

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Asset Pool

De Volksbank N.V.
17 April 2019

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Overall Evaluation of the green bond

de Volksbank commissioned ISS-oekom to assist with its 2019 green bond by assessing three core elements to determine the sustainability quality of the bond:

1. de Volksbank's green bond framework – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
2. The asset pool – whether the projects aligned with ISS-oekom's issue-specific key performance indicators (KPIs) (See Annex 2).
3. de Volksbank's own sustainability performance, according to the ISS-oekom ESG corporate rating.

ISS-oekom ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Alignment against the Green Bond Principles	The issuer has defined a formal concept for its green bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs.	Positive
Part 2: Sustainability quality of the asset pool	<p>The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS-oekom Green Bond KPIs. The Green Bond KPIs contain a clear description of eligible asset category: private mortgages for new and existing residential green buildings.</p> <p>All assets of the asset pool are located in the Netherlands, a highly regulated and developed country. Legislative frameworks set high standards, which reduce environmental and social risks.</p> <p>Due to a low controversy risk, ISS-oekom did not carry out a controversy assessment for residential mortgage loans.</p>	Positive
Part 3: Issuer sustainability performance	<p>The issuer is rated 1st out of 61 companies within its sector as of 05.04.2019. It shows a very good sustainability performance and has been classified as 'Prime' within the methodology of the ISS-oekom Corporate Rating.</p> <p>The issuer rates significantly above the average performance of its sectorial peers on the four key ESG issues identified by ISS-oekom for the sector Financials/Mortgage & Public Sector Finance.</p>	Status: Prime Rating: B- Prime threshold: C

¹ The ISS-oekom's present evaluation is valid for a single issuance following the SPO release date. The issuer's Corporate rating has been last modified on the 29.03.2018.

ISS-oekom SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES

1. Use of Proceeds

The net proceeds of the green bonds issued by de Volksbank under this framework will be allocated to an Eligible Green Loan Portfolio of new and existing loans, defined below, that contribute to a climate neutral balance sheet through reduced or avoided emissions.

Because of de Volksbank's climate goal on its balance sheet, CO₂ emissions, both caused and avoided, is a key investment parameter for all investment decisions by de Volksbank.

ASSET CATEGORY	INCLUDED IN GREEN BOND PORTFOLIO	SHARE OF ASSET POOL
1. Green Buildings	✓ Yes	100%
2. Energy Efficiency	✗ No	-

The Eligible Green Loan Portfolio can include financing and refinancing to investments, expenditures and/or loans as defined in the following criteria:

- Green buildings: defined as buildings which meet the following criteria:
 - i. New or existing residential buildings with an Energy Performance Certificate (EPC) label "A" in the Netherlands
 - ii. Refurbished Dutch residential buildings with at least a 30% improvement in energy efficiency, which is equivalent to two EPC label steps improvement and a minimum energy label C. De Volksbank may provide dedicated residential refurbishment loans.
- Energy Efficiency: Measures contributing to a more efficient use of energy, such as but not limited to:
 - Geothermal or Hybrid heat pumps
 - Alternative heating
 - Floor, wall and roof isolation
 - Energy efficient windows, doors and frames
 - Energy efficiency advisory
 - Energy storage
 - Energy efficient lighting such as LED

Although the framework covers two categories, this bond is fully dedicated to Category 1, Green Buildings, focused on residential mortgages.

Opinion: ISS-oekom considers the use of proceeds description provided by de Volksbank's Green Bond Framework as aligned with the Green Bond Principles. In addition, the sustainability objectives related to those use of proceeds categories are in line with the overall sustainability strategy and targets of the issuer, especially regarding CO₂ emissions reduction.

2. Process for Project Evaluation and Selection

De Volksbank requires that loans comply with official national and international environmental and social standards, laws and regulations. It is also part of de Volksbank's transaction approval process to ensure that loans comply with de Volksbank's sustainability policy, including those financed with the proceeds of the Green Bonds.

