Utrecht, 11 February 2022

2021 Results

Investor presentation

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de volksbank

SNS asn bank RegioBank BLGwonen

Key points 2021

New strategic plan focused on strengthening customer relationships and increasing social impact

- **Customers:** customer-weighted Net Promoter Score higher at +6 (YE20: +2); increase in the number of active multi-customers to 1,015,000 (YE20: 949,000)
- **Society:** climate-neutral balance sheet amounts to 55%, calculated using the PCAF methodology (recalculation YE20: 45%)
- **Employees:** 'Genuine attention' KPI of 7.8 (YE20: 7.9)
- **Shareholder:** Return on Equity of 4.7% (2020: 5.1%)

Growth in current account customers, mortgages, SME loans, retail savings and AuM

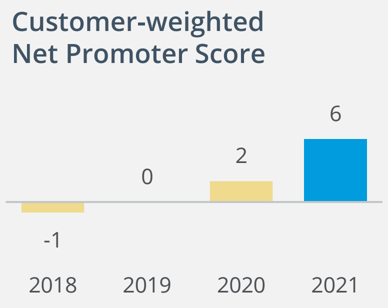
- **Current account customer** base grew by 124,000 to 1.78m
- **Residential mortgage portfolio** up to €47.4bn (YE20: €46.2bn), as a result of the increase in new mortgage production to €8.1bn (2020: €6.1bn). Redemptions increased to €7.0bn (2020: €6.5bn)
- **SME loans** up by €117m to €841m
- **Retail savings** up by €3.5bn to €45.6bn
- **Assets under management** €0.8bn higher at €4.75bn

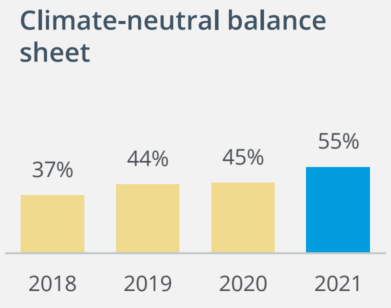
Decrease in net profit driven by continued pressure on net interest income and higher operating expenses, partly offset by a reversal of impairment charges

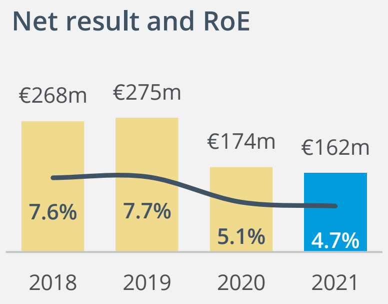
- **Net profit** of €162m, a 7% decrease compared with 2020 (€174m). Adjusted for incidental items[1], net profit decreased by 30% to €145m

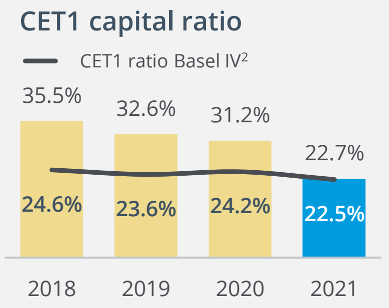
Robust capital position, despite a decrease in CET1 capital ratio

- **CET1 capital ratio** lower at 22.7% (YE20: 31.2%); **leverage ratio** of 5.1% (YE20: 5.2%)
- Proposed **dividend** for 2021: €97m (60% of net profit)









[1] Incidental items: in 2020 a restructuring charge €45m (pre-tax) and in 2021 a positive impact of €22m (pre-tax) as a result of the revaluation of a previous contribution made under the DGS in relation to the insolvency of DSB [2] The CET1 ratio based on Basel IV is an estimate

1. Update on strategy

Strategy 2021-2025:
'Better for each other - from promise to impact'

How we stand out: two pillars

Strong customer relationship
Personal customer approach, seamless & pleasant interaction, suitable propositions

Social impact
De Volksbank creates social impact on the climate and good housing by integrating these themes into its services

Four growth priorities

asn bank
Accelerating ASN Bank's growth as a digital, sustainable bank

SNS
Attracting a younger target audience and strengthening business model with fee income

