

de volksbank 2024

Remuneration Report

Introduction

This Remuneration Report of de Volksbank covers the remuneration of the Executive Committee (ExCo) and the Supervisory Board of de Volksbank. The statutory members of the ExCo and members of the Supervisory Board do not have an employment contract and receive remuneration for their services. The non-statutory members of the ExCo do have an employment contract and receive a salary. For the sake of readability, this report refers to remuneration for all ExCo members.

When establishing the Remuneration policy and actual remuneration, we take into account our stakeholders, i.e. customers, society, employees and the shareholder. We ensure equal pay in equal situations, and remuneration and/or performance appraisal is not affected by, for example, gender differences or ethnic background.

The aforementioned also applies to the members of the ExCo, whose remuneration is in reasonable proportion to the salaries of our employees and the average remuneration in the Netherlands. For more details, see Section Pay ratios. De Volksbank has no variable remuneration schemes.

Remuneration policy of the Executive Committee

Remuneration elements

Members of the ExCo are appointed for a term of four years. Statutory members have a contract of service, and non-statutory members have an employment contract. The remuneration consists of a management fee or fixed annual income, a pension contribution and fringe benefits, such as a supplement as compensation for the loss of pension accrual over and above € 137,800 and a lease car.

Remuneration

Just like the pay scales of de Volksbank employees and in line with the collective increase, the remuneration of the ExCo was increased by 4.25% with effect from 1 May 2024. As from that date, remuneration policy of the ExCo is as follows:

- Chair € 476,431
- Statutory members € 390,011; and
- Non-statutory members € 322,106.

On the one hand, it is understandable restrictions have been imposed in exchange for the State aid received and it was de Volksbank's own decision not to want to offer compensation at top market level. On the other hand, the salary freeze order, which has been in force for nearly 10 years now, is increasingly becoming a barrier to attract and retain executive directors for de Volksbank. While regulatory requirements imposed on executive directors have increased enormously in recent years, and more and more is expected of them in terms of content. However, legislation does not allow remuneration to be set at an appropriate level, which represents a strategic risk for the company going forward.

Remuneration benchmarking

Once every two years we benchmark the remuneration of the ExCo members with the remuneration of comparable positions in the general market. The general market consists of a combination of comparable financial and non-financial corporations. To allow for a better comparison with de Volksbank, we decided in 2023 to include more social impact organisations in this market. As the latter generally offers lower remuneration, we have witnessed a declining market remuneration. The aforementioned benchmark was last performed in September 2023, with the following results:

- the remuneration of the Chair of the ExCo is 21% below the general market median. Looking not only at the fixed remuneration, but also at the variable remuneration in the market, remuneration is 43% below the general market median.
- the remuneration of the statutory members of the ExCo is 20% below the general market median. Looking not only at the fixed remuneration, but also at the variable remuneration in the market, remuneration is 36% below the general market median.
- the remuneration of non-statutory members of the ExCo is 13% below the general market median. Looking not only at the fixed remuneration, but also at the variable remuneration in the market, remuneration is 28% below the general market median.

Pension

ExCo members participate in the same pension scheme as the employees of de Volksbank. They are not granted any additional pension. To compensate for the lack of pension accrual over and above the € 137,800 cap, members of the ExCo receive a gross supplement of 16.35% of their remuneration over and above that amount.

Other

The fringe benefits of the ExCo members are for the most part equivalent to the fringe benefits of de Volksbank employees.

In the event of interim termination of employment at de Volksbank's initiative, ExCo members will receive no more than one year's fixed annual remuneration as compensation.

Performance objectives

Every year, the Supervisory Board sets the performance objectives for the ExCo. These objectives are derived from de Volksbank's (long-term) strategic objectives. In setting them, the Supervisory Board takes into account de Volksbank's desired risk profile, sustainability regulations (ESG) and sustainability ambitions, which themes are secured every year. In doing so, the Supervisory Board also takes the interests of all stakeholders of de Volksbank into consideration. The performance objectives are translated into measurable and achievable KPIs at ExCo level, after which they are assigned downwards to relevant positions. The performance objectives and associated KPIs are evaluated annually and adjusted as necessary to meet the changing circumstances and corporate objectives.

As ExCo members are only entitled to a fixed remuneration, there are no unwanted incentives that could place short-term individual interests above any of the long-term collective objectives. At the end of each performance period, the Supervisory Board not only assesses the performance of the ExCo in relation to achieving its KPIs. The Supervisory Board also assesses the progress on the (long-term) objectives. As long as de Volksbank N.V. has government support, the positions covered by the bonus cap and salary freeze, which includes ExCo members, are not eligible for a salary increase other than collective salary increases.

Performance year 2024

Aspect	Category	Weight
Main KPIs	Customer	25%
	Society	25%
	Employees	25%
	Shareholder	25%
		100%
Objectives & priorities	Profitable growth and cost control	25%
	Increase distinctive capability	10%
	Improve execution power	10%
	Customer integrity	17.5%
	Supervisory priorities under control	22.5%
	Modern data and IT foundation	10%
	Acceleration digital customer environments	5%
		100%

The Supervisory Board assesses the extent to which performance objectives have been achieved. The Supervisory Board has established that 70% of the performance objectives have been achieved.