Projects as proposed by various business areas of de Volksbank are evaluated and selected by de Volksbank's Climate Neutral Committee (CNC), based on compliance with the Eligibility Criteria brought forward in this framework. Chaired by the CFO of de Volksbank, the CNC determines how it wishes to achieve the climate neutrality objective for the bank balance sheet. In addition, the CNC monitors progress, establishes actual figures and determines the Carbon Profit & Loss Methodology. The CNC is composed out of representatives of the Treasury Department, Balance Sheet Management and Accounting, Reporting and Control, the director of ASN Bank, a sustainability process manager and a climate impact advisor of ASN Bank and the director of the Mortgage Competence Center. The CNC will approve any future updates to the Framework, including expansions to the list of Eligible Categories for future bond issues, and oversee its implementation. In identifying eligible assets (such as green buildings) and their non-financial impacts, de Volksbank may rely on external consultants and their data sources as well.

ASN Bank's Sustainability Expertise Center takes the lead in maintaining and implementing the investment policy and policies relevant to the climate impact to arrive at a climate neutral balance sheet by 2030 and in developing other human rights and biodiversity initiatives. Once every quarter, the results of the climate neutral balance sheet are discussed and approved by the climate neutral committee chaired by the CFO. Sustainable Housing and financial resilience have been assigned to the Marketing department. These eligibility criteria and minimum requirements and ESG related matters are continuously developed and reviewed in its external and internal policy frameworks.

Opinion: *ISS-oekom finds that the process for project evaluation and selection defined in de Volksbank's Green Bond Framework is aligned with the Green Bond Principles. Eligibility criteria are defined, publicly available and transparent, even if generic for the energy efficiency assets. The process of evaluation and selection based on those criteria is transparent, structured and ensures the relevant management of potential ESG risks related to the assets. The departments in charge of the implementation and monitoring of this process are clearly identified and have the relevant expertise to conduct the projects' evaluation and selection. Finally, the aim of a climate neutral balance sheet is above the general green bond market practice.*

3. Management of Proceeds

The Green Bond Proceeds will be managed by de Volksbank in a portfolio approach. De Volksbank intends to allocate the proceeds from the Green Bonds to an Eligible Green Loan Portfolio, selected in accordance with the Use of Proceeds criteria and Evaluation and Selection Process presented above.

De Volksbank will strive, over time, to achieve a level of allocation for the Eligible Green Loan Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Bonds. Additional Eligible Green Loans will be added to de Volksbank's Eligible Green Loan Portfolio to the extent required.

Pending the full allocation of the Proceeds, or in case of an insufficient Eligible Green Loan Portfolio, de Volksbank will hold and/or invest, at its own discretion, the balance of net proceeds not yet allocated to the Eligible Green Loan Portfolio in its treasury liquidity portfolio, in cash or other short term and liquid instruments with a sustainable character (such as green and social bonds). De Volksbank CNC will review and approve allocations of bond proceeds to Eligible Green Loan Portfolio on at least an annual basis.

Opinion: *ISS-oekom finds that the management of proceeds described in de Volksbank's Green Bond Framework is aligned with the Green Bond Principles. The Green Bond proceeds are properly tracked and managed separately from the overall balance sheet of the issuer. The allocation process is defined, transparent and considers sustainability criteria for potential temporary investments. Proceeds will be 100% allocated at issuance and the pool will be dynamic over time. De Volksbank will report the amount of new and existing financing.*

4. Reporting

De Volksbank will make and keep readily available reporting on the allocation of net proceeds to the Eligible Green Loan Portfolio after a year from the issuance of the applicable Green Bond, to be renewed annually.

De Volksbank will report the allocation of the Use of Proceeds to the Eligible Green Loan Portfolio at least at the category level and on an aggregated basis for all of de Volksbank's green bonds. De Volksbank will also report on the progress of the climate neutral balance sheet, and the extent to which the green bond has contributed to the climate neutral balance sheet.

