Utrecht, the Netherlands, 9 February 2024

2023 Results

Investor presentation

Martijn Gribnau, CEO
André Haag, CFO

Key points 2023

Focus on the implementation of our strategy in a dynamic and uncertain market environment

- **Strong customer relationship:** increase in the number of active multi-customers to 1,164m (YE22: 1,087m); stable customer-weighted Net Promoter Score (-1) and Customer Relationship Score (53)
- **Positive impact on society:** improvement in climate-neutral balance sheet[1] to 75% (YE22: 62%)

Growth in residential mortgages, SME loans and AuM; decrease in retail savings

- Growth in **residential mortgage portfolio** to €49.2bn (YE22: €48.3bn). Decrease in new mortgage production to €5.1bn (2022: €7.4bn), in line with a shrinking market
- Increase in **SME loans** of €150m (2022: €255m) to €1,235m
- **Retail savings** lower at €43.6bn (YE22: €44.5bn)
- **Assets under management** (AuM) €0.3bn up by €4.2bn, driven by higher stock markets

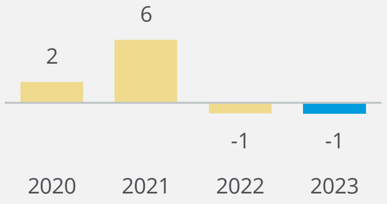
Sharp increase in net profit mainly driven by higher total income in a favourable interest rate environment

- **Net profit** more than doubled to €431m (2022: €191m), as a sharp rise in total income and lower impairment charges outpaced an increase in operating expenses

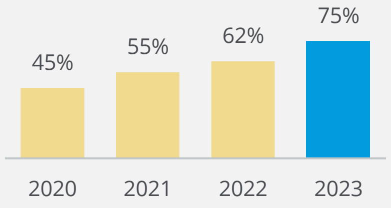
Capital position remains robust with capital ratios above our minimum objectives

- **CET1 capital ratio** virtually unchanged at 20.2% (YE22: 20.3%); **leverage ratio** of 5.1% (YE22: 4.7%)
- CET1 capital ratio objective revised from at least 19% to at least 17%, taking into account the reduced uncertainty about the impact of the implementation of Basel IV
- Proposed dividend for 2023: €164m (2022: €90m), corresponding to a 40% pay-out ratio

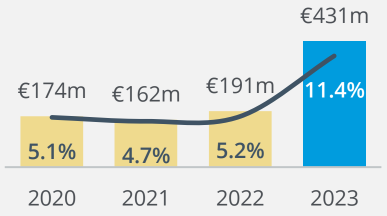
Customer-weighted Net Promoter Score



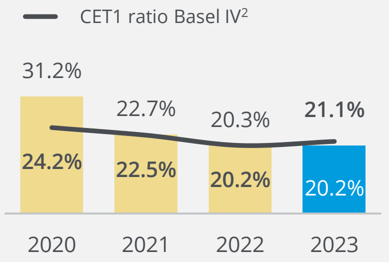
Climate-neutral balance sheet



Net result and RoE



CET1 capital ratio



[1] Measured using the PCAF methodology [2] Based on our balance sheet position as at 31 December 2023 and the political agreement reached on CRR III and CRD VI

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

Movements of change, capabilities and preconditions

- Digital and omnichannel dialogue
- Relevant product range, new propositions, small businesses as a new target group
- IT-based customer bank
- Capabilities
- Comply with laws & regulations

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 2023
Strong customer relationship	✓ The number of active multi-customers continued to grow, this year by 77,000 to 1.164 million ✓ Our customer-weighted Customer Relationship Score (53) and Net Promoter Score (-1) remained stable ✓ In May 2023, for the second year in a row, ASN Bank, RegioBank and SNS ranked 1, 2 and 3 in the survey into the 'most customer-friendly bank' in the Netherlands
Social impact	✓ One of our objectives is a climate-neutral balance sheet of at least 75% by 2025, measured using the PCAF methodology. In 2023, this score already improved to 75%, up 13 percentage points, due to an increase in purchased climate bonds and investments in renewable energy projects, and improved data quality and updated emission factors ✓ De Volksbank has recently been included in Sustainalytics' 2024 Top rated ESG companies list, based on our 2023 ESG risk rating score

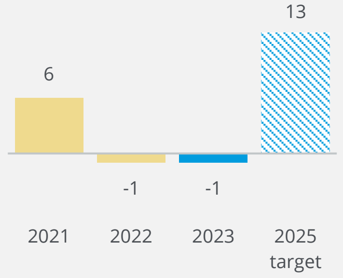
Progress on strategy: **four growth priorities**

Growth priority	Highlights 2023
asn bank Accelerating ASN Bank's growth as a digital, sustainable bank	✓ De Volksbank was once again rated the most sustainable bank in the Fair Bank Guide, based on a study of Dutch banks' sustainable investment policies and practices. The policy for de Volksbank is drawn up by ASN Bank's sustainability experts ✓ Sustainable insurance products, offered through our partner a.s.r., were rated 'green choice' by Dutch Consumers' Association ✓ Improved its digital customer services to customers by introducing a chatbot and launching a new mobile banking app
SNS Attracting a younger target audience and strengthening business model with fee income	✓ Extended its partnership with WorldSkills Netherlands, and engaged with young adults through the 'Board of the Future' and the content platform 'Future Money Talks' ✓ Launched a new banking app and new products: life insurance for tenants and advice to help customers make their homes more sustainable ✓ Launched three brand campaigns, one specifically aimed at the SME market, to strengthen its business model through diversification and fee income
RegioBank Strengthening local presence with broadening propositions	✓ Realised 168 initiatives that contribute to the liveability in communities, in collaboration with the *Oranje Fonds* and *NLvoorElkaar* ✓ Organised the third edition of the National Village Summit as an ambassador of quality of life in regional areas, an event for everyone involved in regional developments and initiatives ✓ Developed an agenda for the future of Dutch regions, which was later presented to the House of Representatives in The Hague as part of an appeal to Dutch politicians to focus more on the regions
BLGwonen Expanding BLG Wonen by improving its distribution reach and service	✓ Launched the *Bespaarhypotheek*, a new mortgage product where the interest rate automatically decreases when you pay off or improve your home's energy efficiency rating ✓ BLG Wonen focuses on improving its distribution reach and service and remains committed to making the housing market more accessible by working with independent financial advisers to develop and offer suitable standard and custom mortgage solutions

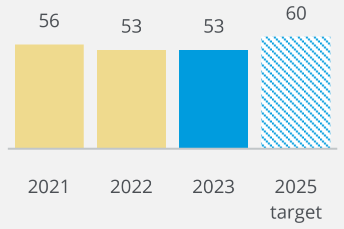
2025 long-term objectives

Customers

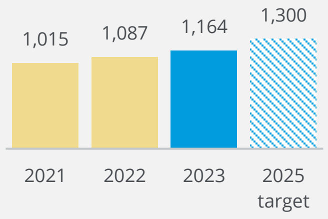
Customer-weighted average NPS



Customer Relationship Score

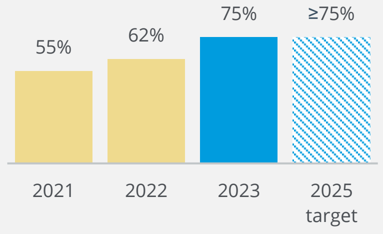


Active multi-customers
(in thousands)



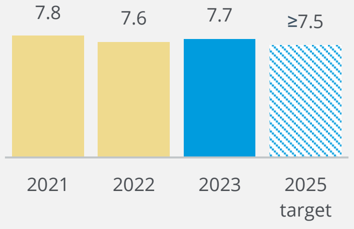
Society

Climate-neutral balance sheet



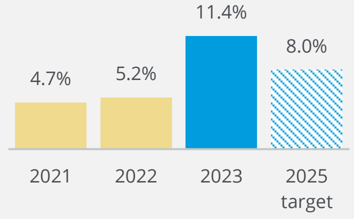
Employees

Genuine attention for employees



Shareholder

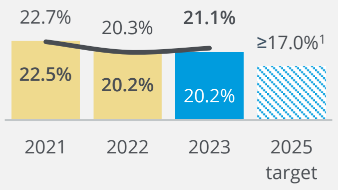
Return on Equity



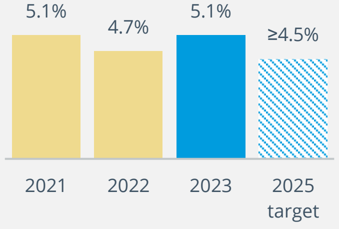
Other objectives

CET1 capital ratio

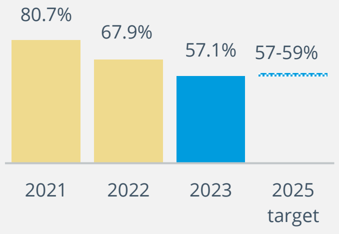
Pro forma ratio Basel IV[2]



