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Ratings

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De Volksbank N.V.

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De Volksbank N.V.

Ratings Score Snapshot

Global Scale Ratings
Issuer Credit Rating
A/Stable/A-1
Resolution Counterparty Rating
A+/--/A-1

SACP: bbb+ → **Support: 0** → **Additional factors: 0**

SACP: bbb+		
Anchor	bbb+	
Business position	Moderate	-1
Capital and earnings	Very strong	+2
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: 0	
ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
A-/Stable/A-2

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview	
Key strengths	**Key risks**
Longstanding domestic franchise.	Concentration on the highly competitive domestic mortgage market.
Solid capital base and sizable loss-absorption capital buffers.	High revenue concentration. This could make the bank's income more vulnerable to economic conditions compared to more diversified peers.
Comfortable liquidity buffers.	A high cost base. Inflation and the need for further investments will add to the cost base in 2023-2024.

The challenging economic and operating conditions could weigh on De Volksbank N.V.'s (DVB's) profitability more than on that of larger, better diversified peers. Although rising interest rates will benefit the bank's net interest income, this may not be sufficient to keep its profitability on a par with its more diversified and cost-efficient peers in 2023-2024 because operating costs will also rise. Specifically, high inflation will increase the bank's operating costs, adding to the planned investments in digitalization that DVB sees as necessary to gain efficiency and maintain its competitive position in the market.

We expect DVB to remain reliant on its solid capital base and good liquidity buffers and maintain sound asset quality. At this stage, we do not expect the increasingly difficult macroeconomic environment to significantly affect DVB's asset quality. This reflects the bank's focus on long-term, fixed-rate mortgages, and its low exposure to the domestic small-to-midsize enterprise (SME) segment, which constituted only 2% of exposures on June 30, 2022. Furthermore, we expect the bank's capital base to remain solid in 2023-2025, as evident from our projected risk-adjusted capital (RAC) ratio remaining above 20% over the same period. Furthermore, we believe that the bank will continue to rely on good liquidity buffers, with liquid assets constituting about 25% of its total assets at end-2022.

Privatization seems unlikely in the short term, although the government is looking at different options for the bank's future. In February 2023, the Minister of Finance wrote to the House of Representatives stating that she intends to take a decision about DVB's future before the end of 2023. However, the Minister concluded that a definitive decision can only be made when DVB's owner, NLFI, determines that the bank is ready. In light of this statement, the difficult macroeconomic and operating environment, and DVB's ongoing execution of its strategy, we continue to see a privatization as unlikely in the short term. That said, we acknowledge the government's intention to consider a range of different options for the bank's future.

Outlook

The stable outlook reflects our view that DVB's capitalization will remain solid, and that worsening economic conditions will only affect its asset quality mildly over the next 18-24 months. We also expect that the bank will continue to focus on the execution of its strategic plan, which targets a more cost-efficient and diversified business model. Furthermore, the stable outlook reflects our view that DVB will remain able and willing to maintain an additional loss-absorbing capacity (ALAC) buffer sustainably above 8% of S&P Global Ratings' risk-weighted assets (RWAs).

Downside scenario

We would lower the ratings if we believed that DVB was not able to preserve its competitive position, and if its profitability looked weaker than that of peers over the next 18-24 months. We would also downgrade DVB if we considered the bank unable or unwilling to maintain its ALAC buffer above 8% of its S&P Global Ratings' RWAs.

Upside scenario

There is no upside scenario at this stage.