De Volksbank intends to align the reporting with the methodology proposed by Platform Carbon Accounting Financials (PCAF) as proposed in the latest report of December 2018; 'Harmonising and implementing a carbon accounting approach for the financial sector'. PCAF develops a uniform, open-source and transparent carbon accounting methodology for the financial sector. For more information see <http://carbonaccountingfinancials.com/>.

Allocation Reporting

The allocation report will provide, for each Eligible category:

- the total amount of proceeds allocated to Eligible Loans per category
- the number of Eligible Loans
- the balance of unallocated proceeds
- the amount or the percentage of new financing and refinancing

Environmental impact reporting

De Volksbank commits to provide an annual non-financial impact report on climate impact associated to major categories of Eligible Loans, i.e.:

- For Green Buildings Eligible Loans on:
 - Estimated ex-ante annual energy consumption and energy saving in KWh/m2

- Estimated annual financed emissions and avoided/reduced emissions in tonnes of CO₂ equivalents
- For Energy Efficiency Loans on:
 - Number of loans
 - Total amount committed
 - Examples and/or case studies of selected projects
 - If available, estimated avoided emissions in tons of CO₂ equivalent
- The contribution to de Volksbank's goal towards a climate neutral balance sheet
 - Estimated annual financed emissions and avoided emissions in tons of CO₂ equivalent
 - Contribution to the total annual financed emissions and avoided/reduced emissions in percentages

Both the allocation report as well as the impact report will be made available via the de Volksbank website².

Opinion: *ISS-oekom finds that the expected reporting described in de Volksbank's Green Bond Framework is aligned with the Green Bond Principles. The intended use of proceeds and impact reporting are in line with the market best practices, will be publicly available and reviewed by a third-party verifier.*

External review

Second party opinion

de Volksbank Green Bond Framework has been reviewed by ISS-oekom who has issued a SPO. The SPO as well as the Green Bond Framework will be made available to investors through de Volksbank website.

Verification

de Volksbank will request on an annual basis, starting one year after issuance and until maturity, a limited assurance report of the allocation of the bond proceeds to eligible assets, provided by its external auditor (EY or any subsequent external auditor).

² <https://www.devolsbank.nl/investor-relations-1.html>

PART II: SUSTAINABILITY QUALITY OF THE GREEN BOND ASSET POOL

Evaluation of the assets

Private mortgages for residential green buildings

Prerequisites on Energy Efficiency of the residential buildings



All the assets underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency.

New or existing residential buildings received an Energy Performance Certificate (EPC) label “A” in the Netherlands.

1. Construction standards



100% of the assets are located in the Netherlands, where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions).

2. Responsible treatment of customers with debt repayment problems



For 100% of the assets, pre-emptive actions to prevent client debt repayment problems are in place (eg. educational programmes for clients, covenants limiting indebtedness, pro-actively approaching customers potentially at risk).



For 100% of the assets, basic sustainable solutions for customers with debt repayment problems are in place (e.g. internal debt counselling).



The contractor handles mortgage payment difficulties responsibly by guaranteeing that all alternative options are examined before undertaking foreclosure as a last resort.

Controversy assessment



Due to a low controversy risk, ISS-oekom does not carry out a controversy assessment for residential mortgage loans.

The methodology for the asset evaluation can be found in Annex 2.

PART III: ASSESSMENT OF DE VOLKSBANK'S SUSTAINABILITY PERFORMANCE

The ISS-oekom Corporate Rating comprises a rating scale from A+ (excellent) to D- (poor).

COMPANY	RATING	STATUS
DE VOLKSBANK	B -	PRIME

This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by ISS-oekom. In ISS-oekom's view, the securities issued by the company therefore all meet the basic requirements for sustainable investments.

As of 17.04.2018, this rating places de Volksbank 1st out of 61 companies rated by ISS-oekom in the Financials/Mortgage & Public Sector Finance sector.

