

# ASN Bank N.V.

## Key Rating Drivers

**Standalone Strength Drives Ratings:** ASN Bank N.V.'s (formerly de Volksbank N.V.) ratings reflect its simple but concentrated business model, which results in structurally weaker earnings diversification than larger and higher-rated domestic peers'. The bank's sound asset quality and moderate risk profile, focusing on low-risk residential mortgage lending, are rating strengths. The ratings also capture improved earnings generation, satisfactory capitalisation and leverage, and robust funding underpinned by a granular and stable deposit base.

**Straightforward Business Model:** ASN Bank is the fourth-largest commercial bank in the Netherlands, although its market share is small at around 6% in residential mortgage loans. It operates almost exclusively in its home market, with a clear focus on retail banking, offering mainly residential mortgage loans, savings and payments products.

The bank's focus on lending results in a high reliance on net interest income (NII), which accounted on average for 90% of revenue over the past four years, highlighting limited business diversification relative to peers.

**Moderate Risk Profile:** Fitch Ratings expects ASN Bank to maintain a conservative risk appetite given the bank's focus on low-risk residential mortgage lending in the Netherlands, which comprised 95% of its gross loans at end-June 2025. However, the bank's high reliance on NII exposes it to greater interest-rate risk than larger and more diversified Dutch peers.

Like some domestic peers, the bank's risk-control framework has revealed some deficiencies in recent years, including in its operational risk-management and anti-money laundering obligations. These resulted in two fines imposed by the Dutch National Bank. We expect these to be addressed in the near term, but they will continue to weigh on the bank's profitability and consume management time.

**Asset Quality Supports Ratings:** The bank's sound and stable impaired loans ratio (end-June 2025: 1%) reflects its large and low-risk Dutch residential mortgage loan portfolio (around three-quarters of total assets). We expect ASN Bank's asset quality to remain supported by a resilient employment market and the bank's prudent underwriting. The rest of the balance sheet mainly comprises cash and high-quality securities.

**Satisfactory Profitability:** ASN Bank has satisfactory profitability for its simple and concentrated business model, which results in weaker earnings diversification than peers. We expect the operating profit/risk-weighted assets (RWAs) ratio (1H25: 2.2%) to decrease slightly to around 2% in 2025 due to falling NII and costs to remediate risk-control deficiencies. The bank will hire temporary staff to address anti-money laundering requirements, and we expect the associated costs to continue weighing on profitability until 2027.

**Capital Buffers Reflect Low-Risk Assets:** The bank's strong common equity Tier 1 (CET1) ratio (end-June 2025: 20%) benefits from the low risk-weighting of its large residential mortgage loans portfolio. Fitch expects the CET1 ratio to be maintained well above the bank's medium-term minimum target of around 17%, at about 19% by end-2026. ASN Bank's regulatory leverage ratio (end-June 2025: 5.2%) is adequate for a bank concentrated on low-risk assets.

**Stable Funding, Ample Liquidity:** Stable and granular retail and SME deposits form the bulk of ASN Bank's funding (end-June 2025: 82%). The bank has limited reliance on wholesale funding, and it is a less frequent issuer in debt capital markets than larger Dutch peers. Liquidity is strong and well managed, and comfortably covers short- and medium-term funding maturities.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The bank has material headroom within its current rating. However, a downgrade could result from a significant loss of market share in mortgage lending, signalling a weakening in its business profile and profitability. A higher risk profile, for example due to rapid expansion in higher-risk lending causing the impaired loans ratio to durably increase above 2%, could also lead to a downgrade.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade would require a broadened product and service offering that leads to more diversified revenue streams away from interest income. This would reduce earnings sensitivity to the interest-rate cycle and strengthen internal capital generation. An upgrade would in that case require the bank to maintain its conservative risk profile and stable funding and liquidity.