Key Metrics

De Volksbank N.V.--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	(10.4)	16.7	15.5-18.9	(2.4)-(2.9)	1.5-1.8

De Volksbank N.V.--Key ratios and forecasts (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in customer loans	0.2	(3.4)	0.0-0.0	0.9-1.1	0.9-1.1
Growth in total assets	6.8	1.5	(0.7)-(0.8)	0.6-0.7	0.6-0.8
Net interest income/average earning assets (NIM)	1.3	1.4	1.6-1.8	1.6-1.7	1.6-1.7
Cost-to-income ratio	83.3	67.9	63.7-66.9	67.3-70.8	68.2-71.7
Return on average common equity	4.7	5.5	6.8-7.6	6.2-6.9	6.3-7.0
Return on assets	0.2	0.3	0.3-0.4	0.3-0.3	0.3-0.4
New loan loss provisions/average customer loans	(0.1)	0.1	0.1-0.1	0.1-0.1	0.0-0.0
Gross nonperforming assets/customer loans	1.4	1.1	1.2-1.3	1.2-1.4	1.2-1.4
Net charge-offs/average customer loans	(0.0)	(0.0)	0.1-0.1	0.1-0.1	0.1-0.1
Risk-adjusted capital ratio	20.8	21.0	19.9-21.0	20.1-21.1	20.4-21.4

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' For Banks Operating Only In The Netherlands

We view the economic risk trend for the Dutch banking sector as stable. Under our base-case scenario, we expect the Netherlands, like other European countries, to be affected by the repercussions of the Russia-Ukraine war, with GDP growth subdued at 0.9% in 2023 (4.5% in 2022). After peaking at 11.7% in 2022, we expect inflation to fall to 4.8% in 2023, thereby maintaining pressure on households' purchasing power. The labor market remains strong, with unemployment hovering around 4%.

Economic imbalances have not receded because of a very dynamic real estate market, where existing supply shortages and pent-up demand, combined with favorable demographics, support long-term house price appreciation. However, we expect this to slow over the next few years on the back of rising interest rates.

We have seen modest asset quality improvements over the past year, but we could also see some deterioration, depending on the severity of the economic consequences of the Russia-Ukraine conflict. However, given Dutch banks' focus on domestic mortgages and well-collateralized lending, we expect total credit impairment charges to remain at through-the-cycle levels of 25-30 basis points (bps) by 2023.

Our assessment of industry risk for Dutch banks incorporates high concentration on the Netherlands and our view of a stable competitive environment. We consider that the prospective profitability of domestic banking remains adequate. However, we continue to see some pressure on profitability from the limited growth potential of the mature domestic market, inflationary pressure on costs, and the need for continued investments in digitalization, information technology (IT), and compliance.

Dutch banks' average cost-efficiency ratio of about 58% in 2022 compares satisfactorily with that of European peers. This is largely attributable to Dutch banks' proactive digitalization, more direct low-cost distribution channels, and the country's high uptake of mobile banking. However, we see limited upside for additional cost efficiency improvements because the need for further investments relating to digitalization, banking regulations, and compliance, will largely offset any benefits.

Banking system funding is balanced between wholesale funding and customer deposits, although we note households' propensity to save in nonbank saving products, from life insurance products to pension schemes. We consider that Dutch systemwide funding benefits from, among other things, the depth of the domestic financial market and potential funding support from the European Central Bank. We view the industry risk trend as stable.

Business Position: Longstanding Domestic Mortgage Bank Working To Improve Its Operating Performance