Key Challenges facing companies in term of sustainability management in this sector are:

- Sustainability impacts of lending and other financial services/products
- Statutory ESG-standards linked to the geographical allocation of the lending portfolio
- Customer and product responsibility
- Employee relations and work environment

In all the key issues, de Volksbank rates above the average for the sector. A very significant outperformance was achieved in "Sustainability impacts of lending and other financial services/products" and "Customer and product responsibility" criteria.

The company has a minor controversy level.

Details on the rating of the issuer can be found in Annex 1.

Robert Hassler, Head of ISS-oekom
London/Munich/Rockville/Zurich

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1. Validity of the SPO: the 2019 de Volksbank's green bond
2. ISS-oekom uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS-oekom in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: ISS-oekom issuer ESG rating

The following pages contain extracts from de Volksbank's 2019 ISS-oekom issuer rating.

ISS-oekom Corporate Rating

de Volksbank N.V.

Industry	Financials/Mortgage & Public Sector Finance	Status	Prime
Country	Netherlands	Rating	B-
ISIN	XS1315151388	Prime Threshold	C



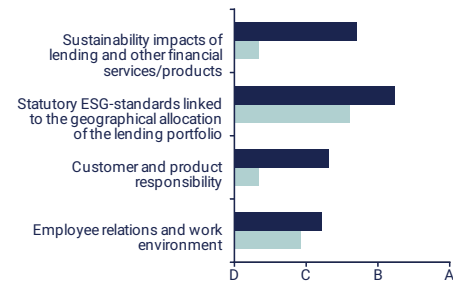
The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively.

Industry Leaders

Company name (in alphabetical order)	Country	Grade
Berlin Hyp AG	DE	B-
Münchener Hypothekbank eG	DE	B-
de Volksbank N.V.	NL	B-

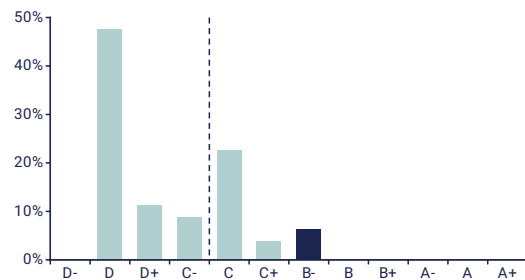
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance

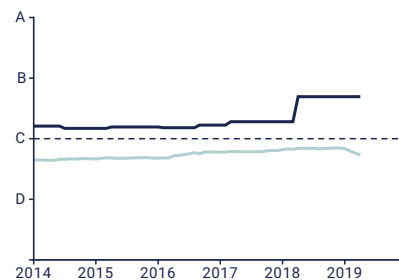


Distribution of Ratings

80 companies in the industry



Rating History



Controversy Monitor

Company		Industry	
Controversy Score	0	Maximum Controversy Score	-2
Controversy Level	Minor	Controversy Risk	Minor

Minor	Moderate	Significant	Severe
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Minor	Moderate	Significant	Severe
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Analyst Opinion

Hendrik Leue
Sector specialist



Sustainability Opportunities

Through special product offerings in the areas of social and/or green financial services as well as socially responsible investment (SRI) products, financial institutions can contribute to the solution of global sustainability challenges. De Volksbank mainly operates in the Dutch retail-banking segment, with a strong focus on mortgage financing (loans to private individuals accounted for 93% of total loans outstanding in 2017). De Volksbank offers special green loan solutions for retail clients, such as loans for eco-efficient houses or energy saving measures. However, these product offers are still negligible vis-à-vis the overall loan portfolio. In addition, although it is not its major business, in the corporate segment, products with social or environmental benefit include investments in green energy projects as well as financial services to social housing corporations and the healthcare sector. Regarding asset management, all investment products and own investments are based on a broad range of exclusion criteria and best-in-class selections. Besides, de Volksbank offers several thematic sustainability funds. In addition, the company does not finance or invest in companies substantially active in the fossil fuel sector and related industries.