Leverage ratio

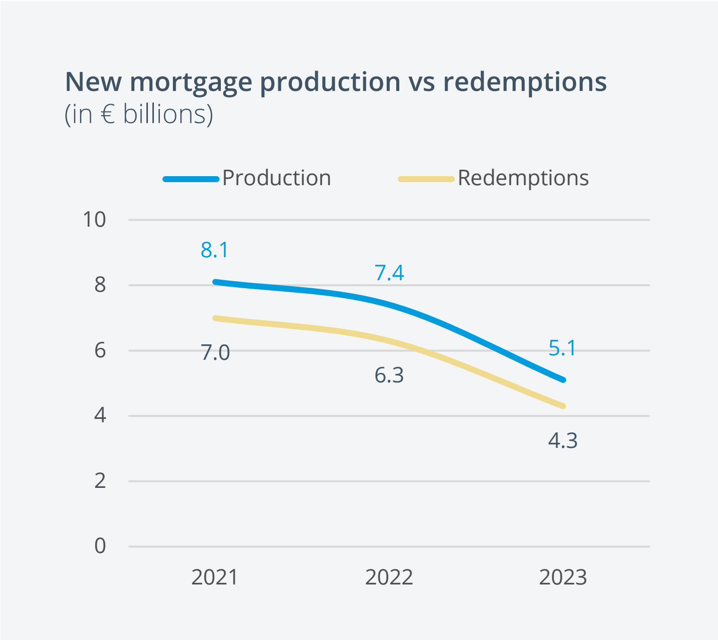


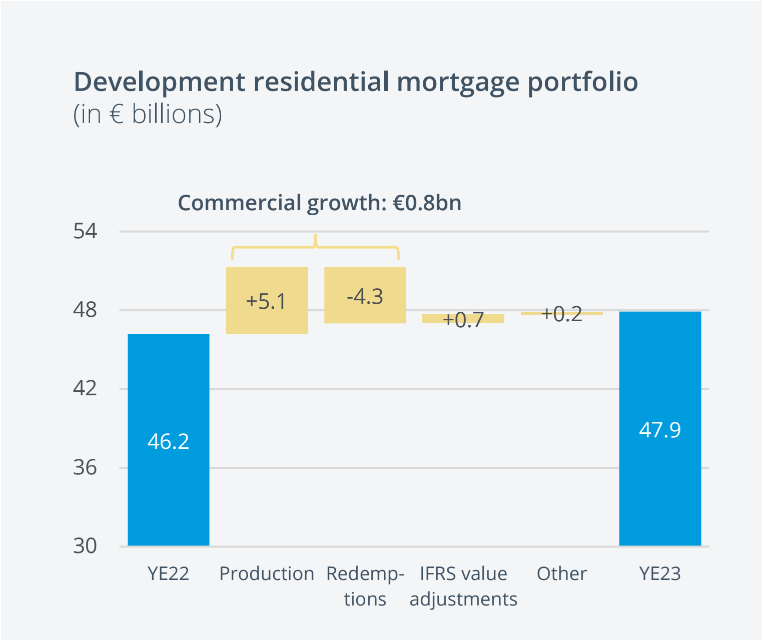
Cost/income ratio

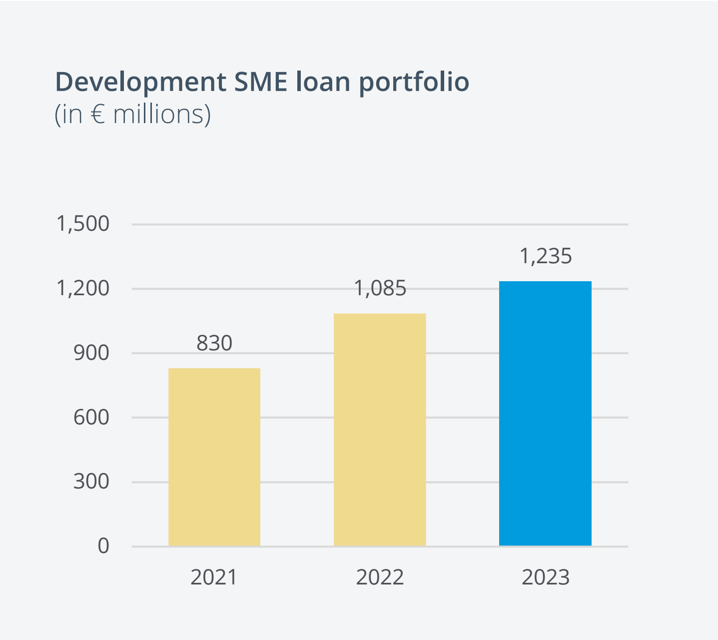


[1] As from 2024, we have lowered the long-term objective for our CET1 capital ratio from ≥19% to ≥17%
[2] The CET1 ratio based on Basel IV is based on the political agreement reached on CRR III and CRD VI

Commercial growth in residential mortgages and SME loans





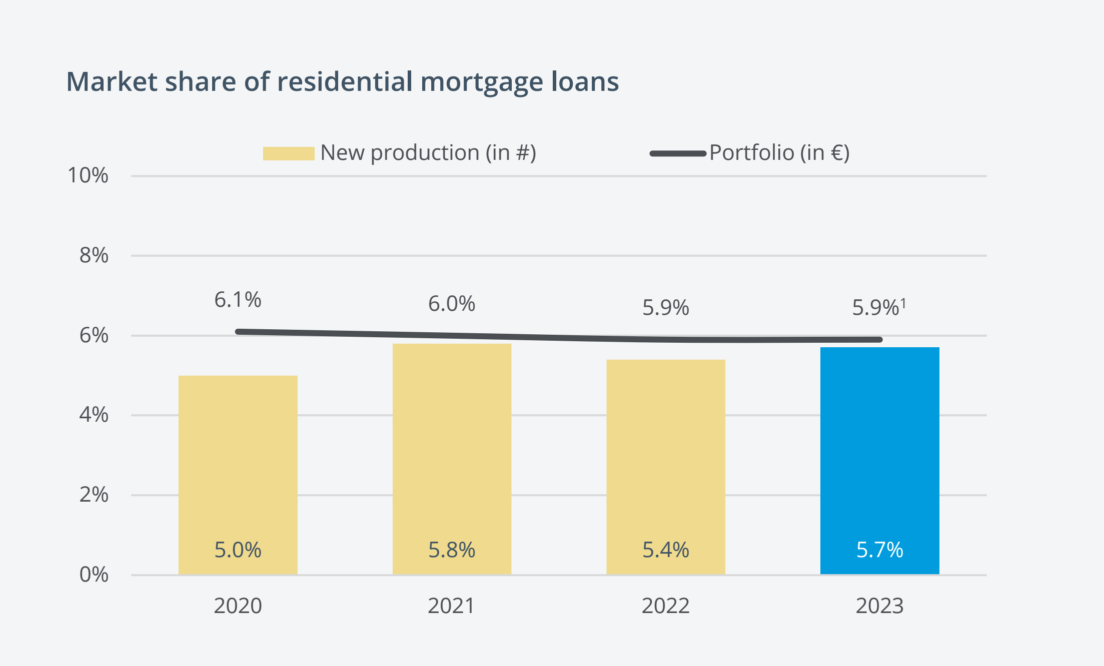


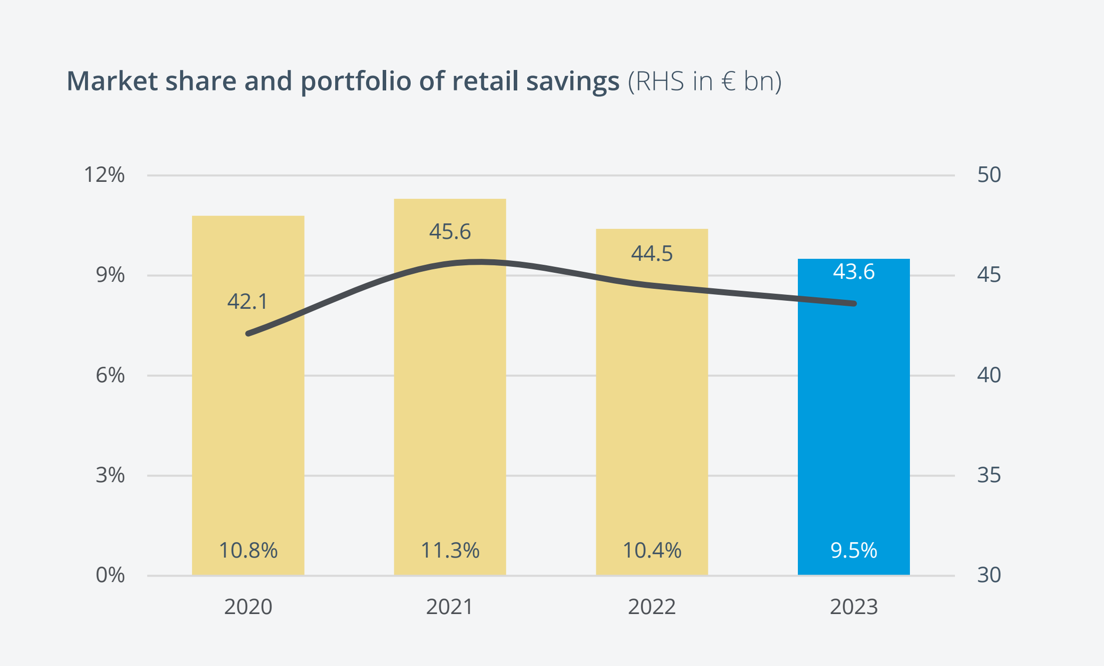
- In 2023, new residential mortgage production declined to €5.1bn (2022: €7.4bn), in line with a shrinking market
- Mortgage redemptions decreased by €2.1bn to €4.3bn, mainly due to the decreasing mortgage refinancing volumes

- The residential mortgage portfolio, including IFRS value adjustments, increased by €1.7bn to €47.9bn, largely as a result of €0.8bn commercial growth and a €0.7bn increase in IFRS value adjustments, due to decreased long-term interest rates
- Interest rate renewals decreased to €0.9bn (2022: €1.9bn), largely due to lower early renewals; the share of early renewals was ~32% (2022: ~59%)

- Our SME loan portfolio grew by €150m to €1,235m
- In 2023, we originated €260m in new SME loans

Increase in market share of new residential mortgage production; decrease in market share of retail savings