## Other Debt and Issuer Ratings

| Rating Level                            | Rating |
|-----------------------------------------|--------|
| Deposits (long term/short term)         | A/F1   |
| Senior preferred (long term/short term) | A/F1   |
| Senior non-preferred                    | A-     |
| Subordinated Tier 2                     | BBB    |
| Source: Fitch Ratings                   |        |

## Short-Term IDR

The 'F1' Short-Term IDR is the higher of the two options mapping to an 'A-' Long-Term IDR, driven by ASN Bank's funding and liquidity score of 'a'.

## Senior Debt, Deposits and Derivative Counterparty Rating (DCR)

The bank's long-term senior preferred debt, long-term deposits and DCR are rated one notch above its Long-Term IDR. This reflects Fitch's expectation that ASN Bank will continue to meet its minimum requirement for own funds and eligible liabilities of 21.2% (excluding the combined buffer requirement) with only senior non-preferred and more junior debt and equity instruments. The senior non-preferred and junior debt buffer represented 19.6% of RWAs at end-June 2025. For the same reason, Fitch rates ASN Bank's senior non-preferred debt at 'A-', in line with the bank's Long-Term IDR.

The short-term senior preferred and deposit ratings of 'F1' are the lower of the two options mapping to their respective 'A' long-term ratings, reflecting our assessment of the bank's funding and liquidity score at 'a'.

## Subordinated Debt

The bank's subordinated (Tier 2) debt is rated two notches below its VR, in line with the baseline notching for this type of debt and reflecting poor recovery prospects for these instruments.

## Ratings Navigator

| ASN Bank N.V.         |                  |              |                   |                          |                           |                     | ESG Relevance:           | Banks<br>Ratings Navigator |                           |                       |
|-----------------------|------------------|--------------|-------------------|--------------------------|---------------------------|---------------------|--------------------------|----------------------------|---------------------------|-----------------------|
| Operating Environment | Business Profile | Risk Profile | Financial Profile |                          |                           |                     | Implied Viability Rating | Viability Rating           | Government Support Rating | Issuer Default Rating |
|                       |                  |              | Asset Quality     | Earnings & Profitability | Capitalisation & Leverage | Funding & Liquidity |                          |                            |                           |                       |
|                       | 20%              | 10%          | 20%               | 15%                      | 25%                       | 10%                 |                          |                            |                           |                       |
| aaa                   |                  |              |                   |                          |                           |                     | aaa                      | aaa                        | aaa                       | AAA                   |
| aa+                   |                  |              |                   |                          |                           |                     | aa+                      | aa+                        | aa+                       | AA+                   |
| aa                    |                  |              |                   |                          |                           |                     | aa                       | aa                         | aa                        | AA                    |
| aa-                   |                  |              |                   |                          |                           |                     | aa-                      | aa-                        | aa-                       | AA-                   |
| a+                    |                  |              |                   |                          |                           |                     | a+                       | a+                         | a+                        | A+                    |
| a                     |                  |              |                   |                          |                           |                     | a                        | a                          | a                         | A                     |
| a-                    |                  |              |                   |                          |                           |                     | a-                       | a-                         | a-                        | A- Sta                |
| bbb+                  |                  |              |                   |                          |                           |                     | bbb+                     | bbb+                       | bbb+                      | BBB+                  |
| bbb                   |                  |              |                   |                          |                           |                     | bbb                      | bbb                        | bbb                       | BBB                   |
| bbb-                  |                  |              |                   |                          |                           |                     | bbb-                     | bbb-                       | bbb-                      | BBB-                  |
| bb+                   |                  |              |                   |                          |                           |                     | bb+                      | bb+                        | bb+                       | BB+                   |
| bb                    |                  |              |                   |                          |                           |                     | bb                       | bb                         | bb                        | BB                    |
| bb-                   |                  |              |                   |                          |                           |                     | bb-                      | bb-                        | bb-                       | BB-                   |
| b+                    |                  |              |                   |                          |                           |                     | b+                       | b+                         | b+                        | B+                    |
| b                     |                  |              |                   |                          |                           |                     | b                        | b                          | b                         | B                     |
| b-                    |                  |              |                   |                          |                           |                     | b-                       | b-                         | b-                        | B-                    |
| ccc+                  |                  |              |                   |                          |                           |                     | ccc+                     | ccc+                       | ccc+                      | CCC+                  |
| ccc                   |                  |              |                   |                          |                           |                     | ccc                      | ccc                        | ccc                       | CCC                   |
| ccc-                  |                  |              |                   |                          |                           |                     | ccc-                     | ccc-                       | ccc-                      | CCC-                  |
| cc                    |                  |              |                   |                          |                           |                     | cc                       | cc                         | cc                        | CC                    |
| c                     |                  |              |                   |                          |                           |                     | c                        | c                          | c                         | C                     |
| f                     |                  |              |                   |                          |                           |                     | f                        | f                          | ns                        | D or RD               |