RegioBank
Strengthening local presence with broadening propositions

BLGwonen
Expanding BLG Wonen by improving its distribution reach and service

Five necessary transformations

- Digital and omnichannel dialogue
- Relevant product range, new propositions, small businesses as a new target group
- Customer bank foundation
- Customer-focused
- Efficient and flexible

Our mission

We bank with a human touch by creating value for customers, society, employees and shareholder

We aim for optimum total value rather than maximisation of a single value

Progress on strategy: **two pillars**

How we stand out	Highlights 2021
Strong customer relationship	✓ Strong rankings RegioBank (1), ASN Bank (2) and SNS (5) in Dutch Consumer Association's Banking Monitor ✓ Acquisition of property valuation platform Fitrex, in line with our strategy to strengthen customer relationships and to diversify income ✓ All brands contributed to the improvement of the customer-weighted Net Promoter Score to an all-time high of +6 ✓ Increase in the number of active multi-customers by 66,000 to 1,015,000
Social impact	✓ De Volksbank received the highest score from Dutch Fair Finance Guide for combating climate change ✓ Issuance of senior non-preferred notes, totalling € 1 billion under our Green Bond Framework ✓ Climate-neutral balance sheet rose to 55%, calculated using the PCAF methodology (recalculation YE20: 45%) ✓ Increase assets under management at ASN Bank by 21% to € 4.75 billion

Progress on strategy: **four growth priorities**

Growth priority	Highlights 2021
asn bank Accelerating ASN Bank's growth as a digital, sustainable bank	✓ Number of customers up 6% to 835,000; active multi-customers up 15% to 205,000 ✓ Successful introduction of ASN Biodiversity Fund ✓ Net Promoter Score of +20, highest score of all Dutch banks
SNS Attracting a younger target audience and strengthening business model with fee income	✓ Number of customers up 2% to 1.7 million; active multi-customers up 3% to 592,000 ✓ Launch of new brand positioning, focused on attracting a younger target audience ✓ Roll-out of SNS Investment accounts
RegioBank Strengthening local presence with broadening propositions	✓ Number of customers up 5% to 732,000; active multi-customers up 12% to 217,000 ✓ 74 initiatives executed in the area of liveability ✓ Voted 'most customer-friendly bank in the Netherland' for third time in a row
BLGwonen Expanding BLG Wonen by improving its distribution reach and service	✓ Number of customers up 4% to 247,000 ✓ Further growth in residential mortgage production and portfolio ✓ Awarded the 'Zilveren spreekbuis' and a 5-star rating from Moneyview for best mortgage conditions

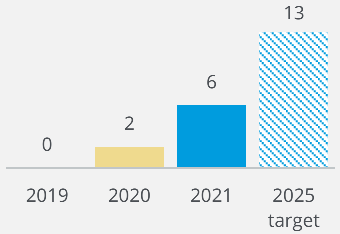
Progress on strategy: **five necessary transformations**

Transformation	Highlights 2021
Digital and omnichannel dialogue	✓ Development new mobile banking app ✓ Redesign website SNS ✓ Introduction of alerts to make customers aware of relevant services
Relevant product range, new propositions, small businesses as a new target group	✓ Our brands combined managed to grow the SME loan portfolio by € 117 million ✓ Broadening of mortgage-related services through acquisition of property valuation platform Fitrex ✓ Introduction personal loan by SNS
Customer bank foundation	✓ Implementation of a robust data infrastructure in the reporting chain ✓ Developing a platform to provide new modular products
Customer-focused	✓ Laid the groundwork for a new agile way of working; appointment of senior management as good as finalised ✓ The new organisation will become operational in the first half of 2022
Efficient and flexible	✓ Working on the realisation of the envisaged efficiency gains ✓ Determine our sourcing strategy