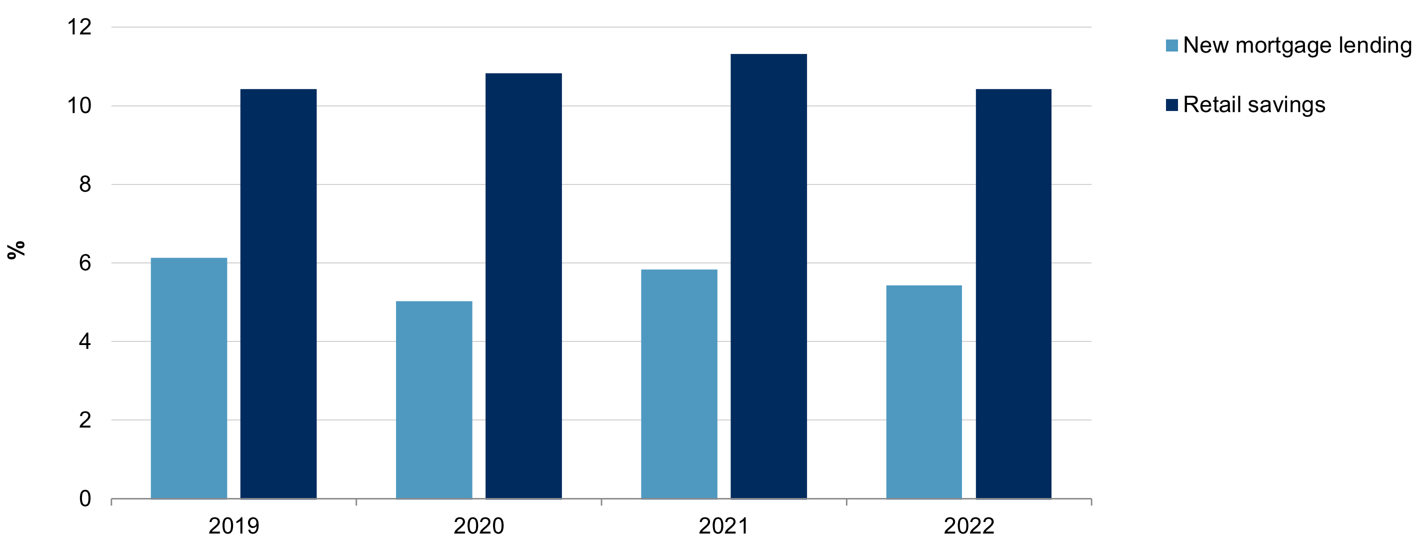
DVB is the fourth-largest lender to the private sector in the Netherlands, with more than three million customers. Its loan book reflects its monoline nature, with residential mortgages representing over 90% of the total. DVB boasts a longstanding franchise in the region, especially in the retail savings market, where its market share has constantly remained about 10% or above. This was the case even after DVB's nationalization in 2013, following large impairments in its former commercial real estate investments and development loans. This illustrates DVB's well-known and trusted brand, in our view.

In contrast, DVB's share of the new mortgage lending market has proved less stable over time and has slightly decreased over the past five years. This reflects the highly competitive nature of the domestic mortgage market, as well as the dynamics of the middle section of this market, which is the section that DVB targets.

Chart 1

De Volksbank N.V.'s market shares

Market share evolution of new mortgage lending and retail savings in the Netherlands

