	%	0.3	6%
< BBB	0.0	0%	0.0	0%
No rating	0.1	2%	0.0	0%
Total	**5.6**	**100%**	**5.4**	**100%**

Breakdown by country (in € millions)

	2021	%	1H22	%
Netherlands	1,308	23%	1,400	26%
Germany	1,560	28%	1,569	29%
France	799	14%	873	16%
Belgium	585	10%	372	7%
Other[1]	704	13%	722	13%
Austria	254	5%	209	4%
Spain	274	5%	221	4%
Ireland	128	2%	29	1%
Italy	12	0%	16	0%
Total	**5,624**	**100%**	**5,458**	**100%**

[1] Other mainly consists of Finland, Luxembourg, England, Norway and Canada

De Volksbank meets its MREL requirements

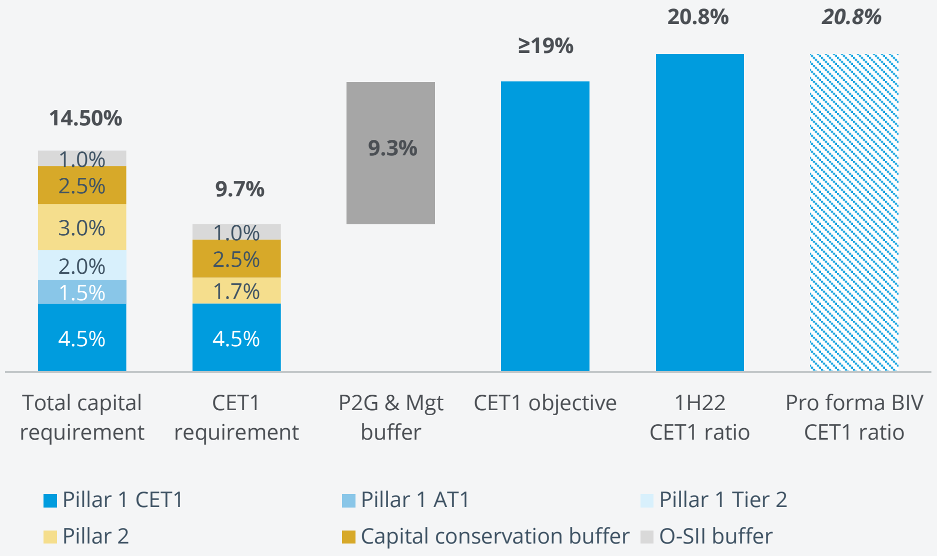


- On 10 May 2021, DNB – the national resolution authority – set the MREL requirement for de Volksbank at 7.87% of the leverage ratio exposure (LRE) to be met as from 1 January 2022
- As a binding intermediate target, de Volksbank has to meet a MREL of 6.55% of the LRE with subordinated instruments (Tier 1 capital, Tier 2 capital and SNP notes) as from 1 January 2022
- On 24 March 2022, DNB updated both the risk-weighted MREL requirements applicable as from 2022 and the MREL-LRE requirements to be met as from 1 January 2024
- The updated calibration of the MREL-LRE requirements as from 2024 was inflated due to the temporary ECB relief measure to exclude certain central bank exposures from the LRE. Given the expiration of this temporary measure on 1 April 2022, the final MREL-LRE requirements for 2024 will be recalibrated in the course of 2022
- In the meantime, the Single Resolution Board (SRB) has provided pro forma minimum final MREL-LRE requirements amounting to 7.82% based on the calibration that would have applied in the absence of the temporary ECB relief measure
- As from 1 January 2024, the final MREL-LRE requirement is to be fully met with subordinated instruments. The MREL requirement based on RWA amounts to 20.41%, excluding the Combined Buffer Requirement. For de Volksbank, the MREL-LRE requirements are more restrictive than the risk-weighted MREL requirements
- Based on its current capital and MREL position, de Volksbank plans to issue senior non-preferred (SNP) notes totalling €0.7bn to €1.3bn up to 2024, on top of the €1.5bn SNP debt instruments already issued

- As per 30 June 2022, the MREL-LRE ratio was equal to 8.4% (YE21: 9.6%)
- Including only total capital and eligible SNP liabilities, the MREL-LRE ratio decreased slightly to 7.4% (YE21: 7.5%), as the issuance of €0.3bn AT1 notes and €0.5bn SNP notes could not fully offset the increase in the LRE, which was caused by the expiration of the temporary ECB relief measure to exclude certain central bank exposures from the LRE

De Volksbank meets its SREP capital requirements

SREP capital requirement and CET1 ratio



- With effect from 1 March 2022, de Volksbank is required to meet a minimum total capital ratio of 14.5% (Overall Capital Requirement, OCR), of which at least 9.7% needs to be composed of CET1 capital. This obligation stems from the Supervisory Review and Evaluation Process (SREP) as performed by the ECB in 2021
- The OCR serves as the Maximum Distributable Amount trigger level, below which coupon or dividend payments are restricted
- As of 30 June 2022, de Volksbank's CET1 ratio stood at 20.8%. As at the end of June 2022, we estimate that our RWA according to fully phased-in Basel IV standards would be similar to our total RWA under current regulations

2025 long-term objectives

Customer

2025 objectives

Net Promoter Score

+13

Active multi-customers[1]

1,3 million

Society[2]

2025 objectives

Climate-neutral balance sheet

>75%
2030: 100%

Employee

Objectives

Genuine attention

≥ 7.5

Shareholder

Objectives

Return on equity[3]

2025: 8%

Dividend pay-out ratio

40-60% of net profit

Other objectives

CET1 ratio

≥ 19%

Basel IV fully phased-in

Leverage ratio

≥ 4.5%

Cost/Income ratio[4]

2025: 57-59%

Including regulatory levies

[1] Active multi-customer: a customer with a current account and at least one product from another product group, who has made at least ten customer-initiated transactions on his or her current account for three months in a row

[2] We want to make a positive contribution to society on four themes: sustainability, financial resilience, quality of life in the region and good housing for everyone. KPIs will be defined for all themes in due course

[3] For the next few years, we expect that the return on equity will be less than 8% based on the current outlook. Implementing the strategy, de Volksbank will make substantial investments in the years ahead to allow later growth to an RoE of 8% 2025

[4] We expect that the cost/income ratio will exceed this range in the next few years as the strategic initiatives are intended to produce an effect over the course of the years, both at the level of income and at the level of operating expenses

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