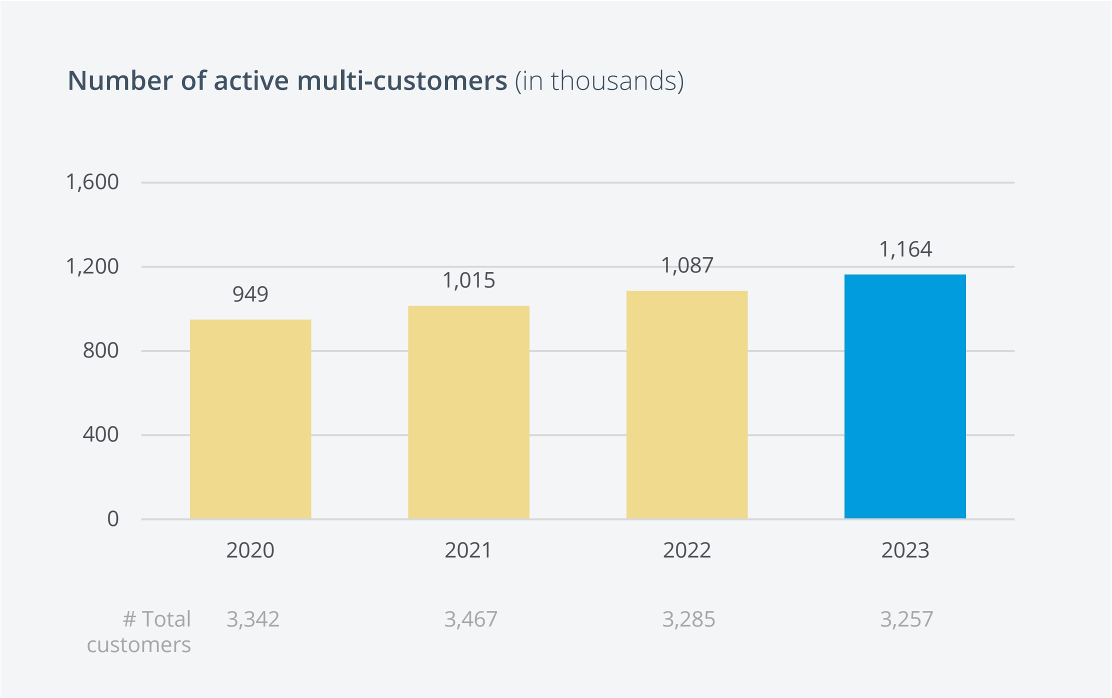


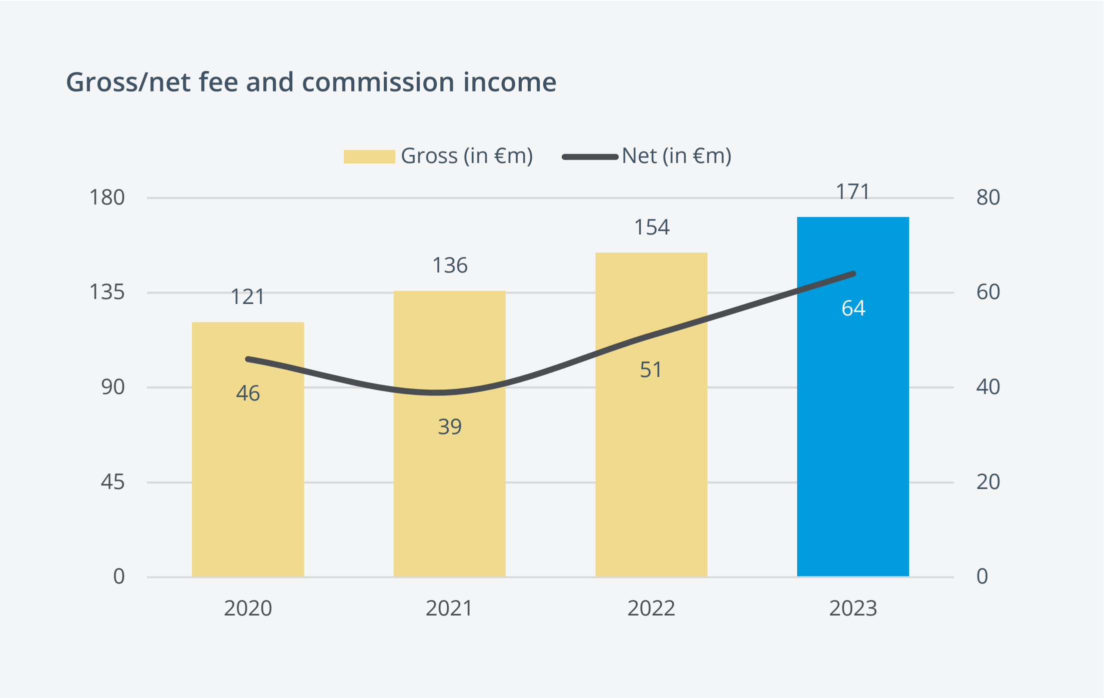
- Our market share of new residential mortgage production increased to 5.7% (2022: 5.4%)
- Although the average mortgage rates stabilised in the first half of 2023, they declined in the fourth quarter. However, current mortgage rates are still not attractive enough for most homeowners to refinance their mortgage

- Our retail savings balances decreased by €0.9bn to €43.6bn, driven by the changed interest rate environment, which triggered a repricing of deposit rates in the Dutch banking market
- The market share of retail savings declined to 9.5% (2022: 10.4%)

[1] Market share as per Q3, as Q4 number is not yet available

Increase in active multi-customers and fee and commission income





- In 2023, the number of active multi-customers rose by 77,000 to 1,164,000, well on track to reach our target of 1.3 million by the end of 2025
- The total customer base decreased by 28,000, mainly due to the outflow of customers with only a savings account following the introduction of a monthly rate for basic banking services in 2022

- Gross and net fee income and commission income rose by 11% and 25% respectively, mainly due to higher fees for basic banking services

Our role as gatekeeper with regard to customer integrity

- In August of 2023, we announced that De Nederlandsche Bank has concluded that de Volksbank does not adequately identify and assess its risks related to money laundering, the financing of terrorism and customer integrity
- Therefore, DNB imposed an instruction to improve the Systematic Integrity Risk Analysis (SIRA) by 1 April 2024. DNB also announced its intention to start an internal procedure to impose an administrative fine
- DNB expects that all identified shortcomings will be permanently and structurally remediated and captured in a comprehensive remediation plan. DNB is closely monitoring the progress in this area and may decide to proceed with additional measures, possibly with a financial impact
- We have substantially scaled up our efforts to remedy the shortcomings and expect to have addressed the instruction to improve the SIRA by 1 April 2024
- To reinforce the safeguarding of KYC-related measures within the Executive Committee, we created the position of Chief Financial Crime Officer (CFCO). The recruitment process for this position is well underway

Options for the future

- On 22 February 2023, the Dutch Minister of Finance informed the House of Representatives that she intends to take a directional decision about the future of our bank
- On 26 May 2023, the Minister notified the House of Representatives that she would inform the House in two steps ahead of this decision, with the first step consisting of an analysis of whether there are any insufficiently safeguarded public interests in the financial sector
- On 26 October 2023, this analysis was shared with the House, with the conclusion that a state-owned bank is not required to safeguard public interests, and that from this perspective there is no reason to retain de Volksbank as a permanently state-owned participation
- The second step consists of an analysis on which future options and/or governance models would not be realistic for de Volksbank. It is anticipated that this analysis can be shared in the course of 2024. Subsequently, after a discussion with the House, a directional decision can be taken by a future government
- A final decision on the future of de Volksbank can only be made when NLFI has determined that de Volksbank is ready for it. NLFI will subsequently advise the Minister on the next steps

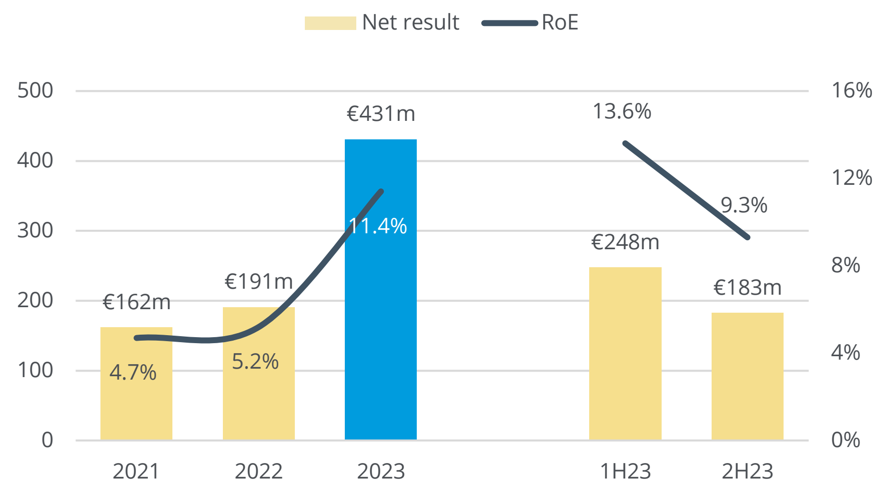
2. Financial results & outlook

Net profit higher at €431m, mainly due to higher total income in a favourable interest rate environment

Result (in € millions)

	2022	2023	Δ	1H23	2H23
Total income	965	1,414	*+47%*	735	679
Total operating expenses	655	808	*+23%*	389	419
Impairment charges	52	15	*-71%*	8	7
Result before tax	**258**	**591**	*+129%*	**338**	**253**
Taxation	67	160		90	70
Net result	**191**	**431**	*+126%*	**248**	**183**
Incidental items	17[1]	--		--	--
Adjusted net result	**174**	**431**	*+148%*	**248**	**183**
Return on equity	5.2%	11.4%		13.6%	9.3%
Adjusted Return on equity	4.7%	11.4%		13.6%	9.3%

Net result and Return on Equity



- Compared to 2022, net profit increased by €240m to €431m, attributable to €449m higher total income and €37m lower impairment charges, partly offset by €153m higher total operating expenses
- Return on equity stood at 11.4%, up compared to 2022 (5.2%), more than wholly driven by a higher net profit

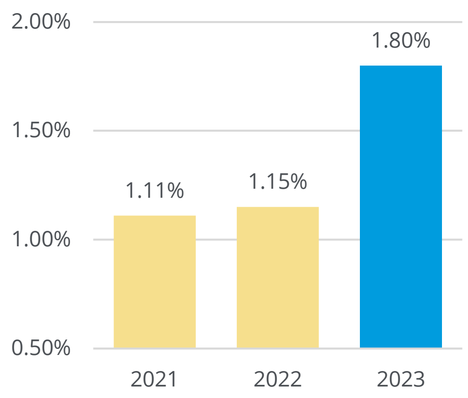
[1] Consisted of a release of a restructuring provision

Total income up 47%, driven by 53% higher net interest income benefitting from higher ECB interest rates; net fee and commission income up 25%

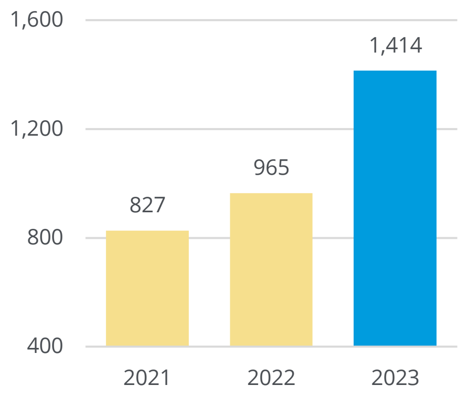
Income (in € millions)