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The earnings and profitability score of 'bbb+' is below the 'a' category implied score due to the following adjustment reason: revenue diversification (negative).

The capitalisation and leverage score of 'a-' is below the 'aa' category implied score due to the following adjustment reason: risk profile and business model (negative).

Company Summary and Key Qualitative Factors

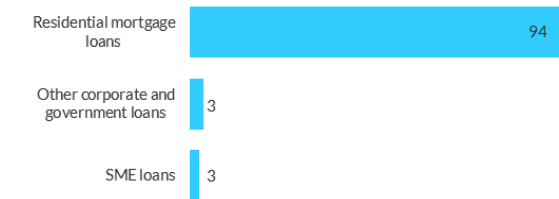
Business Profile

ASN Bank focuses on providing Dutch residential mortgage loans and retail savings, in which it holds market shares of about 6% and 9%, respectively. The low-risk but undiversified business model constrains the bank's business profile. It went through significant franchise changes in 2025, including consolidating its retail brands and legal name under ASN Bank and reducing its branch network and workforce, aimed to enhance operational efficiency. This transformation programme will continue in 2026. The bank has been indirectly state-owned since 2013 but the state acts as a passive investor in the bank.

In its current strategic plan to end-2025, the bank aims for a return on equity of 8%–10% (1H25: about 7%, based on the bank's calculation), a cost/income ratio of 57%–59% (1H25: 69%), and a CET1 ratio under the Basel III endgame rules of at least 17% by end-2025 (end-June 2025: 20%). We believe the bank will be challenged to meet its profitability targets as we expect lower NII to put pressure on the cost/income ratio, which we forecast to remain above 60%. We expect an updated strategy to be introduced in the coming months, but we do not expect any major deviations from the current plan.

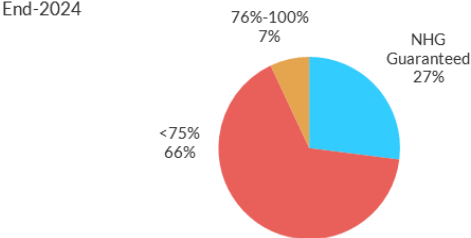
The bank's plan to grow its exposure to the small and medium-sized enterprise (SME) banking segment, could slightly reduce reliance on NII, but we expect that business model will remain largely concentrated in residential mortgage loans and interest income for the next few years.

Loan Split by Type (%)  
End-June 2025



Source: Fitch Ratings, Fitch Solutions, ASN Bank

Mortgage Loans by Loan-to-Value  
End-2024



Source: Fitch Ratings, Fitch Solutions, ASN Bank

Risk Profile

We view the bank's underwriting standards for residential mortgage loans as prudent and consistent with industry standards. Dutch mortgage lending is mainly prime and owner-occupied. Regulatory changes have reduced the loan/value (LTV) cap at loan origination to 100%, which is still high, and require new mortgage loans to be fully amortising for interest expenses to be tax-deductible. The bank's average LTV on the portfolio of 50% at end-June 2025 provides sufficient headroom to absorb potential collateral devaluation. Fully interest-only loans made up 16% of ASN Bank's mortgage loans at end-June 2025 with partial interest-only mortgages accounting for a further 24%, both slightly lower than the prior year period and largely in line with peers'.