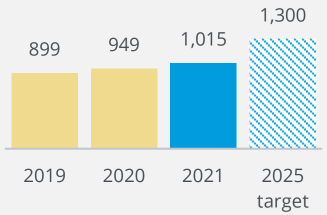
2025 long-term objectives

Customers

Customer-weighted average NPS

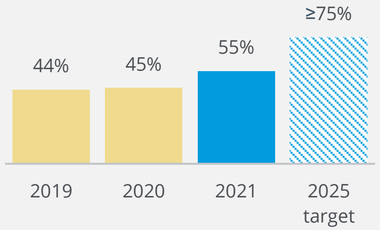


Active multi-customers
(in thousands)



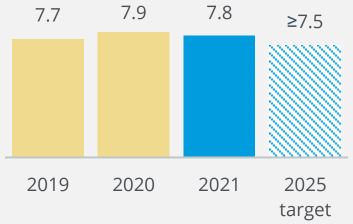
Society

Climate-neutral balance sheet[1]



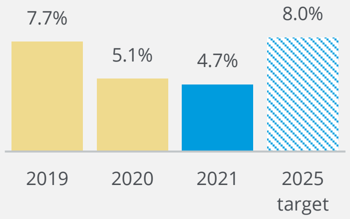
Employees

Genuine attention for employees



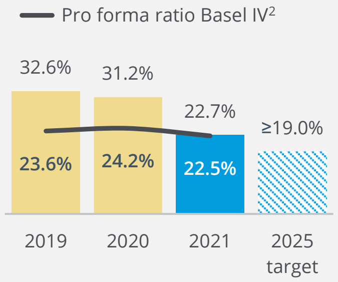
Shareholder

Return on Equity

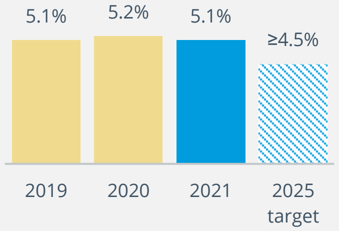


Other objectives

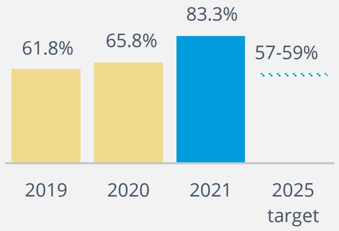
CET1 capital ratio



Leverage ratio



Cost/income ratio[3]



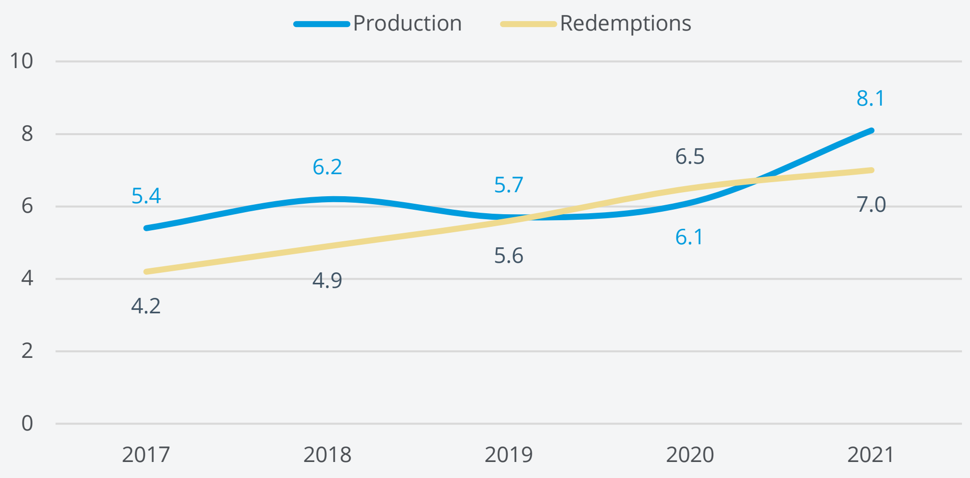
[1] As of 2021, the climate-neutral balance sheet is calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology. The comparative figure 2020 has been adjusted