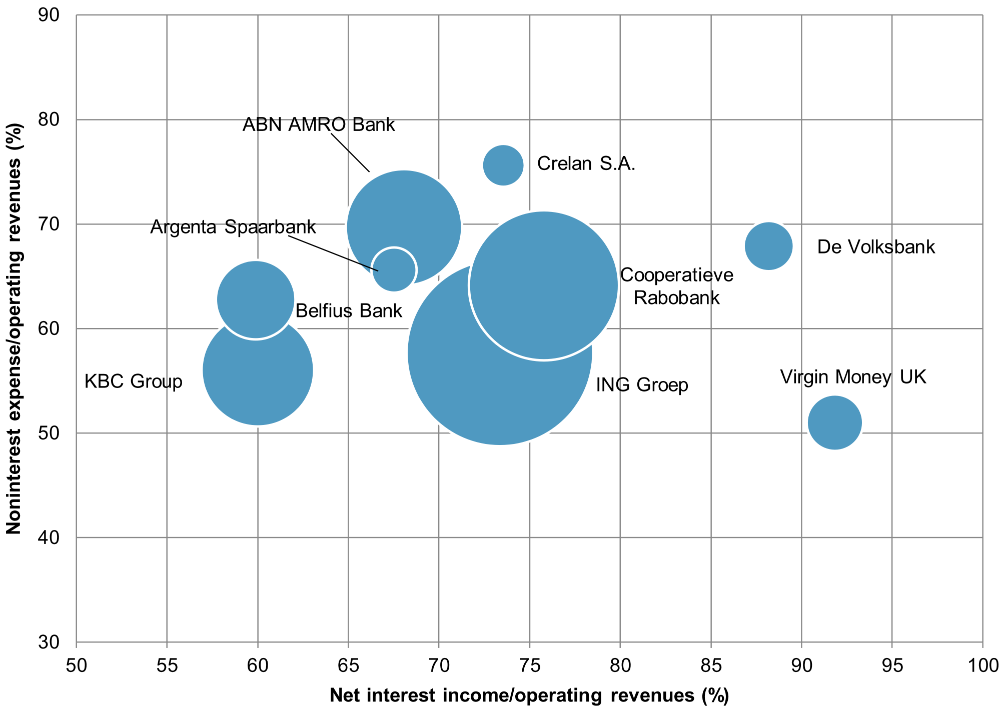


Source: S&P Global Ratings.

DVB's focus on mortgages makes the bank's revenues heavily dependent on interest-related income. The low proportion of fees and commission in the revenue mix is a weakness in terms of quality of earnings, as it indicates a narrower product range and more limited cross-selling capabilities than that of universal banks. Furthermore, DVB's cost base is quite elevated, both in absolute and relative terms.

Chart 2

De Volksbank N.V. has among the lowest income diversification and cost efficiency in the peer set



Bubble size represents total assets on the balance sheet as of FY2022. Source: S&P Global Ratings.

In 2021, the bank announced its 2021-2025 strategic plan, which aims to tackle structural profitability issues, namely revenue concentration and the high cost base. Among other initiatives, the bank has been expanding into the SME sector in the Netherlands by offering business mortgages of up to €1 million. That said, this business activity constituted about 2% of the bank's portfolio at end-2022. We expect this business line to grow gradually over the next 18-24 months, but to remain a small part of the bank's assets.

DVB has also introduced a monthly fee for basic banking services, and has managed to increase the number of active customers by about 15% since end-2020. Finally, the bank has set-up a multi-year investment plan, mostly focusing on IT security and digitalization, on top of banking regulation and customer compliance. The bank continues to follow a multi-brand strategy, with brands including ASN Bank, RegioBank, BLG Wonen, and SNS. This differentiates its business model and proposition from those of its peers.

Although we see that the execution of DVB's business plan could be positive in the long term, we also recognize the challenges that this may throw up in what is a difficult macroeconomic and operating environment. In particular, while we expect the bank's revenue base to benefit from the increase in interest rates, we also consider that the economic slowdown will reduce the demand for new loans--especially from the Dutch middle class--and that inflation and investments costs will weigh on the bank's cost base in 2023 and 2024.

In February 2023, the Minister of Finance wrote to the House of Representatives stating that, to avoid an unnecessary delay, she intends to take a decision about the future of DVB before the end of 2023. That said, we understand that the Minister concluded that a definitive decision can only be made when NLFI determines that DVB is ready. NLFI is a not-for-profit organization with a statutory mandate and has owned DVB since its nationalization in 2013.

On the one hand, we continue to see a privatization as unlikely in the short term due to the difficult operating environment and the challenges that the bank faces to improve its earnings profile. On the other hand, we acknowledge the government's intention to consider a range of different options for the bank's future.

Capital And Earnings: A Solid Capital Base

DVB's capital ratios are very high, and its solvency is undoubtedly its main rating strength. We expect that the bank's management will continue to maintain very strong capital in the years to come, mainly because of the bank's monoline identity and the finalization of Basel III, which will require more regulatory capital.

We project that the bank's RAC ratio will sit in the 20.7%-21.2% range by end-2025, compared to about 21% that we estimate at end-2022, on the back of limited growth, sound asset quality, and positive earnings generation capacity.

Our projections for the period to year-end 2025 assume the following:

- Marginal loan book growth on the back of the economic slowdown in 2023 and fierce competition in the domestic mortgage market.
- Higher operating income, mainly reflecting the positive effect of higher interest rates on the portfolio of mortgages and securities. We expect the bank's operating income to increase to €1.1 billion-€1.2 billion, from €965 million at end-2022.
- Higher operating expenses due to inflation and the bank's investments in IT security, digitalization, banking regulation, and customer compliance. We estimate that the bank's cost base will increase by a cumulative 18%-20% by end-2025.
- An increase in net income of 25% by end-2025, ranging between €200 million and €250 million per year.
- Sound asset quality, with the cost of risk standing above 10 bps in 2023, but falling thereafter.
- An average dividend payout ratio of 60%.