In 2024, the DNB notified the bank that it had identified shortcomings in its operational risk-management processes from previous years and in its identification and assessment of risks of money laundering and terrorist financing. The bank has appointed a chief financial crime officer to ensure compliance with the latter and is progressing with its remediation programme. The bank expects related costs to continue until 2027.

Exposure to market risk is moderate and mostly related to the structural interest rate risk. It reflects ASN Bank's portfolio of mortgage loans with fixed-rate periods of longer than one year, which represent the bulk of the mortgage loan book. The bank uses interest rate swaps to hedge its interest rate risk, but is more interest-rate-sensitive than larger, and more diversified, Dutch banks. At end-June 2025, the bank estimated that a 200bp upward shift in the yield curve would reduce economic value of equity by 7% of the bank's CET1 capital.

## Financial Profile

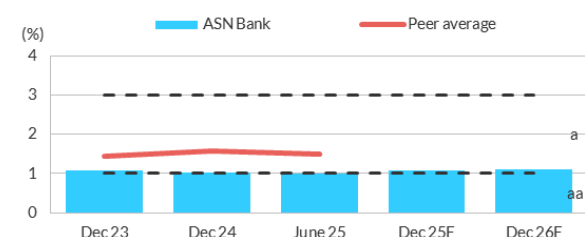
### Asset Quality

The high-quality residential mortgage portfolio in the Netherlands (over 90% of the loan book) supports the bank's strong asset quality. Most mortgage loans have long durations and fixed rates, with the majority carrying fixed rates for at least a decade. While the other corporate and government loan segment deteriorated slightly by end-June 2025, its limited size at just 4% of total loans means the impact on overall asset quality is immaterial. We expect only a limited inflow of impaired loans in the near term, and the impaired loans ratio should remain below 1.5%.

ASN Bank's loan impairment charges/average gross loans ratio has been consistently lower than those of its Dutch peers due to its low-risk residential-mortgages-dominated loan book, which has had a moderate standard deviation in the past 10 years. We believe this will continue to be the case over the forecast period. The coverage of impaired loans by loan-loss allowances (including management overlay of 6bp of total loans), remains below that of international peers (end-June 2025: 25%). This reflects the low historical credit losses on these loans and the significant portion covered by the Dutch Nationale Hypotheek Garantie (end-2024: 27%).

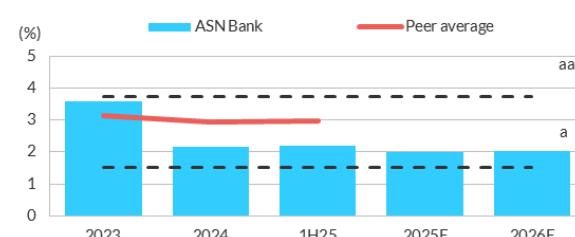
Credit risk in ASN Bank's securities portfolio is low and underpinned by the high quality of its investments. The majority of its investment portfolio comprises bonds issued by sovereign governments of core European countries and financial institutions with credit ratings of 'A' or above.

#### Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

#### Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

### Earnings and Profitability

The bank's weak income diversification results in high reliance on net interest income from residential mortgage loans. Residential mortgage margins should remain stable, supported by the portfolio's long fixed-rate tenors, which limit loan book repricing. Fee and commission income grew strongly in 1H25 (+19% year-on-year), exceeding our expectations, driven by increased pricing for basic banking fees.

2024 net income of EUR144 million (2023: EUR431 million) was significantly affected by non-operating costs mainly related to the bank's transformation programme provision (EUR129 million before tax). The bank expects annual structural cost savings from the transformation programme to reach EUR70 million. We forecast the bank's cost/income ratio to remain close to 70% in the near term, excluding any potential non-recurring items. This would remain below the large domestic peer average (around 60%) and exceed the bank's 57%–59% 2025 target. We expect a small loan impairment charge in 2025, underpinned by the bank's low-risk residential mortgage portfolio.