Sustainability Risks

Due to its strong focus in the retail mortgage segment, key sustainability challenges for de Volksbank lie in the integration of environmental criteria in the credit rating process for private customers, as well as in the area of customer and product responsibility. The company has taken some steps to include assessment criteria such as resource efficiency and environmentally friendly construction processes and materials in the approval process for retail mortgage loans. Additionally, the company pursues the target to reduce CO2 emissions for its entire mortgage portfolio by 20% by 2020 and has taken adequate action to reach that goal. The company's management of issues related to customer and product responsibility is solid, too. Efforts made in this field include the implementation of measures to treat customers facing debt repayment problems responsibly, e.g. by pro-actively approaching customers potentially at risk, providing internal debt counselling, and considering foreclosures only as a last resort. Policies and measures regarding responsible marketing and sales practices are also in place.

Although not its major business, de Volksbank has taken significant steps to integrate the assessment of ESG risks into corporate lending and investment decisions. The company applies a detailed credit guideline encompassing exhaustive exclusions and social and environmental requirements. In terms of scope and strictness these guidelines are well above industry average, also in relation to institutes with much greater capacities. Suitable procedures to ensure implementation of these policies are in place. Above it all, de Volksbank's retail as well as corporate lending is almost exclusively allocated to the Netherlands, a country with fairly good environmental and social standards.

Employee-related risks are relatively well managed through mental health measures and work life balance options. In December 2015, the company announced redundancies affecting up to 900 employees until 2019. However, the planned job cuts exclusively will take place in the Netherlands, a country with a fairly high legal safety net for employees. Relevant aspects of business ethics are addressed in a group-wide code of conduct in general terms. Compliance measures include trainings, awareness raising, and anonymous and confidential reporting channels for employees.

Governance Opinion

As at March 2018, the Dutch State was the sole shareholder of de Volksbank through the foundation Stichting administratiekantoor beheer financiële instellingen (NLFI). Although the government generally endeavours to privatise the bank again, there are no specific efforts in the short run. Despite this major influence, the board of directors is composed exclusively of independent members, including its chairman Jan van Rutter (as at 13 March 2018). Committees on audit, remuneration and nomination affairs are likewise fully independent. The company discloses compensation for members of the executive management team on an individual basis. Due to regulatory requirements, executives currently are not entitled to receive any kind of variable compensation.

Regarding the company's governance of sustainability, there is no evidence for an independent committee covering sustainability issues. However, sustainability factors determine the performance reviews of executives. De Volksbank's group-wide code of conduct covers almost all relevant aspects of business ethics including corruption, but mostly in general terms. The company conducts compliance trainings and has implemented adequate reporting channels. However, some measures such as third-party anti-corruption due diligence are lacking.

de Volksbank N.V.

Methodology - Overview

ISS-oekom Corporate Rating - The ISS-oekom Universe comprises more than 3,900 companies (mostly companies in important national and international indices, but also small and mid caps drawn from sectors with direct links to sustainability as well as significant non-listed bond issuers).

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance criteria, selected specifically for each industry. All criteria are individually weighted and evaluated and the results are aggregated to yield an overall score (rating), in which the key issues account for at least 50 per cent of the total weight. In case there is no relevant or up-to-date company information available on a certain criterion and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the criterion is graded with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company itself as well as information from independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

An external rating committee assists the analysts at ISS-oekom with the content-related design of industry-specific criteria and carries out a final plausibility check of the rating results at the end of the rating process.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Controversial Business Practices and Areas - In addition to the rating, ISS-oekom undertakes a comprehensive analysis of relevant controversies with respect to numerous business practices and areas for each company. Thereby, our clients have the possibility to consider, either separately or in addition to the rating, the behaviour and the activities of a company in areas they view as especially critical.