[2] The CET1 ratio based on Basel IV is an estimate

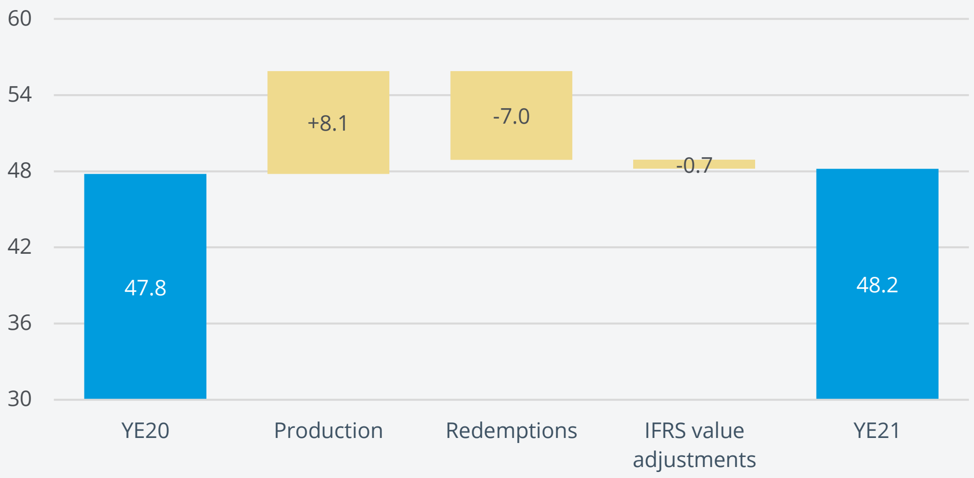
[3] Including regulatory levies, excluding incidental items

33% increase in new residential mortgage production

New mortgage production vs redemptions[1] (in € bn)



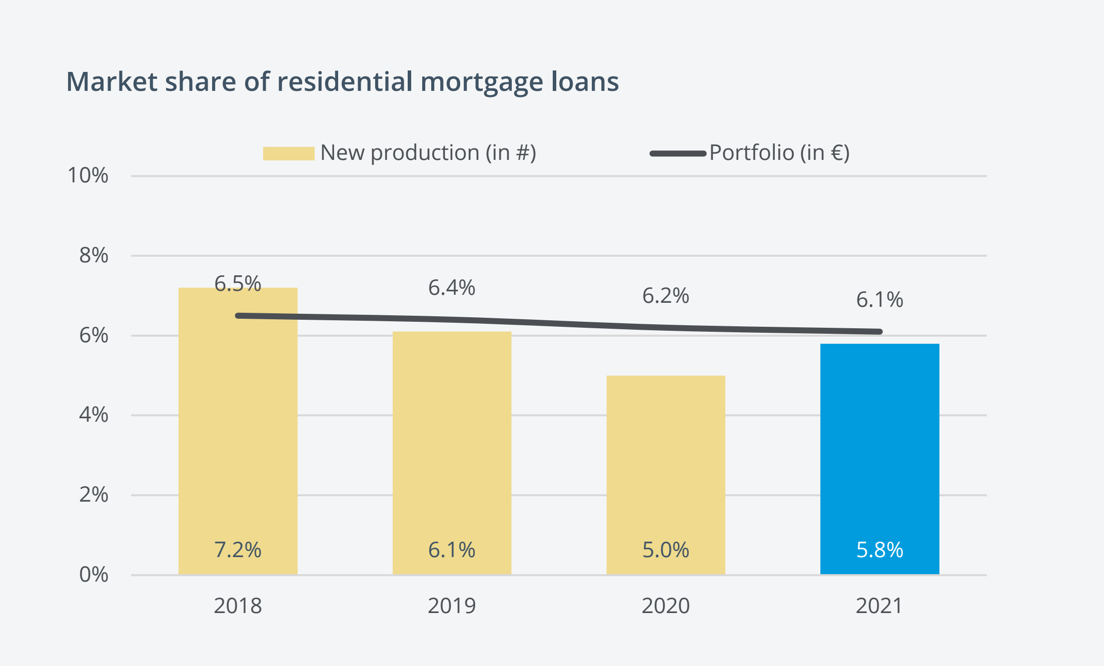
Development residential mortgage portfolio (in € bn)