	2022	2023	Δ	1H23	2H23
Net interest income	851	1,303	*+53%*	662	641
Net fee and commission income	51	64	*+25%*	33	31
Investment income	-8	-54	--	-5	-49
Other results on financial instruments	70	101	*+44%*	44	57
Other income	1	--	--	1	-1
Total income	**965**	**1,414**	*+47%*	**735**	**679**

Net interest margin
(as a % of average assets)



Total income
(in € millions)



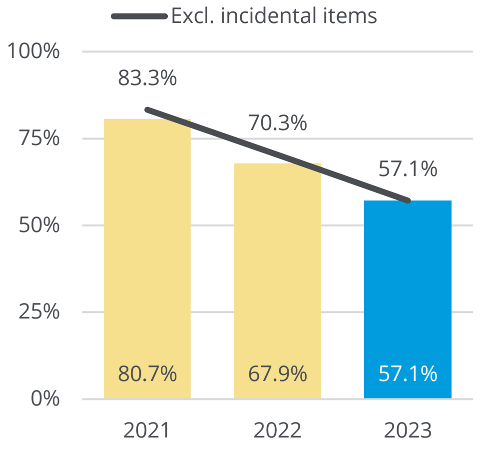
- Net interest income increased by 53% to €1,303m benefitting from higher ECB interest rates. NII was supported by higher margins on savings and current account balances. The margins on residential mortgages remained virtually stable
- Net fee and commission income showed a 25% increase to €64m, mainly due to higher fees for basic banking services. Management fees were slightly lower. AuM were €0.3bn higher at €4.2bn, due to higher stock markets
- Investment income was -€54m (2022: -€8m) and consisted of realised results on fixed-income investments, sold as part of asset and liability management and optimisation of the investment portfolio. The 2023 loss was mainly driven by the sale of investments and the re-investment in higher yielding bonds
- Other results on financial instruments were higher at €101m (2022: €70m), mainly driven by higher treasury results following a shift of treasury-related interest income. This was partly offset by a €54m swing in the result on swaptions to -€8m (from €46m in 2022)

Operating expenses 23% higher, mainly driven by staff costs and investments in customer integrity, banking regulations and the IT foundation

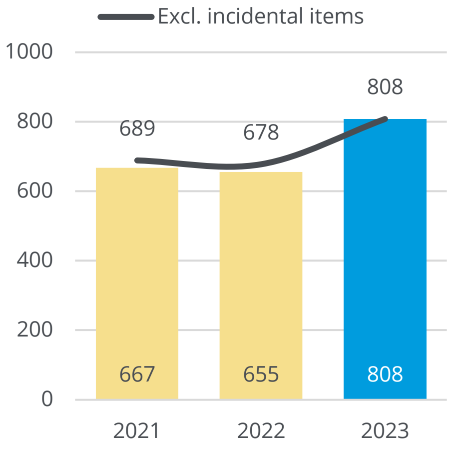
Operating expenses (in € millions)

	2022	2023	Δ	1H23	2H23
Total operating expenses	**655**	**808**	*+23%*	**389**	**419**
Restructuring charge	-23	--		--	--
Adjusted operating expenses	**678**	**808**	*+19%*	**389**	**419**
- of which regulatory levies	*69*	*42*	*-39%*	*24*	*18*
Total FTEs	**3,887**	**4,407**	*+13%*	**4,166**	**4,407**
Internal FTEs	3,123	3,449	*+10%*	3,262	3,449
External FTEs	764	958	*+25%*	904	958

Cost/income ratio



Operating expenses (in € millions)



- Total operating expenses rose by €153m to €808m (+23%). In 2022, operating expenses were positively impacted by an incidental item, consisting of a €23m release of the restructuring provision in relation to the transformation into an agile organisation. Adjusted for this, total operating expenses increased by €130m (+19%)
- Regulatory levies were €27m lower at €42m, reflecting a €23m lower ex-ante contribution to the DGS (€32m), mainly driven by a refinement of the calculation basis and a partial reversal of last year's contribution. The contribution to the resolution fund was €4m lower at €10m
- Excluding incidental items and regulatory levies, operating expenses were €157m higher at €766m, of which €81m higher staff costs, reflecting an increase in FTEs and wage inflation, and €76m higher other operating expenses, mainly due to higher IT and consultancy costs, reflecting investments in customer integrity, banking regulations and the IT foundation
- Compared to YE22, the total number of FTEs increased by 520 to 4,407, consisting of a growth of 326 internal and 194 external FTEs. The increase mainly reflected initiatives in the domains of IT, compliance and risk

Impairment charges decreased to €15m, with nearly all loan portfolios contributing to the decline

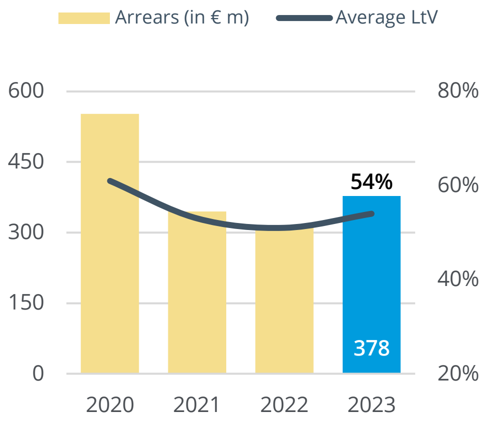
Impairment charges of financial assets (in € millions)

	2022	2023	1H23	2H23
Residential mortgages	17	9	9	--
SME loans	2	-1	-2	1
Consumer loans	-3	-2	-1	-1
Other corporate and government loans	23	10	6	4
Loans and advances to banks	5	-2	-3	1
Investments	8	1	-1	2
Total impairment charges	**52**	**15**	**8**	**7**
Cost of risk residential mortgages	0.04%	0.02%	0.04%	0.00%
Cost of risk total loans	0.08%	0.03%	0.05%	0.02%

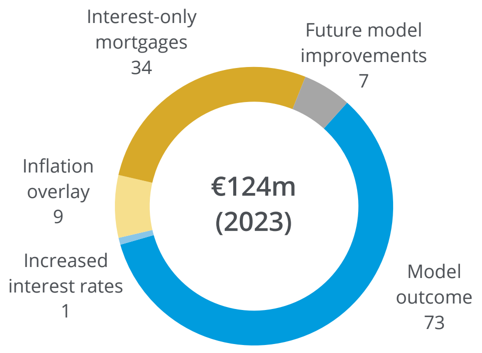
Base scenario macroeconomic parameters

Scenarios as at	30 June 2023		31 December 2023	
	2023	2024	2024	2025
Relative change in house price index (HPI)	-3.7%	-3.8%	1.4%	2.6%
Unemployment rate	3.6%	4.0%	4.2%	4.5%
Number of bankruptcies (monthly)	261	406	442	483

Residential mortgages in arrears; average LtV



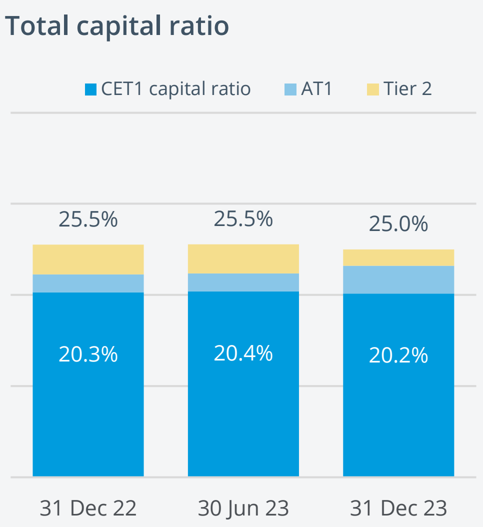
Loan loss provision residential mortgages[1] (in € millions)

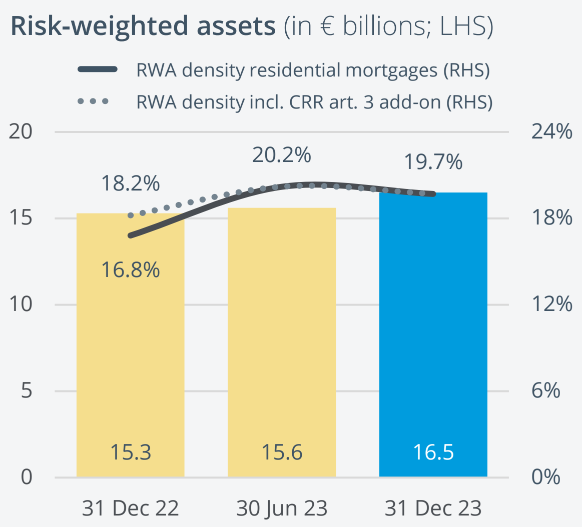


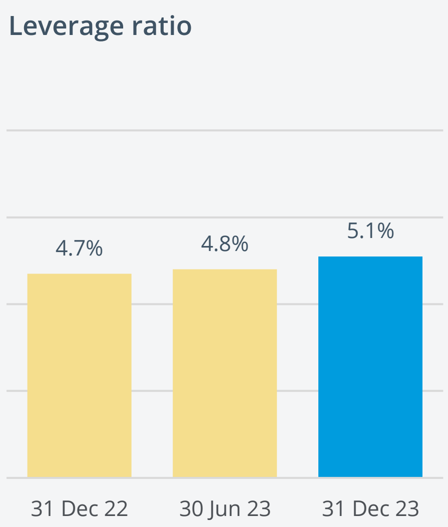
- Impairment charges on residential mortgage loans amounted to €9m and included a refinement of an add-on for interest-only mortgages. In addition, the provision increased as a result of fallen house prices, which led to a shift of mortgages to higher LtV buckets
- The €1m reversal of impairment charges for SME loans was mainly due to a decrease in stage 3 loans
- In both years, impairment charges for other corporate & government loans consisted of impairments on a few individual corporate loans
- The average LtV of residential mortgages increased to 54% (YE22: 51%) and was driven by a decline in house prices