With regard to business practices, each controversial case is examined and categorised based on whether it can be clearly attributed to the company. Additionally, the extent of the company's responsibility and the severity of the case are assessed. For the classification of the severity of the misconduct, the concrete negative effects are systematically evaluated. In addition, it is considered whether, to what extent and with what success the company has taken steps to mitigate the impact, to compensate it and to prevent similar incidents from occurring in the future.

To account for the varying levels of severity of the controversies, these are classified into the following three categories: moderate controversies, severe controversies and very severe controversies. Additionally, potential controversies are presented. These constitute issues which could be reclassified into one of the three controversy categories in case new information is reported. The classification follows a clear and uniform methodology for which ISS-oekom has defined specific evaluation parameters and their possible manifestations along a scale, based on international norms and standards and its own understanding of sustainability.

In the Business Practices section, the number of relevant and active cases is displayed in the respective cells. For each criterion, the sum of all corresponding cases for each sub-category is shown in the first line. In the Business Areas section, the activity is marked "x" and summarised as "yes" or "no". The percentage thresholds in the column headers generally refer to the Net Sales of the assessed company. As Net Sales are not an adequate reference value for all companies, these thresholds can refer to other values in individual cases (e.g. for different financial service providers).

Current cases are summarised in the "Comments" field. Irrespective of active cases, criteria marked as "Risk Exposure" indicate the company's risk exposure to controversies based on its business activities.

For the assessment of cases only those sources that have been classified by ISS-oekom as reliable are used. In addition to proven misconduct or activities of companies, alleged misconduct or activities are also assessed when the facts and circumstantial evidence provided by those sources, taking into account the experience of specialised analysts for each topic, is estimated to be sufficiently reliable. This applies not only to alleged practices, but also to the alleged serious negative effects of such practices.

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Methodology - Overview

Controversy Monitor - The Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.

The controversy score is a unit of measurement for the number and severity of a company's current controversies. All controversial business areas and business practices receive a negative score, which can vary depending on the significance, number and severity of the controversies. Both the company's score and the maximum score obtained in the industry are displayed.

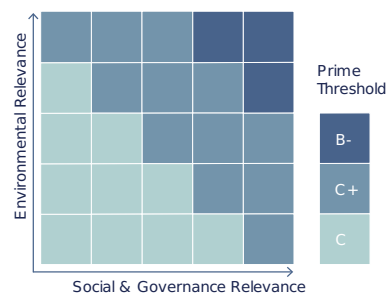
For better classification, the scores are assigned different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.

Only controversies for which reliable information from trustworthy sources is available are recorded. In addition to proven misconduct and activities of companies, alleged misconduct and activities are also assessed when the facts and circumstantial evidence provided by those sources, taking into account the experience of specialised analysts for each topic, is estimated to be sufficiently reliable. It should be noted that large international companies are more often the focus of public and media attention. Thus, the information available on those companies is often more comprehensive than for less prominent companies.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ISS-oekom Universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analysed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ISS-oekom Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS-oekom Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ISS-oekom Universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Major Shareholders & Ownership Summary - Overview of the company's major shareholders at the time of generation of this report. All data as well as the categorisation system for the investor types is based on information from S&P Capital IQ.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorised as Prime if they achieve/exceed the minimum sustainability performance requirements (Prime threshold) defined by ISS-oekom for a specific industry (absolute best-in-class approach) in the ISS-oekom Corporate Rating. Prime companies rank among the sustainability leaders in that industry.

ANNEX 2: Methodology

ISS-oekom Green Bond KPIs

The ISS-oekom Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of de Volksbank green bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS-oekom evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS-oekom or that the information provided did not fulfil the requirements of the ISS-oekom Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS-oekom on a confidential basis by de Volksbank (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

About ISS-oekom SPO

ISS-oekom is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Green/Social/Sustainability Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, and this green bond, contact:

Federico Pezzolato

Federico.Pezzolato@isscorporatesolutions.com

SPO@isscorporatesolutions.com

+44.20.3192.5760