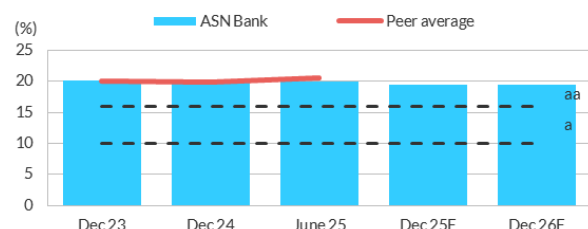
### Capitalisation and Leverage

The CET1 ratio of 20% reflects ASN Bank's conservative capital planning, providing a strong buffer above its regulatory requirement of 11.1%. The bank's risk-weight density has risen steadily in recent years to 24% (of total assets) at end-June 2025, from just above 15% in 2020, but remains low in the context of international peers. Capital encumbrance from unreserved impaired loans is modest and below large Dutch peers, at about 12% of CET1 capital at end-June 2025.

The bank did not pay any dividends on 2024 results, reflecting strategic capital allocation following the announcement of the transformation programme. We expect the bank will be able to pay a dividend in 2025 without unduly threatening its buffer above its stated minimum CET1 target.

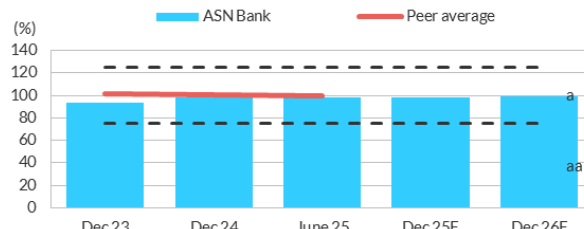
The bank meets its minimum requirement for own funds and eligible liabilities (MREL) entirely with CET1 capital, subordinated and senior non-preferred debt. The bank's MREL, at 9.8% of the leverage ratio exposure and 41.3% of RWAs at end-June 2025, were well above the 8.0% and 21.2% respective requirements. The MREL based on RWAs is less restrictive for ASN Bank than the LRE-based requirement, due to its low risk-weight density.

### CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

### Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

### Funding and Liquidity

Retail deposits constitute the bulk of ASN Bank's funding. We expect that the loans/deposits ratio (end-June 2025: 98%) will remain below 100% in the near term. Reliance on wholesale funding is low, consisting primarily of covered bonds and senior debt.

The bank's high-quality liquid assets account for about 10% of total assets (end-June 2025: EUR8 billion). The bank has shifted part of its liquidity buffer over the past year by reducing its ECB liquidity position (end-June 2025: EUR1.9 billion; end-June 2024: EUR4 billion), and increasing placements with investment-grade financial institutions, as it seeks to optimise the return from its excess liquidity. Most the bank's mortgage loans are unencumbered, which provides a large source of contingent liquidity.

### Additional Notes on Charts

The forecasts in the charts in this section reflect Fitch's forward view on the bank's core financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Peer average includes Cooperatieve Rabobank U.A. (a+), ING Groep N.V. (a+), Leeds Building Society (a-), Skipton Building Society (a-), ABN AMRO Bank N.V. (a). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