[1] Including provisions for off-balance sheet items

Capital position robust with capital ratios above our minimum targets







- In 2023, the CET1 capital ratio remained virtually unchanged at 20.2% (YE22: 20.3%) as an increase in CET1 capital was offset by higher risk-weighted assets (RWA)
  - CET1 capital increased by €218m, mainly due to €162m net profit retention (adjusted for dividend pay-out) and a €65m higher fair value reserve, partly offset by paid interest on AT1 securities (-€21m)
  - RWA increased by €1.2bn, mainly due to a €0.9bn increase related to residential mortgages. Within RWA, the CRR Art. 3 add-on per YE22 has been translated into additional conservatism on top of the calculated model-based AIRB RWA. Also, AIRB RWA increased due to a slight deterioration of our customers' average credit quality given the worsened macroeconomic circumstances, mainly in 1H23. Furthermore, we applied an add-on of €83m with respect to our interest-only mortgages
- As at 31 December 2023, we estimate that our RWA according to fully phased-in Basel IV standards would be lower than RWA under current regulations. This is mainly due to the removal of a 1.06 scaling factor to determine RWA of residential mortgages under the AIRB approach. The pro-forma Basel IV CET1 ratio stood at 21.1%
- We revised our CET1 capital ratio objective from at least 19% to at least 17%, taking into account the reduced uncertainty about the impact of the implementation of Basel IV
- Compared to YE22, the leverage ratio increased to 5.1%, due to an increase in CET1 capital and a lower balance sheet total
- Proposed dividend for 2023: €164m (2022: €90m), which corresponds to a pay-out ratio of 40% of the net profit attributable to the shareholder

Outlook

- We expect net interest income in 2024 to decline compared to 2023, mainly as a result of lower expected margins on deposits. We anticipate margins on mortgages to be in line with 2023 in a challenging and competitive market. Net interest income will remain highly sensitive to changes in the ECB interest rate policy

- Investment income is expected to be higher, while other results on financial instruments are expected to return to a lower level as the financial year 2023 was positively impacted by a high level of treasury results. Overall, we foresee a reduction in total income in 2024 compared to 2023

- In 2024, cost control is high on the agenda. Operating expenses excluding regulatory levies are projected to be in line with 2023 as we will continue to invest in the IT foundation and projects related to banking regulations and Know Your Customer compliance. On top of this, the impact of (wage) inflation is expected to continue to impact our structural cost base

- Regulatory levies are expected to decrease compared to 2023, which marks the end of the build-up phase of the Single Resolution Fund. The ex-ante DGS fund is expected to be built up in mid-2024. Thereafter, we only expect additions to keep both funds at target level

- The effect of macroeconomic developments on our customers and their financial resilience is highly uncertain and may, therefore, impact our loan loss provisioning levels. Based on the current economic outlook and sound credit quality of our loan portfolio, we expect the level of impairment charges on loans and advances to be low in 2024

- Taking into account the aforementioned factors, we anticipate net profit for 2024 to be lower compared to 2023

Questions & answers

Appendix

Summary P&L

In € millions	2022	2023	1H19	2H19	1H20	2H20	1H21	2H21	1H22	2H22	1H23	2H23
Net interest income	851	1,303	442	433	436	414	392	383	372	479	662	641
Net fee and commission income	51	64	25	26	29	17	20	19	24	27	33	31
Other income	63	47	4	-1	15	12	5	8	67	-4	40	7
Total income	**965**	**1,414**	**471**	**458**	**480**	**443**	**417**	**410**	**463**	**502**	**735**	**679**
Total operating expenses	655	808	278	296	292	360	322	345	323	332	389	419
Impairment charges	52	15	-13	6	45	-7	-31	-27	11	41	8	7
Total expenses	**707**	**823**	**265**	**302**	**337**	**353**	**291**	**318**	**334**	**373**	**397**	**426**
Result before tax	**258**	**591**	**206**	**156**	**143**	**90**	**126**	**92**	**129**	**129**	**338**	**253**
Taxation	67	160	52	35	37	22	32	24	34	33	90	70
Net result	**191**	**431**	**154**	**121**	**106**	**68**	**94**	**68**	**95**	**96**	**248**	**183**
Incidental items	17	--	--	--	--	34	6	11	4	13	--	--
Adjusted net result	**174**	**431**	**154**	**121**	**106**	**102**	**88**	**57**	**91**	**83**	**248**	**183**
Attributable to owners of the parent company	180	410	154	121	106	102	88	57	94	86	238	172
Attributable to holders of AT1 notes	11	21	--	--	--	--	--	--	1	10	10	11
Ratios												
Cost/income ratio	67.9%	57.1%	59.0%	64.6%	60.8%	81.3%	77.2%	84.1%	69.8%	66.1%	52.9%	61.7%
Adjusted cost/income ratio	70.3%	57.1%	59.0%	64.6%	60.8%	71.1%	79.1%	87.6%	71.1%	69.5%	52.9%	61.7%
Cost/asset ratio	0.79%	1.06%	0.81%	0.86%	0.83%	1.01%	0.82%	0.86%	0.77%	0.82%	1.00%	1.11%
Net interest margin	1.15%	1.80%	1.40%	1.34%	1.35%	1.25%	1.14%	1.07%	1.01%	1.29%	1.82%	1.78%
Cost of risk residential mortgages	0.04%	0.02%	-0.03%	0.04%	0.14%	-0.02%	-0.09%	-0.11%	-0.01%	0.08%	0.04%	0.00%
RoE	5.2%	11.4%	8.6%	6.7%	6.2%	4.0%	5.5%	3.9%	5.5%	5.0%	13.6%	9.3%
Adjusted RoE	4.7%	11.4%	8.6%	6.7%	6.2%	5.9%	5.1%	3.3%	5.2%	4.3%	13.6%	9.3%

Summary balance sheet

In € millions	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022	31 Dec 2022	30 Jun 2023	31 Dec 2023
Total assets	**65,378**	**67,484**	**70,473**	**72,081**	**74,857**	**73,168**	**73,028**	**71,060**
Cash and cash equivalents	1,079	4,672	8,036	10,305	9,111	8,011	10,291	5,891
Loans and advances to banks	6,817	5,990	5,759	4,527	7,444	6,884	3,872	4,671
Loans and advances to customers	50,867	50,542	50,127	50,570	49,363	48,966	49,419	50,847
Derivatives	702	864	588	591	2,839	3,302	3,118	2,544
Investments	5,469	5,114	5,494	5,638	5,427	5,591	5,916	6,733
Tangible and intangible assets	114	110	90	93	87	85	85	77
Tax assets	64	42	64	39	82	80	63	14
Other assets	266	150	314	318	504	249	264	283
Total liabilities and equity	**65,378**	**67,484**	**70,473**	**72,081**	**74,857**	**73,168**	**73,028**	**71,060**
Savings	*40,521*	*42,111*	*44,689*	*45,646*	*45,744*	*44,501*	*44,507*	*43,623*
Other amounts due to customers	*11,073*	*11,541*	*11,757*	*12,482*	*12,978*	*12,649*	*12,083*	*11,287*
Amounts due to customers	**51,594**	**53,652**	**56,446**	**58,128**	**58,722**	**57,150**	**56,590**	**54,910**
Amounts due to banks	246	945	1,175	1,059	2,711	2,805	2,669	1,947
Debt certificates	6,545	6,119	6,885	7,402	7,588	7,544	8,019	7,935
Derivatives	2,188	2,163	1,256	1,013	1,037	924	951	1,121
Tax liabilities	16	17	12	9	7	19	41	82
Other liabilities	852	558	694	382	529	452	334	430
Other provisions	45	80	77	102	84	66	56	44
Participation certificates and subordinated debt	510	500	504	500	504	500	504	500
Shareholders' equity	3,382	3,450	3,424	3,486	3,675	3,708	3,864	4,091

Key balance sheet items

Key balance sheet items (in € millions)

	31 Dec 22	31 Dec 23	Δ YoY
Total assets	**73,168**	**71,060**	*-3%*
Cash and cash equivalents	8,011	5,891	*-26%*
Loans and advances to customers	**48,966**	**50,847**	*+4%*
- of which residential mortgages	46,134	47,767	*+4%*
- of which consumer loans	45	51	*+13%*
- of which SME loans	1,061	1,213	*+14%*
- of which other, including (semi-) public sector loans	1,726	1,816	*+5%*
Loans and advances to banks	6,884	4,671	*-32%*
Investments	5,591	6,733	*+20%*
Amounts due to customers	**57,150**	**54,910**	*-4%*
- of which retail savings	44,501	43,623	*-2%*
- of which other amounts due to customers	12,649	11,287	*-11%*
Amounts due to banks	2,805	1,947	*-31%*
Debt certificates	7,544	7,935	*+5%*
Shareholders' equity	3,708	4,091	*+10%*

Comments

- In 2023, the balance sheet total decreased by €2.1bn to €71.1bn
- Loans and advances to customers increased by €1.9bn, mainly reflecting a €1.6bn rise in residential mortgages (€0.9bn of commercial growth and a €0.7bn increase in IFRS value adjustments). In addition, both SME loans and other corporate and government loans grew by €0.1bn
- Investments were €1.1bn higher, largely reflecting cash management transactions to benefit from the yield pick-up
- The €2.2bn decline in amounts due to customers consisted of a €0.9bn decrease in savings and a €1.3bn decrease in other amounts due to customers, due to an outflow of SME savings and current account balances. The opposite effect was visible in a decrease in cash and cash equivalents
- Debt certificates increased by €0.4bn, due to the issuance of €1.0bn green senior non-preferred notes to support our MREL position, partly offset by the redemption of €500m senior preferred notes and €0.1bn in commercial paper
- Shareholders' equity rose by €383m to ~€4.1bn, due to the addition of net profit (€431m) and an increase in the fair value reserve (€65m), partly offset by the 2022 dividend payment (€90m), the interest payment on AT1 notes (€21m) and a decrease in the cashflow hedge reserve (€2m)