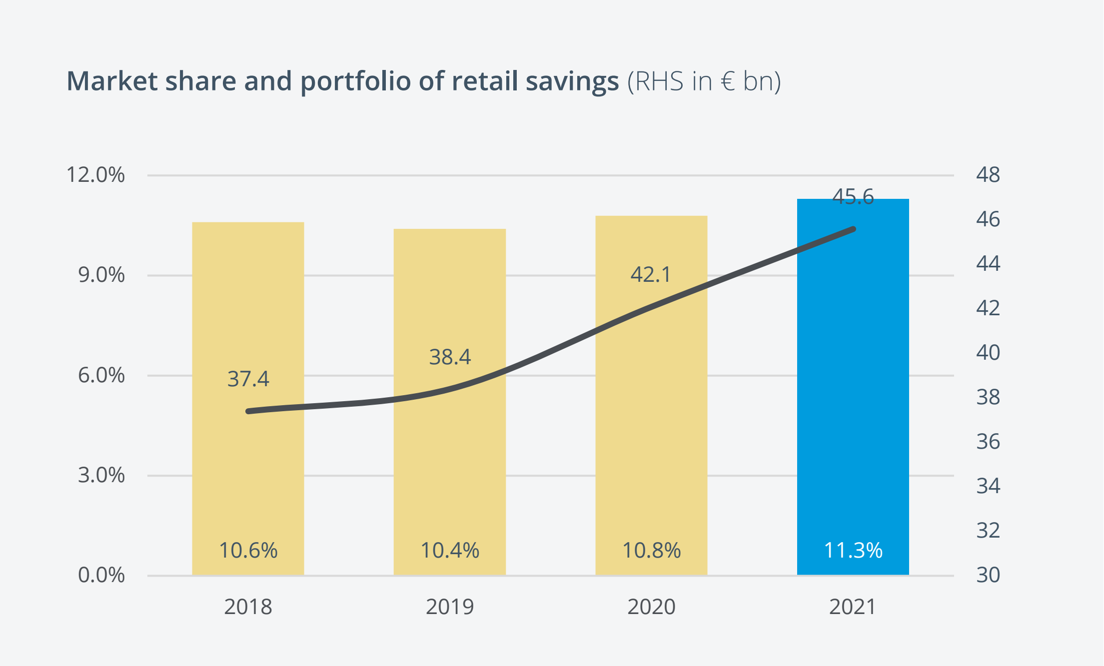


- In 2021, our new residential mortgage production rose by €2.0bn (33%) to €8.1bn. Mortgage redemptions increased by €0.5bn to €7.0bn, mainly due to an increase in the mortgage refinancing market. In addition, due to an increasing share of annuity mortgages in our portfolio, contractual repayments gradually increased
- Due to the considerable increase in mortgage production, the residential mortgage portfolio excluding IFRS value adjustments increased to €47.4bn, from €46.2bn at YE20. Including a € 0.7bn decrease of IFRS adjustments the portfolio increased by €0.4bn to €48.2bn
- Interest rate renewals amounted to €2.4bn (2020: €3.2bn), mainly driven by lower regular renewals; the share of early renewals was ~46% (2020: ~31%)

[1] As of 2021, mortgage conversions are included in production and redemption figures, comparative figures have been adjusted

Increase in market share of new residential mortgage production and retail savings