## Financials

### Financial Statements

|                                        | 31 Dec 22 | 31 Dec 23 | 31 Dec 24 | 30 Jun 25 |
|----------------------------------------|-----------|-----------|-----------|-----------|
|                                        | 12 months | 12 months | 12 months | 1st half  |
|                                        | (EURm)    | (EURm)    | (EURm)    | (EURm)    |
| <b>Summary income statement</b>        |           |           |           |           |
| Net interest and dividend income       | 851       | 1,303     | 1,127     | 509       |
| Net fees and commissions               | 51        | 47        | 60        | 34        |
| Other operating income                 | 63        | 64        | 121       | 69        |
| Total operating income                 | 965       | 1,414     | 1,308     | 612       |
| Operating costs                        | 655       | 809       | 991       | 425       |
| Pre-impairment operating profit        | 310       | 605       | 317       | 187       |
| Loan and other impairment charges      | 52        | 14        | -51       | -7        |
| Operating profit                       | 258       | 591       | 368       | 194       |
| Other non-operating items (net)        | -         | -         | -149      | -         |
| Tax                                    | 67        | 160       | 75        | 56        |
| Net income                             | 191       | 431       | 144       | 138       |
| Other comprehensive income             | -159      | 63        | -1        | 18        |
| Total comprehensive income             | 32        | 494       | 143       | 156       |
| <b>Summary balance sheet</b>           |           |           |           |           |
| <b>Assets</b>                          |           |           |           |           |
| Gross loans                            | 49,120    | 51,029    | 54,636    | 56,283    |
| – of which impaired                    | 549       | 558       | 558       | 567       |
| Loan loss allowances                   | 154       | 182       | 142       | 138       |
| Net loans                              | 48,966    | 50,847    | 54,494    | 56,145    |
| Interbank                              | 6,884     | 4,671     | 6,192     | 7,347     |
| Derivatives                            | 3,302     | 2,544     | 2,141     | 1,924     |
| Other securities and earning assets    | 5,591     | 6,733     | 7,199     | 8,315     |
| Total earning assets                   | 64,743    | 64,795    | 70,026    | 73,731    |
| Cash and due from banks                | 8,011     | 5,891     | 3,352     | 1,454     |
| Other assets                           | 401       | 374       | 313       | 500       |
| Total assets                           | 73,155    | 71,060    | 73,691    | 75,685    |
| <b>Liabilities</b>                     |           |           |           |           |
| Customer deposits                      | 56,859    | 54,557    | 55,852    | 57,378    |
| Interbank and other short-term funding | 2,690     | 1,947     | 2,494     | 3,453     |
| Other long-term funding                | 8,450     | 8,787     | 9,527     | 9,204     |
| Trading liabilities and derivatives    | 924       | 1,121     | 1,105     | 850       |
| Total funding and derivatives          | 68,923    | 66,412    | 68,978    | 70,885    |
| Other liabilities                      | 524       | 557       | 665       | 607       |
| Preference shares and hybrid capital   | 298       | 298       | 298       | 298       |
| Total equity                           | 3,410     | 3,793     | 3,750     | 3,895     |
| Total liabilities and equity           | 73,155    | 71,060    | 73,691    | 75,685    |

|               |                    |                    |                    |                    |
|---------------|--------------------|--------------------|--------------------|--------------------|
| Exchange rate | USD1=<br>EUR0.9376 | USD1=<br>EUR0.9127 | USD1=<br>EUR0.9622 | USD1=<br>EUR0.8532 |
|---------------|--------------------|--------------------|--------------------|--------------------|

Source: Fitch Ratings, Fitch Solutions, ASN Bank

## Key Ratios

|                                               | 31 Dec 22 | 31 Dec 23 | 31 Dec 24 | 30 Jun 25 |
|-----------------------------------------------|-----------|-----------|-----------|-----------|
| (%; annualised as appropriate)                |           |           |           |           |
| <b>Profitability</b>                          |           |           |           |           |
| Operating profit/risk-weighted assets         | 1.7       | 3.6       | 2.2       | 2.2       |
| Net interest income/average earning assets    | 1.3       | 2.0       | 1.7       | 1.4       |
| Non-interest expense/gross revenue            | 67.9      | 57.2      | 75.8      | 69.4      |
| Net income/average equity                     | 5.6       | 12.0      | 3.8       | 7.3       |
| <b>Asset quality</b>                          |           |           |           |           |
| Impaired loans/gross loans                    | 1.1       | 1.1       | 1.0       | 1.0       |
| Growth of gross loans                         | -3.1      | 3.9       | 7.1       | 3.0       |
| Loan loss allowances/impaired loans           | 28.1      | 32.6      | 25.5      | 24.3      |
| Loan impairment charges/average gross loans   | 0.1       | 0.0       | -0.1      | 0.0       |
| <b>Capitalisation</b>                         |           |           |           |           |
| Common equity Tier 1 capital ratio            | 20.3      | 20.2      | 20.2      | 20.0      |
| Tangible common equity/tangible assets        | 4.6       | 5.3       | 5.1       | 5.2       |
| Basel leverage ratio                          | 4.7       | 5.1       | 5.1       | 5.2       |
| Net impaired loans/common equity Tier 1       | 12.7      | 11.3      | 12.1      | 12.0      |
| <b>Funding and liquidity</b>                  |           |           |           |           |
| Gross loans/customer deposits                 | 86.4      | 93.5      | 97.8      | 98.1      |
| Gross loans/customer deposits + covered bonds | 80.1      | 86.4      | 89.8      | -         |
| Liquidity coverage ratio                      | 233.0     | 262.0     | 191.0     | 149.0     |
| Customer deposits/total non-equity funding    | 83.3      | 83.2      | 81.9      | 81.6      |
| Net stable funding ratio                      | 174.0     | 165.7     | 159.8     | 148.0     |