The following table presents the performance objectives that have been set for 2025:

Performance year 2025

Aspect	Associated Main KPIs, if applicable	Weight
Finance	Adjusted Cost/income ratio	15%
	Adjusted Return on equity	
	Common Equity Tier 1 ratio	
	Leverage ratio	
Transformation		20%
Retail	Net Promoter Score	20%
	Number of active multi-customer	
Operations & IT		15%
Risk & Compliance		20%
ESG	Climate neutral balance sheet	5%
Staff	Employee engagement	5%
		100%

Actual remuneration of the members of the Executive Committee

The table below gives a complete overview of the actual remuneration of each ExCo member.

In 2024, the ExCo was recomposed with the appointment of Roland Boekhout as CEO, Saskia Hoskens as CRO, and Gwendolyn van Tunen as CFCO.

Compensation of the Executive Committee

in € thousands	Position	Fixed annual income		Pension ¹		Other ²		Severance pay		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Roland Boekhout ³	CEO	290	--	16	--	46	--	--	--	352	--
Saskia Hoskens ³	CRO	281	--	19	--	51	--	--	--	351	--
André Haag	CFO	361	349	26	24	69	67	--	--	456	440
Michel Ruijterman	CIO	318	308	26	24	55	54	--	--	399	386
Jacqueline Touw	CPOO	318	308	26	24	53	65	--	--	397	397
Gwendolyn van Tunen ³	CFCO	168	--	14	--	22	--	--	--	204	--
Martijn Gribnau ⁴		180	455	10	24	51	86	--	--	241	565
Jeroen Dijst ⁴		97	349	7	24	15	52	--	--	119	425
Marinka van der Meer ⁴		180	349	13	24	32	57	71	--	296	430
Marjolein de Jongh ⁴		--	257	--	20	--	47	--	129	--	453
Total Executive Committee		2,193	2,375	157	164	394	428	71	129	2,815	3,096
Former directors:											
Marinka van der Meer ⁴		180	--	13	--	32	--	--	--	225	--
Marjolein de Jongh ⁴		103	51	9	4	20	10	--	--	132	65
Total current and former Executive committee members		2,476	2,426	179	168	446	438	71	129	3,172	3,161

¹ The pension is the employer contribution minus the employee's personal pension contribution.

² 'Other' includes all remaining remuneration, including the supplement as compensation for the loss of the pension accrual in excess of € 137,800, the addition for the use of a company car and social security contributions.

³ The following members joined the Executive Committee: S. Hoskens (10-4-2024), R. Boekhout (22-5-2024) and G. van Tunen (21-6-2024)

⁴ The following members left de Volksbank: M. de Jongh (stepped down as a member on 1-1-2023 and left de Volksbank on 30-4-2024), M. van der Meer (stepped down as a member on 1-7-2024 and left de Volksbank on 31-12-2024), M. Gribnau (22-5-2024) and J. Dijst (10-4-2024).

Pay ratios

De Volksbank aims for remuneration of the ExCo to be in reasonable proportion to the salaries of employees and the average remuneration in the Netherlands. As different laws and legislation apply, for example the Global Reporting Initiative and the Corporate Sustainability Reporting Directive, and as they contain different requirements, we report the figures above relative to both the median and the mean.

Over the past year, the remuneration of the Chair of the ExCo - the highest remuneration - rose by 5.2 % and employees' median salary, excluding the Chair of the ExCo, rose by 9.2%. These ratios were established on the basis of salary, allowances, pension and social security contributions, however, without fringe benefits, such as a lease car or WIA insurance premium.

See above table Pay ratios for the breakdown of pay ratios (established based on 31 December figures) over the last five years.

Pay ratios

	2024	2023	2022	2021	2020
Internal					
Ratio between the compensation of the Chair of the ExCo and the average employee salaries at de Volksbank	6:1	6:1	6:1	6:1	6:1
Ratio between the compensation of the Chair of the ExCo and the median employee salaries at de Volksbank	6:1 ¹	6:1	6:1	7:1	7:1
Ratio between the average compensation of ExCo members and the average employee salaries	4:1	4:1	4:1	4:1	5:1
Ratio between the compensation of the Chair of the ExCo and the maximum of the lowest pay grade as at 31 December	20:1	19:1	20:1	20:1	20:1
External					
Ratio between the compensation of the Chairman of the ExCo and the average pay in the Netherlands according to the OECD	N/A ²	9:1	9:1	9:1	9:1
Ratio between the average compensation of ExCo members and the average pay in the Netherlands according to the OECD	N/A ²	7:1	7:1	7:1	7:1

¹ In scope for CSRD

² At the time of publication, the OECD figure was not yet known and no ratio for 2024 could, therefore, be presented. These figures will be included in next year's annual report.