Despite DVB's strategic initiatives, its earnings structure is unlikely to change much in the next two years. We expect that fees and commission will continue to represent a small portion of revenue, at about 5%-6%.

Risk Position: Sound Asset Quality, But Concentration Could Mask Some Risks

The bank's risk profile reflects a loan book that is granular and low risk. It also reflects concentration on a single asset class in the Netherlands, which exposes it to potential weakness in the domestic real estate market.

We expect DVB to remain broadly resilient in the face of the economic slowdown in 2023, although we cannot exclude an increase in the stock of nonperforming exposures (NPEs) by year-end 2023, as well as a higher cost of risk compared to end-2022. In particular, we expect that the NPE ratio could increase slightly to 1.3% from the 1.1% reported at year-end 2022, and that the cost-of-risk ratio could exceed 10 bps in 2023. That said, we consider that these figures could decrease again from 2024 on the back of a domestic economic recovery and a resilient job market.

Despite DVB's expansion into the domestic SME sector, we do not expect a major deterioration to result from this portfolio as we expect it to remain relatively small. At end-2022, 4% of the bank's total exposure to SMEs was classified as Stage 3.

We believe that the intrinsic risk profile of DVB's mortgage book has benefitted from the regulatory reform of Dutch mortgages. This is evident from the growing share of annuity loans compared with the historical interest-only mortgage profile of the Dutch market, and the falling number of loans in negative equity. In 2022, 57% of the new mortgages that DVB granted consisted of annuity loans, the only mortgages that benefit from tax deductibility. At the same time, about 10% of new residential mortgages consisted of interest-only mortgages due to the refinancing of loans originated before 2013.

DVB's average loan-to-value mortgage book stood at 51% at year-end 2022, down from 80% at end-2016. Furthermore, about 24% of the portfolio benefits from the Dutch national mortgage guarantee scheme (Nationale Hypotheek Garantie or NHG), which supports house ownership. In our RAC framework, we treat the NHG scheme as a Dutch sovereign guarantee, although we apply a haircut to the guaranteed amount to reflect the fact that the originator remains accountable for 10% of any loss.

Funding And Liquidity: A Sticky Deposit Base And Comfortable Liquidity Buffers

DVB primarily relies on retail funding, with core deposits accounting for 84% of its funding base. Over recent years, the bank has been diversifying the sources of funding it has raised on the capital markets and through private placements. It has been a regular issuer of covered bonds and senior unsecured notes. Furthermore, the bank has issued €2.5 billion of green senior nonpreferred notes since 2019, as well as a €300 million Additional Tier 1 in June 2022.

DVB's granular and stable retail deposit base underpins its funding profile. Core customer deposits of €57.7 billion as of December 2022 have grown steadily in the past few years. The bank's retail deposit franchise is strong and stable. At the same time, the loan book has declined over the past decade. As a result, the net ratio of customer loans to customer deposits improved to 86% in December 2022 from 145% in 2012.

DVB's stable funding ratio of 130% at year-end 2022 also highlights the balanced nature of its funding profile. In our view, the bank's liquidity position remains comfortable, reflecting its low reliance on short-term wholesale funding. Broad liquid assets covered short-term wholesale funding by more than 5x at year-end 2022 according to our calculations, which is stronger than peers' ratios.

Support: Two Notches Of Uplift For ALAC Support

Since 2022, we have not seen DVB's preferred strategy of a sale of the business as implying additional risks for senior creditors in a resolution scenario versus an open bank bail-in. Although the bank could contemplate a partial sale in a resolution scenario, we consider a sale of the whole business as more likely. This reflects the noncomplex nature of the business itself--with its focus on mortgages--and the existence of banking players, particularly domestic banking groups, that would be willing to complete a deal and capable of doing so.