Source: Fitch Ratings, Fitch Solutions, ASN Bank

## Support Assessment

| Commercial Banks: Government Support                                      |             |
|---------------------------------------------------------------------------|-------------|
| Typical D-SIB GSR for sovereign's rating level (assuming high propensity) | a+ to a-    |
| Actual jurisdiction D-SIB GSR                                             | ns          |
| Government Support Rating                                                 | ns          |
| Government ability to support D-SIBs                                      |             |
| Sovereign Rating                                                          | AAA/ Stable |
| Size of banking system                                                    | Negative    |
| Structure of banking system                                               | Negative    |
| Sovereign financial flexibility (for rating level)                        | Neutral     |
| Government propensity to support D-SIBs                                   |             |
| Resolution legislation                                                    | Negative    |
| Support stance                                                            | Negative    |
| Government propensity to support bank                                     |             |
| Systemic importance                                                       | Neutral     |
| Liability structure                                                       | Neutral     |
| Ownership                                                                 | Neutral     |

The colours indicate the weighting of each KRD in the assessment.  
Influence: Red = higher; Dark blue = moderate; Light blue = lower

The Government Support Rating of 'no support' (ns) reflects Fitch's view that senior creditors cannot rely on receiving full extraordinary support from the sovereign in the event that ASN Bank becomes non-viable. The EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that requires senior creditors participating in losses, if necessary, instead of, or ahead of, a bank receiving sovereign support. This is despite the Netherlands government's 100% ownership of ASN Bank, which Fitch views as non-strategic due to the government's ultimate aim of privatising the bank.

## Environmental, Social and Governance Considerations

## FitchRatings ASN Bank N.V.

Banks  
Ratings Navigator

## Credit-Relevant ESG Derivation

|                                                                                                                                                                                                                                       |  |                     |   |        |   |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------|---|--------|---|--|
| de Volksbank N.V. has 5 ESG potential rating drivers                                                                                                                                                                                  |  | key driver          | 0 | issues | 5 |  |
| <div>de Volksbank N.V. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.</div> |  | driver              | 0 | issues | 4 |  |
| <div>Governance is minimally relevant to the rating and is not currently a driver.</div>                                                                                                                                              |  | potential driver    | 5 | issues | 3 |  |
|                                                                                                                                                                                                                                       |  | not a rating driver | 4 | issues | 2 |  |
|                                                                                                                                                                                                                                       |  |                     | 5 | issues | 1 |  |

## Environmental (E) Relevance Scores

| General Issues                                             | E Score | Sector-Specific Issues                                                                                                                             | Reference                                                                     | E Relevance |  |
|------------------------------------------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------|--|
| GHG Emissions & Air Quality                                | 1       | n.a.                                                                                                                                               | n.a.                                                                          | 5           |  |
| Energy Management                                          | 1       | n.a.                                                                                                                                               | n.a.                                                                          | 4           |  |
| Water & Wastewater Management                              | 1       | n.a.                                                                                                                                               | n.a.                                                                          | 3           |  |
| Waste & Hazardous Materials Management; Ecological Impacts | 1       | n.a.                                                                                                                                               | n.a.                                                                          | 2           |  |
| Exposure to Environmental Impacts                          | 2       | Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations | Business Profile (incl. Management & governance); Risk Profile; Asset Quality | 1           |  |

**How to Read This Page**  
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Scores of 3, 4 or 5) and provides a brief explanation for the score.