Share ownership

Members of the ExCo do not hold any shares in de Volksbank. All shares are held by NLFI, which has issued depositary receipts for shares to the Dutch State in return.

Loans

On 31 December 2024, there were no loans outstanding to members of the ExCo.

Compensation of the Supervisory Board Remuneration policy of the Supervisory Board

In September 2024, we benchmarked the compensation of the Supervisory Board against the general market: a combination of comparable financial and non-financial/non-financial corporations. This benchmark showed that the remuneration is 16% below the general market median (2022: 30%). In line with the previous adjustment of the reference group of the ExCo, the reference group was adjusted to include more organisations with a social profile comparable to that of de Volksbank. As a consequence, the reference group's compensation was lower and the difference with the compensation of de Volksbank's Supervisory Board of therefore smaller.

In 2023, the shareholder decided to raise the compensation of the Supervisory Board with effect from 1 January 2023, in line with the collective increases of de Volksbank employees. In addition, for the years 2023, 2024 and 2025, a catch-up indexation was agreed for the missed indexation from 2018 to 2022. In 2023 and 2024, with effect from 1 March, their compensation was increased by 2.6% of the amount applicable on 31-12-2022, and this will be the case again in 2025.

The fixed annual compensation for the members of the Supervisory Board, who can also claim de Volksbank-related travel expenses, and for the committees is provided in the table below.

Fixed annual compensation policy for members of the Supervisory Board (no VAT applicable)

in €	Remuneration 1-1-2024	Catch-up indexation 2.6% as from 1-3-2024	4.25% CA increase as from 1-5-2024
Chair of the Supervisory Board	47,124	48,268	50,319
Vice Chair of the Supervisory Board	37,371	37,371 ¹	38,960
Member of the Supervisory Board	32,987	33,788	35,224
Committee Chair ²	7,497	7,679	8,005
Committee member ²	5,248	5,375	5,604

¹ The position of Vice-chair is a new role for which no catch-up indexation is applicable.

² There are four Committees: Audit Committee, People and Organisation Committee, Risk and Compliance Committee and ESG Committee.

Actual remuneration of the members of the Supervisory Board

The table below gives a complete overview of the actual remuneration per Supervisory Board member:

Gross compensation of the Supervisory Board (no VAT applicable)

in € thousands	2024	2023
Gerard van Olphen (Chair)	58	52
Jos van Lange (Vice Chair)	54	50
Jeanine Helthuis	50	46
Petra van Hoeken	50	46
Aloys Kregting	47	43
Total	259	237

Share ownership

Members of the Supervisory Board do not hold any shares in de Volksbank. All shares are held by NLFI, which has issued depositary receipts for shares to the Dutch State in return.

Loans

On 31 December 2024, there were no loans outstanding to members of the Supervisory Board.

Supervision on remuneration

Both the Supervisory Board and the ExCo are responsible for the supervision of remuneration at de Volksbank. Other parties involved are the People and Organisation Committee (P&OC) of the Supervisory Board, the control departments Risk, Compliance and Audit, and the staff departments Finance, Legal Affairs and People & Organisation.

Supervisory Board

The Supervisory Board adopts the Remuneration report and is responsible for the implementation and evaluation of the Remuneration policy for the members of the ExCo.

The Supervisory Board also approves the Remuneration policy for the directors of the staff departments as proposed by the ExCo, and supervises implementation of this policy. In addition, the Supervisory Board is responsible for approving the broad lines of the Remuneration policy for de Volksbank employees as proposed by the ExCo.

At least once a year, the Supervisory Board will arrange a central and independent internal review by Audit, which verifies that de Volksbank's Remuneration policy is implemented in compliance with laws and regulations, policy making and procedures for remuneration.

The Supervisory Board discusses any material retention, signing-on and buy-out fees, and sees to it that any such fees are in keeping with the adopted Remuneration policy of de Volksbank and are not excessive. Any such fees are granted on very rare occasions only.

The Supervisory Board directly supervises the remuneration of the directors of Risk, Compliance and Audit who hold overall responsibility. In doing so, the Supervisory Board may call upon the expertise of independent remuneration experts where necessary.

Executive Committee

The ExCo is responsible for the Remuneration policy of de Volksbank with the exception of the Remuneration policy for the ExCo itself.

In exceptional situations and on good grounds, the ExCo has the discretionary power, in so far as it does not relate to the members of the ExCo itself, to deviate from the adopted Remuneration policy, to the extent that laws and regulations permit. Deviations over and above the collective labour agreement, will be submitted in advance to the Supervisory Board for approval.

The ExCo is responsible for the application of the reasonableness test for the directors and Identified Staff in general, and - as far as directors and other employees are concerned - for the approval of benchmarks on market conformity and the approval of non-material retention, signing-on and buy-out fees.

Control and staff departments

The Remuneration policy and compliance therewith is jointly monitored by the control departments Risk and Compliance and the staff departments Finance, Legal Affairs and People & Organisation through a Remuneration Working Group. The Audit department periodically performs independent audits into the drawing up and implementation of the Remuneration policy.