Breakdown of loans and advances to customers

in € millions	31 December 2022			30 June 2023			31 December 2023		
	Gross amount	Loan loss provision	Coverage ratio	Gross amount	Loan loss provision	Coverage ratio	Gross amount	Loan loss provision	Coverage ratio
Stage 1	**48,119**	**45**	**0.1%**	**47,979**	**41**	**0.1%**	**48,971**	**44**	**0.1%**
- of which residential mortgages	45,499	38	0.1%	45,213	33	0.1%	46,138	37	0.1%
- of which consumer loans	22	--	0.0%	20	--	0.0%	18	--	0.0%
- of which SME loans	933	6	0.6%	1,017	6	0.6%	1,069	5	0.5%
- of which other commercial loans and loans to public sector	1,665	1	0.1%	1,729	2	0.1%	1,746	2	0.1%
Stage 2	**2,492**	**39**	**1.6%**	**2,941**	**46**	**1.6%**	**2,816**	**50**	**1.7%**
- of which residential mortgages	2,320	31	1.3%	2,785	39	1.4%	2,590	39	1.5%
- of which consumer loans	23	1	4.3%	28	--	0.0%	33	1	3.0%
- of which SME loans	106	7	6.6%	105	7	6.7%	127	9	7.1%
- of which other commercial loans and loans to public sector	43	--	0.0%	23	--	0.0%	66	1	1.5%
Stage 3	**549**	**70**	**12.8%**	**557**	**87**	**15.6%**	**558**	**88**	**15.8%**
- of which residential mortgages	453	29	6.4%	469	42	9.0%	473	42	8.9%
- of which consumer loans	9	8	88.9%	9	8	88.9%	8	7	87.5%
- of which SME loans	46	11	23.9%	41	9	22.0%	39	8	20.5%
- of which other commercial loans and loans to public sector	41	22	53.7%	38	28	73.7%	38	31	81.6%
Total stage 1, 2, 3	**51,160**	**154**	**0.3%**	**51,477**	**174**	**0.3%**	**52,345**	**182**	**0.3%**
- of which residential mortgages	48,272	98	0.2%	48,467	114	0.2%	49,201	118	0.2%
- of which consumer loans	54	9	16.7%	57	8	14.0%	59	8	13.6%
- of which SME loans[1]	1,085	24	2.2%	1,163	22	1.9%	1,235	22	1.8%
- of which other commercial loans and loans to public sector	1,749	23	1.3%	1,790	30	1.7%	1,850	34	1.8%
IFRS value adjustments[2]	-2,040	--	--	-1,884	--	--	-1,316	--	--
Total loans and advances to customers	**49,120**	**154**	**0.3%**	**49,593**	**174**	**0.4%**	**51,029**	**182**	**0.4%**
Off-balance sheet items[3]	2,998	14	0.5%	2,837	11	0.4%	2,862	11	0.4%
Total on and off-balance sheet	**52,118**	**168**	**0.3%**	**52,430**	**185**	**0.4%**	**53,891**	**193**	**0.4%**

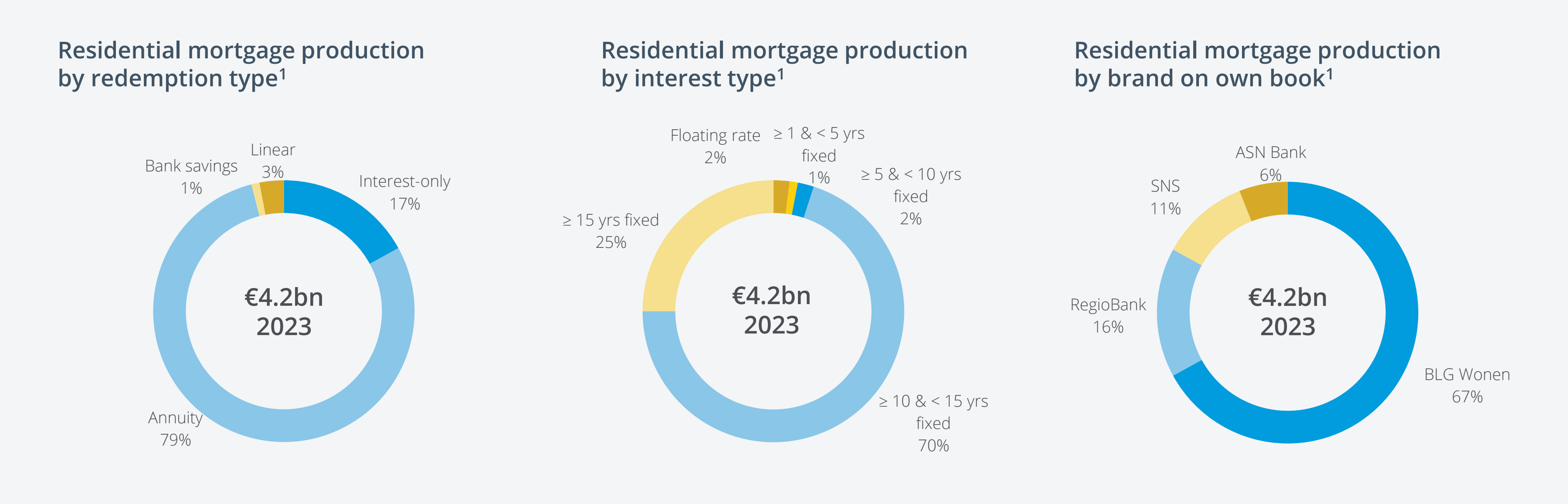
[1] Gross SME loans include mortgage-backed loans for a gross amount of € 1,201 million
[2] Consisting of fair value adjustments from hedge accounting and amortisations
[3] Off-balance sheet: liabilities from irrevocable facilities, guarantees and repurchase commitments

Quality of residential mortgages

in € millions	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022	31 Dec 2022	30 Jun 23	31 Dec 23
Gross loans	**46,963**	**46,664**	**46,236**	**46,278**	**47,208**	**47,991**	**48,272**	**48,467**	**49,201**
- of which stage 1	43,977	43,166	43,154	43,638	45,102	46,105	45,499	45,213	46,138
- of which stage 2	2,446	2,949	2,539	2,149	1,575	1,462	2,320	2,785	2,590
- of which stage 3	540	549	543	491	531	424	453	469	473
Loan loss provisions	**71**	**110**	**111**	**97**	**73**	**73**	**98**	**114**	**118**
- of which stage 1	6	24	24	30	32	43	38	33	37
- of which stage 2	22	35	52	30	24	16	31	39	39
- of which stage 3	43	51	35	37	17	14	29	42	42
Stage 2 as a % of gross loans	5.2%	6.3%	5.5%	4.6%	3.3%	3.0%	4.8%	5.7%	5.3%
Stage 2 coverage ratio[1]	0.9%	1.2%	2.0%	1.4%	1.5%	1.1%	1.3%	1.4%	1.5%
Stage 3 as a % of gross loans	1.1%	1.2%	1.2%	1.1%	1.1%	0.9%	0.9%	1.0%	1.0%
Stage 3 coverage ratio[1]	8.0%	9.3%	6.4%	7.5%	3.2%	3.3%	6.4%	9.0%	8.9%
Net loans excluding IFRS adjustments	**46,892**	**46,554**	**46,125**	**46,181**	**47,135**	**47,918**	**48,174**	**48,353**	**49,201**
IFRS adjustments	1,198	1,597	1,572	1,098	810	-1.353	-2,040	-1,884	-1,316
Total net loans	**48,090**	**48,151**	**47,697**	**47,279**	**47,945**	**46,565**	**46,134**	**46,469**	**47,885**
Irrevocable loan commitments and financial guarantee contracts	1,598	2,021	1,924	2,293	2,329	2,059	1,940	1,826	1,852
Provision off-balance sheet items	1	1	1	1	7	8	8	6	6
Coverage ratio off-balance sheet items	0.1%	0.0%	0.1%	0.0%	0.3%	0.4%	0.4%	0.3%	0.3%
Total gross on and off-balance sheet exposure	**48,561**	**48,685**	**48,160**	**48,571**	**49,537**	**50,050**	**50,212**	**50,293**	**51,053**
Impairment charges	2	33	29	-21	-58	-2	17	9	9
Provision as a % of gross loans	0.15%	0.24%	0.24%	0.21%	0.15%	0.15%	0.20%	0.24%	0.24%
Cost of risk[2]	0.00%	0.14%	0.06%	-0.09%	-0.10%	-0.01%	0.04%	0.04%	0.02%

[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

Residential mortgage production

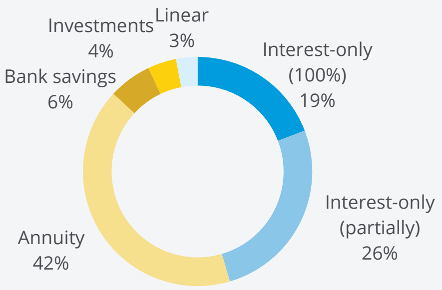


[1] Excluding bridge loans, and '*extra ruimte*' mortgages

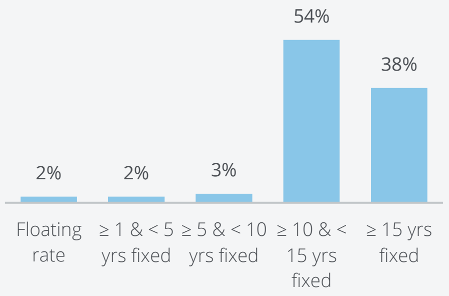
- 79% of new residential mortgage production consists of annuity mortgages. Only new annuity or linear mortgages benefit from tax deductibility
- 17% of the residential mortgage production consisted of interest-only mortgages (2022: 40%) due to the refinancing/conversion of loans originated before 2013. The refinancing market dropped in 2023 and, correspondingly, the share of interest-only mortgages decreased
- In 2023, 70% of new mortgage production consisted of mortgages with a 10-year fixed mortgage rate (2022: 36%). Impacted by the sharp increase in mortgage rates as from the second quarter of 2022, we saw a shift towards 10-years fixed mortgage rates and the market for new mortgages contracted