## Social (S) Relevance Scores

| General Issues                                             | S Score | Sector-Specific Issues                                                                                                                                     | Reference                                                                             | S Relevance |  |
|------------------------------------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------|--|
| Human Rights, Community Relations, Access & Affordability  | 2       | Services for underbanked and underserved communities; SME and community development programs; financial literacy programs                                  | Business Profile (incl. Management & governance); Risk Profile                        | 5           |  |
| Customer Welfare - Fair Messaging, Privacy & Data Security | 3       | Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)               | Operating Environment; Business Profile (incl. Management & governance); Risk Profile | 4           |  |
| Labor Relations & Practices                                | 2       | Impact of labor negotiations, including board/employee compensation and composition                                                                        | Business Profile (incl. Management & governance)                                      | 3           |  |
| Employee Wellbeing                                         | 1       | n.a.                                                                                                                                                       | n.a.                                                                                  | 2           |  |
| Exposure to Social Impacts                                 | 2       | Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices | Business Profile (incl. Management & governance); Financial Profile                   | 1           |  |

**Classification of ESG issues** has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific issues draw on the classification standards published by the United Nations' Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

## Governance (G) Relevance Scores

| General Issues         | G Score | Sector-Specific Issues                                                                                                                                                                             | Reference                                                                                             | G Relevance |  |
|------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------|--|
| Management Strategy    | 3       | Operational implementation of strategy                                                                                                                                                             | Business Profile (incl. Management & governance)                                                      | 5           |  |
| Governance Structure   | 3       | Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal/compliance risks; business continuity; key person risk; related party transactions | Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage | 4           |  |
| Group Structure        | 3       | Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership                                                                                     | Business Profile (incl. Management & governance)                                                      | 3           |  |
| Financial Transparency | 3       | Quality and frequency of financial reporting and auditing processes                                                                                                                                | Business Profile (incl. Management & governance)                                                      | 2           |  |
|                        |         |                                                                                                                                                                                                    |                                                                                                       | 1           |  |

**CREDIT-RELEVANT ESG SCALE**  
How relevant are E, S and G issues to the overall credit rating?

5: Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.

4: Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.

3: Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.

2: Irrelevant to the entity rating but relevant to the sector.

1: Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products/esg-relevance-scores>.

## Ratings

## Foreign Currency

|                                |        |
|--------------------------------|--------|
| Long-Term IDR                  | A-     |
| Short-Term IDR                 | F1     |
| Derivative Counterparty Rating | A(dcr) |
| Viability Rating               | a-     |
| Government Support Rating      | ns     |

## Sovereign Risk (Netherlands)

|                                |     |
|--------------------------------|-----|
| Long-Term Foreign-Currency IDR | AAA |
| Long-Term Local-Currency IDR   | AAA |
| Country Ceiling                | AAA |

## Outlooks

|                                          |        |
|------------------------------------------|--------|
| Long-Term Foreign-Currency IDR           | Stable |
| Sovereign Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Local-Currency IDR   | Stable |

## Highest ESG Relevance Scores

|               |   |
|---------------|---|
| Environmental | 2 |
| Social        | 3 |
| Governance    | 3 |

## Applicable Criteria

[Bank Rating Criteria \(March 2025\)](#)

## Related Research

[Global Economic Outlook \(September 2025\)](#)

[Netherlands Mortgage Index Monitor: 2H25 \(September 2025\)](#)

[Benelux Major Banks - Peer Credit Analysis \(July 2025\)](#)

[Benelux Banking M&A Driven by Diversification and Fee Income \(March 2025\)](#)

[Fitch Affirms the Netherlands at 'AAA'; Outlook Stable \(January 2025\)](#)

## Analysts

Gary Hanniffy, CFA

+49 69 768076 266

[gary.hanniffy@fitchratings.com](mailto:gary.hanniffy@fitchratings.com)

Oceane Lefebvre

+33 1 44 29 91 49

[oceane.lefebvre@fitchratings.com](mailto:oceane.lefebvre@fitchratings.com)

## SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

## DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2025 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.