Furthermore, the substantial amount of subordinated bail-inable liabilities would facilitate both the bank's loss-absorption and recapitalization, reducing the risk of senior creditors facing losses in a resolution scenario. In this regard, we understand that the current minimum requirement for own funds and eligible liabilities, expressed as a percentage of leverage exposure, must meet 7.87% of total liabilities and own funds and should be fully subordinated as of Jan. 1, 2024. Therefore, we give full credit (two notches of support) to the bank's ALAC buffer, which stood at 8.4% as of end-2022, and we expect that it will remain comfortably above 8% of S&P Global Ratings' estimated RWAs in 2023-2025.

Environmental, Social, And Governance

ESG credit indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

We do not view ESG credit factors as having a material influence on DVB's credit quality. Since DVB's franchise largely focuses on retail customers, DVB is structurally exposed to conduct risks. However, we now believe that this risk is similar to that for other retail banking peers, as we believe that DVB has solved the governance-related issues that led to the departure of several executives in 2020.

Group Structure, Rated Subsidiaries, And Hybrids

We notch down our ratings on DVB's hybrid debt from the stand-alone credit profile (SACP) because we expect these instruments to be written down or converted into equity in a bail-in resolution scenario. Therefore, they do not benefit from the bank's ALAC buffer.

Our 'BBB-' ratings on DVB's tier 2 instrument stand two notches below the bank's 'bbb+' SACP. This gap comprises:

- One notch for subordination; and
- One further notch reflecting the mandatory contingent capital clause allowing for a temporary write-down of the securities.

Resolution Counterparty Ratings (RCRs)

DVB's RCR stands at 'A+/A-1'. An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution. RCRs apply to issuers in jurisdictions where we assess the resolution regime to be effective and the issuer is likely to be subject to a resolution that entails a bail-in if it reaches nonviability. We typically position the long-term RCR up to one notch above the long-term issuer credit rating when the latter ranges from 'BBB-' to 'A+'.

Key Statistics

Table 1

De Volksbank N.V.--Key figures

	--Year ended Dec. 31--				
(Mil. €)	**2022**	**2021**	**2020**	**2019**	**2018**
Adjusted assets	73,149.0	72,075.0	67,484.0	62,839.0	60,942.0
Customer loans (gross)	49,120.0	50,834.0	50,708.0	50,580.0	50,662.0
Adjusted common equity	3,436.0	3,353.0	3,293.0	3,217.0	3,359.0
Operating revenues	965.0	827.0	923.0	929.0	958.0
Noninterest expenses	655.0	689.0	607.0	574.0	609.0
Core earnings	191.0	145.7	207.6	275.0	268.0

Table 2

De Volksbank N.V.--Business position

	--Year ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Total revenues from business line (currency in millions)	965.0	849.0	923.0	929.0	958.0
Retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	5.5	4.7	5.1	7.9	7.4

Table 3

De Volksbank N.V.--Capital and earnings

	--Year ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Tier 1 capital ratio	22.2	22.7	31.2	32.6	35.5
S&P Global Ratings’ RAC ratio before diversification	21.0	20.8	22.8	22.6	22.7

Table 3

De Volksbank N.V.--Capital and earnings (cont.)

	--Year ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
S&P Global Ratings' RAC ratio after diversification	16.9	16.5	16.1	16.4	17.7
Adjusted common equity/total adjusted capital	92.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	88.2	93.7	92.1	94.2	94.8
Fee income/operating revenues	5.3	4.7	5.0	5.5	4.6
Market-sensitive income/operating revenues	6.4	1.6	2.8	0.2	0.5
Cost to income ratio	67.9	83.3	65.8	61.8	63.6
Preprovision operating income/average assets	0.4	0.2	0.5	0.6	0.6
Core earnings/average managed assets	0.2	0.2	0.3	0.4	0.3

RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

De Volksbank N.V.--Risk-adjusted capital framework data

(Mil. €)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	13,401.0	225.0	1.7	222.7	1.7
Of which regional governments and local authorities	798.0	62.5	7.8	28.7	3.6
Institutions and CCPs	7,931.2	1,675.0	21.1	1,069.9	13.5
Corporate	1,948.0	1,587.5	81.5	1,359.8	69.8
Retail	51,329.0	9,037.5	17.6	12,614.5	24.6
Of which mortgage	51,180.0	8,950.0	17.5	12,502.8	24.4
Securitization§	70.0	12.5	17.9	14.0	20.0
Other assets†	369.0	312.5	84.7	414.9	112.4
Total credit risk	75,048.2	12,850.0	17.1	15,695.8	20.9
Credit valuation adjustment					
Total credit valuation adjustment	--	50.0	--	195.3	--
Market risk					
Equity in the banking book	11.0	12.5	113.6	96.3	875.0
Trading book market risk	--	237.5	--	356.3	--
Total market risk	--	250.0	--	452.5	--
Operational risk					
Total operational risk	--	1,425.0	--	1,447.5	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	15,275.0	--	17,791.1	100.0
Total diversification/ concentration adjustments	--	--	--	4,242.1	23.8
RWA after diversification	--	15,275.0	--	22,033.1	123.8

Table 4

De Volksbank N.V.--Risk-adjusted capital framework data (cont.)

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	3,399.0	22.3	3,734.0	21.0
Capital ratio after adjustments‡	3,399.0	22.2	3,734.0	16.9

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2022, S&P Global Ratings.

Table 4

De Volksbank N.V.--Risk position

	--Year ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Growth in customer loans	(3.4)	0.2	0.3	(0.2)	2.4
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	26.2	41.2	37.9	28.1
Total managed assets/adjusted common equity (x)	23.9	25.3	24.4	23.5	23.4
New loan loss provisions/average customer loans	0.1	(0.1)	0.1	(0.0)	(0.0)
Net charge-offs/average customer loans	(0.0)	(0.0)	(0.0)	0.0	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.1	1.4	1.3	1.3	1.3
Loan loss reserves/gross nonperforming assets	28.1	15.4	24.5	18.4	19.2

RWA--Risk-weighted asset. N/A--Not applicable.

Table 5

De Volksbank N.V.--Funding and liquidity

	--Year ended Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Core deposits/funding base	84.0	86.6	87.6	85.9	86.6
Customer loans (net)/customer deposits	85.7	87.3	94.2	102.9	104.8
Long-term funding ratio	95.3	97.6	98.0	95.3	97.8
Stable funding ratio	130.1	127.4	117.3	106.6	107.2
Short-term wholesale funding/funding base	4.9	2.6	2.1	5.0	2.3
Regulatory net stable funding ratio	174.0	176.0	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	5.3	10.6	10.2	3.1	5.5
Broad liquid assets/total assets	24.3	25.3	19.7	14.0	11.7
Broad liquid assets/customer deposits	31.1	31.3	24.8	17.9	14.8
Net broad liquid assets/short-term customer deposits	27.2	30.6	24.5	14.1	14.4
Regulatory liquidity coverage ratio (LCR) (x)	233.0	324.0	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	30.0	19.1	17.0	35.6	17.3
Narrow liquid assets/3-month wholesale funding (x)	22.5	50.0	49.8	13.8	6.5

N/A--Not applicable.

De Volksbank N.V.--Rating component scores	
Issuer credit rating	**A-/Stable/A-2**
SACP	bbb+
Anchor	bbb+
Economic risk	3
Industry risk	3
Business position	Moderate
Capital and earnings	Very strong
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions , March 2, 2022
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology , Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions , Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- General Criteria: Group Rating Methodology , July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology , July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011

Ratings Detail (As Of July 12, 2023)*	
De Volksbank N.V.	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Senior Unsecured	A/A-1
Issuer Credit Ratings History	
26-Oct-2022	A/Stable/A-1
23-Apr-2020	A-/Stable/A-2
15-Sep-2017	A-/Positive/A-2

Ratings Detail (As Of July 12, 2023)*(cont.)	
Sovereign Rating	
Netherlands	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.