Residential mortgage portfolio

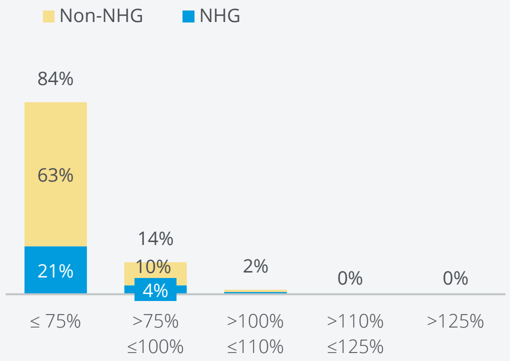
Residential mortgages by redemption type



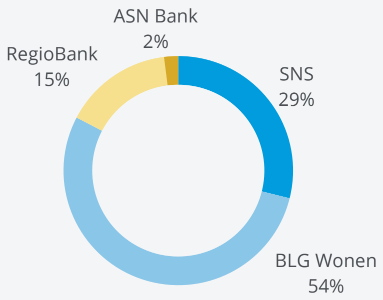
Residential mortgages by fixed-term maturity



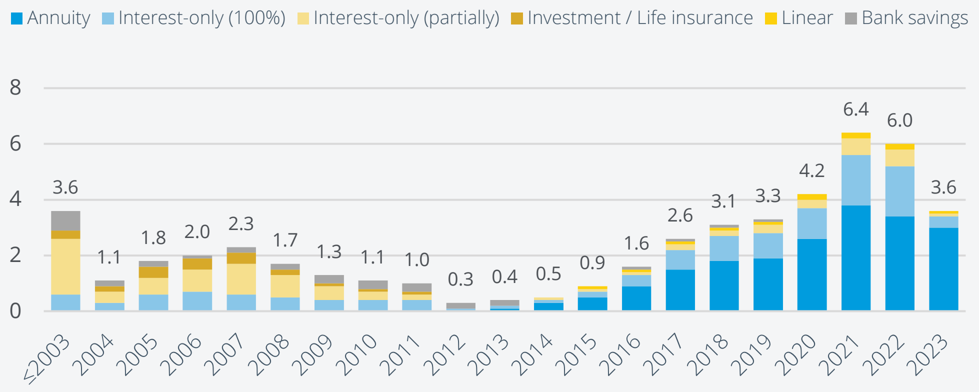
Residential mortgages by LtV bucket



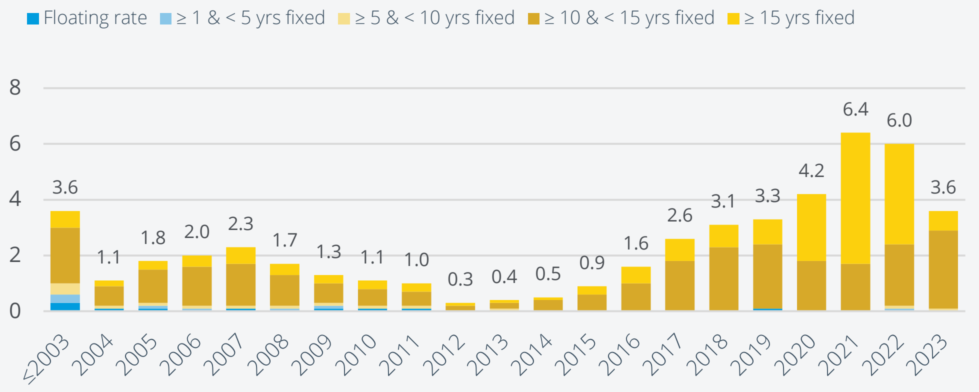
Residential mortgages by brand



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	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022	31 Dec 2022	30 Jun 2023	31 Dec 2023
Gross loans	**704**	**690**	**724**	**768**	**841**	**975**	**1,085**	**1,163**	**1,235**
- *of which stage 1*	566	506	558	600	663	838	933	1,017	1,069
- *of which stage 2*	67	96	86	104	112	90	106	105	127
- *of which stage 3*	71	89	80	64	66	47	46	41	39
Loan loss provisions	**31**	**36**	**38**	**29**	**23**	**21**	**24**	**22**	**22**
- *of which stage 1*	1	1	6	7	6	3	6	6	5
- *of which stage 2*	5	9	5	4	4	6	7	7	9
- *of which stage 3*	25	26	27	18	13	12	11	9	8
Stage 2 as a % of gross loans	9.5%	13.9%	11.9%	13.5%	13.3%	9.2%	9.8%	9.0%	10.3%
Stage 2 coverage ratio[1]	7.5%	9.4%	5.8%	3.8%	3.6%	6.7%	6.6%	6.7%	7.1%
Stage 3 as a % of gross loans	10.1%	12.8%	11.0%	8.3%	7.8%	4.8%	4.2%	3.5%	3.2%
Stage 3 coverage ratio[1]	35.2%	29.2%	33.8%	28.1%	19.7%	25.5%	23.9%	22.0%	20.5%
Total net loans	**669**	**654**	**686**	**739**	**818**	**954**	**1,061**	**1,141**	**1,213**
Irrevocable loan commitments and financial guarantee contracts	40	46	45	85	123	126	139	120	141
Provision off-balance sheet items	0	0	1	1	1	1	1	1	1
Coverage ratio off-balance sheet items	0.0%	0.0%	2.2%	1.2%	0.8%	0.8%	0.7%	0.8%	0.7%
Total gross on and off-balance sheet exposure	**744**	**740**	**769**	**853**	**864**	**1,101**	**1,224**	**1,283**	**1,376**
Impairment charges	-8	5	8	-7	-12	-2	2	-2	-1
Provision as a % of gross loans	4.4%	5.2%	5.2%	3.8%	2.7%	2.2%	2.2%	1.9%	1.8%
Cost of risk[2]	-1.05%	1.56%	1.16%	-1.98%	-1.56%	-0.32%	0.21%	-0.41%	-0.09%

[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

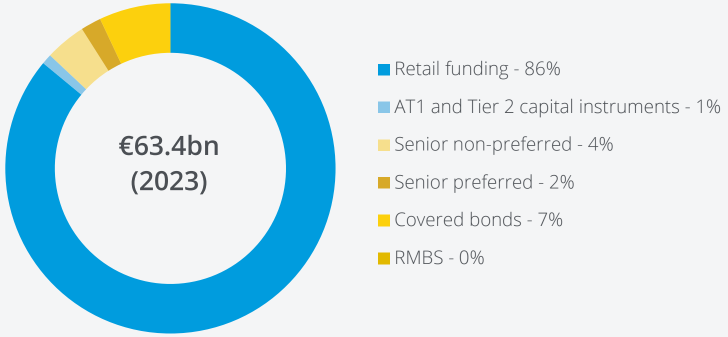
Quality of consumer loans

in € millions	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021	30 Jun 2022	31 Dec 2022	30 Jun 2023	31 Dec 2023
Gross loans	**87**	**70**	**63**	**54**	**52**	**52**	**54**	**57**	**59**
- of which stage 1	62	49	38	32	28	24	22	20	18
- of which stage 2	12	9	13	12	14	19	23	28	33
- of which stage 3	13	12	12	10	10	9	9	9	8
Loan loss provisions	**14**	**13**	**13**	**10**	**10**	**10**	**9**	**8**	**8**
- of which stage 1	0	0	0	0	0	0	0	0	0
- of which stage 2	1	1	1	1	0	1	1	0	1
- of which stage 3	13	12	12	9	10	9	8	8	7
Stage 2 as a % of gross loans	13.8%	12.9%	20.6%	22.2.%	26.9%	36.5%	42.6%	49.1%	55.9%
Stage 2 coverage ratio[1]	8.3%	11.1%	7.7%	8.3%	0.0%	5.3%	4.3%	0.0%	3.0%
Stage 3 as a % of gross loans	14.9%	17.1%	19.0%	18.5%	19.2%	17.3%	16.7%	15.8%	13.6%
Stage 3 coverage ratio[1]	100.0%	100.0%	91.7%	90.0%	100.0%	100.0%	88.9%	88.9%	87.5%
Total net loans	**73**	**58**	**51**	**44**	**42**	**42**	**45**	**49**	**51**
Irrevocable loan commitments and financial guarantee contracts	453	440	431	430	415	408	398	386	369
Provision off-balance sheet items	3	4	2	2	5	4	5	4	3
Coverage ratio off-balance sheet items	0.7%	0.9%	0.5%	0.5%	1.2%	1.0%	1.3%	1.0%	0.8%
Total gross on and off-balance sheet exposure	**540**	**510**	**494**	**484**	**467**	**460**	**452**	**443**	**428**
Impairment charges	-2	1	-1	-1	3	-2	-3	-1	-2
Provision as a % of gross loans	16.1%	18.6%	19.0%	18.5%	19.7%	19.2%	16.7%	14.0%	13.6%
Cost of risk[2]	-0.5%	0.60%	-0.16%	-0.36%	0.65%	-0.85%	-0.65%	-0.45%	-0.45%

[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

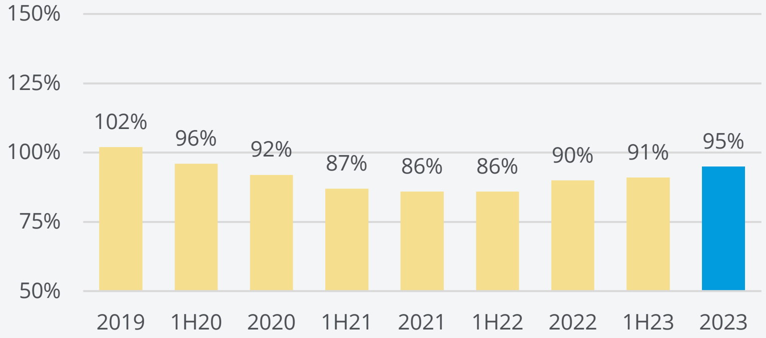
Funding mix



Liquidity position (in € millions)

	2022	1H23	2023
Central bank reserves	8,309	10,730	6,334
Sovereigns	324	724	473
Regional/local governments & Supranationals	1,641	1,727	1,758
Eligible retained RMBS	5,719	7,231	5,545
Other liquid assets	1,215	1,219	1,490
Total liquidity position	**17,208**	**21,630**	**15,600**

Loan-to-Deposit ratio



Key liquidity indicators

	2022	1H23	2023
LCR	233%	297%	262%
NSFR	174%	179%	166%
Loan-to-Deposit ratio	90%	91%	95%

- The share of retail funding was marginally lower at 86% (YE22: 87%)
- The Loan-to-Deposit ratio increased to 95% as a result of growth of the loan portfolio and a decrease in deposits, mainly current account balances and outflows from (mono) savings customers
- The liquidity position decreased to €15.6bn
  - Cash outflows exceeded cash inflows in 2023. The latter was partly offset by investing less available liquidity in the money market
  - The liquidity value of eligible retained RMBS declined to €5.5bn (YE22: €5.7bn). In 2023, the Lowland 5 and 6 transactions were replaced by one Lowland 7 transaction
- The LCR and NSFR remained well above 100%

Investment portfolio

Breakdown by sector (in € billions)

	2022	%	2023	%
Sovereigns	2.6	47%	4.2	63%
Financials	1.9	35%	1.7	25%
Corporates	1.0	18%	0.8	12%
Other	0.0	0%	0.0	0%
Total	**5.6**	**100%**	**6.7**	**100%**

Breakdown by maturity (in € billions)

	2022	%	2023	%
< 3 months	0.2	4%	0.8	17%
< 1 year	0.6	11%	0.8	8%
< 3 years	0.9	16%	1.1	14%
< 5 years	1.5	27%	1.4	23%
< 10 years	2.2	39%	2.3	35%
< 15 years	0.1	2%	0.2	3%
> 15 years	0.1	2%	0.1	2%
Total	**5.6**	**100%**	**6.7**	**100%**

Breakdown by rating (in € billions)

	2022	%	2023	%
AAA	3.0	55%	3.3	49%
AA	1.8	31%	1.6	25%
A	0.4	7%	1.3	20%
BBB	0.4	6%	0.4	6%
< BBB	0.0	0%	0.0	0%
No rating	0.0	0%	0.0	0%
Total	**5.6**	**100%**	**6.7**	**100%**

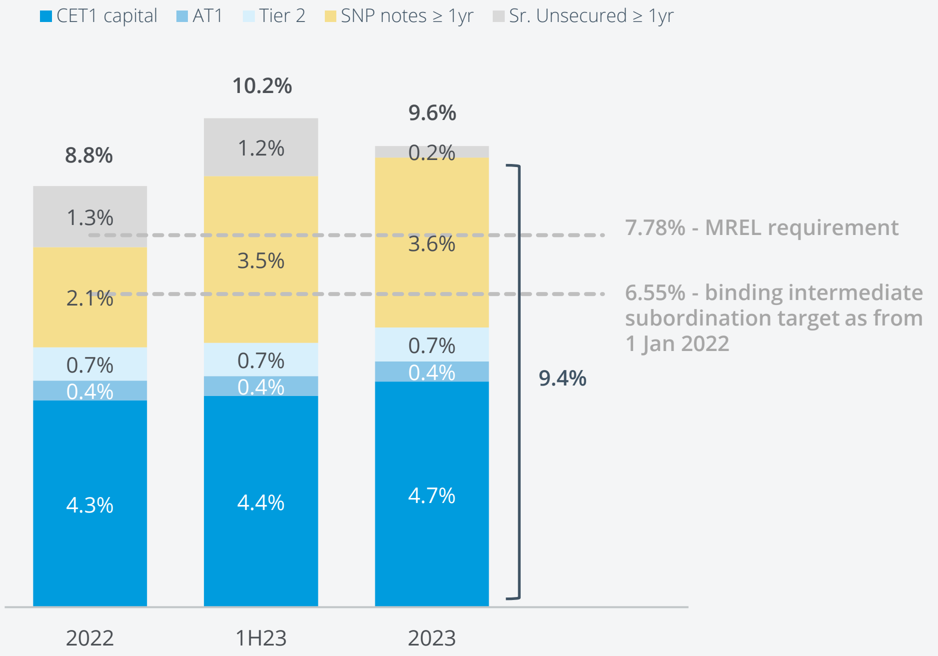
Breakdown by country (in € millions)

	2022	%	2023	%
Netherlands	1,424	26%	1,322	20%
Germany	1,467	26%	1,679	25%
Other[1]	880	16%	1,000	15%
Japan	-	-	667	10%
France	808	14%	759	11%
Belgium	533	10%	673	10%
Austria	219	4%	189	3%
Spain	203	4%	379	6%
Ireland	28	1%	29	0%
Italy	16	0%	22	0%
Total	**5,578**	**100%**	**6,719**	**100%**

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

De Volksbank meets its MREL requirements

MREL ratio (as a % of leverage ratio exposure; LRE)



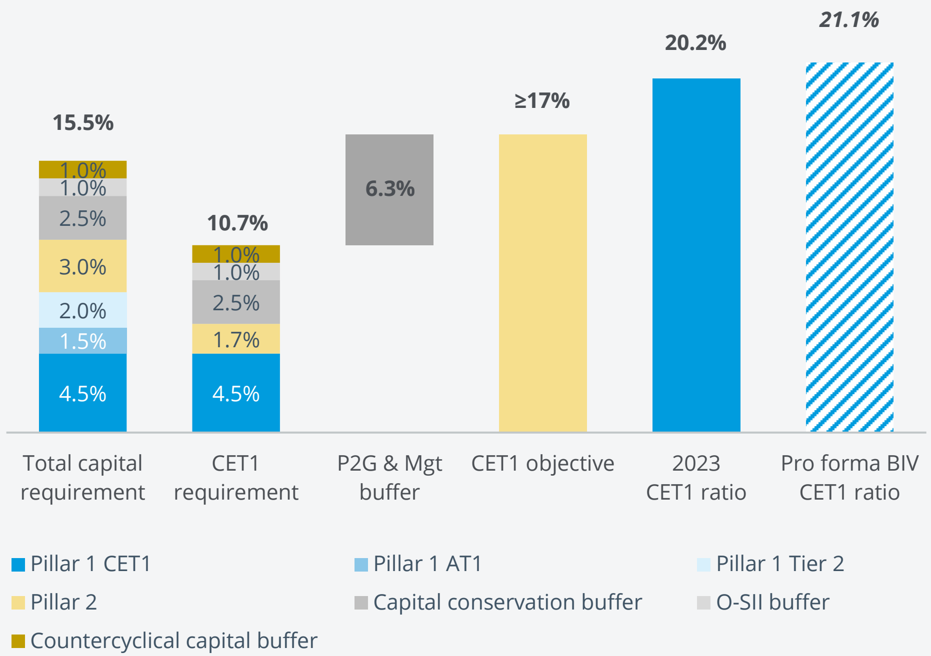
- On 5 April 2023, DNB – the national resolution authority – set the MREL requirement for de Volksbank at 7.78% of the leverage ratio exposure (LRE) as from 1 January 2022
- The MREL requirement based on RWA amounts to 20.41% and is set at 21.81% as of 1 January 2024, both excluding the Combined Buffer Requirement.
- As from 1 January 2024, the MREL requirements based on the LRE and on RWA are to be fully met with subordinated instruments (Tier 1 capital, Tier 2 capital and SNP notes with a residual contractual maturity of at least 1 year)
- As a binding intermediate subordination target, de Volksbank has to meet at least 6.55% of the LRE with subordinated instruments as from 1 January 2022
- The MREL requirement based on the LRE to be met with subordinated instruments is expected to be updated to 8.05% as from 1 January 2024
- The non-risk-weighted MREL requirements are more restrictive for de Volksbank than the risk-weighted MREL requirements

- In 1H23, de Volksbank successfully executed two SNP transactions to strengthen its MREL position:
  - €0.5bn in green SNP debt with a 7-year maturity
  - €0.5bn in green SNP debt with a 4.5-year maturity
- With these two issuances on top of the €1.5bn SNP debt instruments already issued, de Volksbank meets the binding MREL subordination requirement as from January 2024

- In 2023, total capital and eligible liabilities rose by €0.5bn to €6.8bn, mainly due to the SNP transactions and a €218m increase in CET1 capital. This was partly offset by €751m in senior unsecured debt becoming non-eligible
- In effect, the MREL-LRE ratio increased to 9.6% as at year-end 2023 (YE22: 8.8%)
- Including only total capital and eligible SNP liabilities, the subordinated MREL-LRE ratio equalled 9.4% (YE22: 7.5%)

De Volksbank meets its Overall Capital Requirement

Overall Capital Requirement and CET1 ratio



- De Volksbank is currently required to meet a minimum total capital ratio of 15.5% (Overall Capital Requirement, OCR), of which at least 10.7% is required to be composed of CET1 capital. This obligation stems from the Supervisory Review and Evaluation Process (SREP) as performed by the ECB in 2023 and includes the increased countercyclical capital buffer (CCyB)
  - On 29 March 2023, DNB confirmed the earlier announced increase in the CCyB in the Netherlands from 0% to 1%, applicable as from 25 May 2023
- The Maximum Distributable Amount (MDA) trigger level amounts to 10.9% of CET1 capital per 31 December 2023, including a 0.3% Additional Tier 1 (AT1) shortfall
  - In case of a breach of the MDA trigger level, the maximum amount available for dividend payments and/or AT1 coupon distributions would be restricted
- As at 31 December 2023, de Volksbank's CET1 ratio stood at 20.2% and we estimate that our Basel IV fully phased-in CET1 capital ratio amounts to 21.1%

- On 31 May 2023, DNB announced that the current risk picture gives reason to further increase the CCyB in the Netherlands to 2% as from 31 May 2024. The purpose of the CCyB is to increase banks' resilience when cyclical risks build up, and to release the buffer as soon as these risks materialise
- On 31 May 2023, DNB further announced a reduction of de Volksbank's O-SII buffer from 1.0% to 0.25% as from 31 May 2024

2025 long-term objectives

Customers

2025 objectives

Net Promoter Score

+13

Active multi-customers[1]

1,3 million

Customer Relationship Score

60

Society[2]

2025 objectives

Climate-neutral balance sheet

>75%
2030: 100%

Employees

Objectives

Genuine attention

≥ 7.5

Shareholder

Objectives

Return on equity

2025: 8%

Dividend pay-out ratio

40-60% of net profit attributable to the shareholder

Other objectives

CET1 ratio[3]

≥ 17%

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] As from 2024, we have lowered the long-term objective for our CET1 capital ratio from ≥19% to ≥17%

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