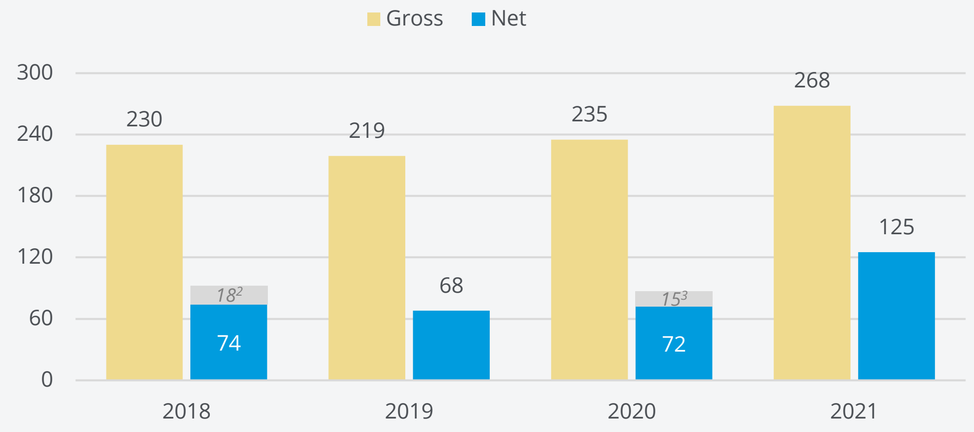


- Our market share of new residential mortgage production increased to 5.8% (2020: 5.0%), reflecting initiatives to improve our mortgage production
- On a total portfolio basis, our market share of residential mortgages was marginally lower at 6.1%

- Our retail savings balances increased further to €45.6bn (+€3.5bn)
- The market share of retail savings was higher at 11.3%
- As from 1 July 2021, both private and business customers with deposits exceeding €100k were charged 0.5% interest, impacting around €4bn in deposits, equating to approximately 7% of total deposits and approximately 3% of our savings customers
- With effect from 1 April 2022 de Volksbank's brands will use the overall account balances per customer as the threshold to charge negative interest

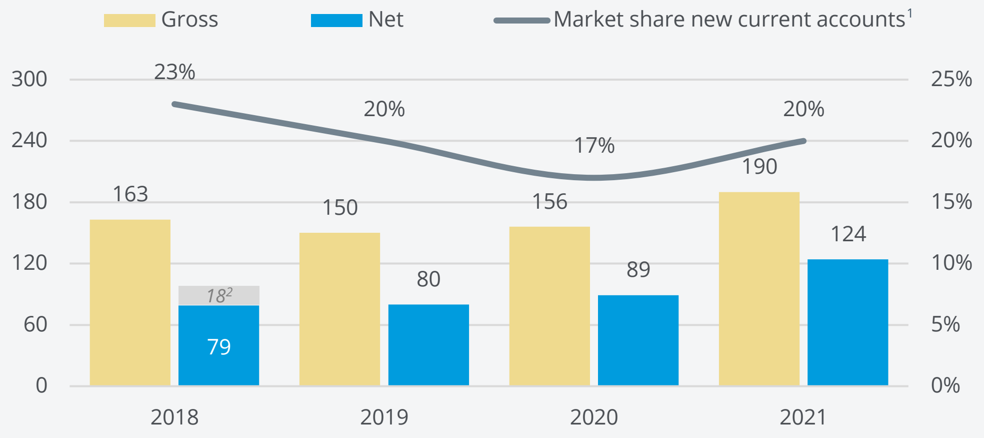
Increase in active multi-customers of 66,000 to 1,015,000 (+7%)

Development of customer base (in thousands)



	2018	2019	2020	2021
# Customers	3,202	3,270	3,342	3,467
# Active multi-customers	838	899	949	1,015

Development of current account customers (in thousands)



	2018	2019	2020	2021
# Current account customers	1,488	1,568	1,657	1,781

- As from 2021, one of the indicators to measure our customer relationship is the number of active multi-customers. The target for YE25 is set at 1.3m. In 2021, the number of active multi-customers rose by 66,000 to 1,015,000
- In 2021, the brands of de Volksbank welcomed 268,000 new customers, a 14% increase compared with 2020. The net growth of 125,000 was higher compared with 2020 (72,000), due to a stronger growth in customers with current accounts and savings deposits and due to an outflow of savings customers (-15,000) as a result of the termination of savings deposits at BLG Wonen in 2020

- The number of current account customers continued to increase in 2021 to 1.781m
- Net growth in 2021 (124,000) was sharply higher compared with 2020 (89,000)
- On a total portfolio basis, we estimate that our market share in current accounts has remained virtually stable at approximately 9%

[1] Market research conducted by GFK, based on Moving Annual Total (MAT)
[2] Adjustment for inactive current account customers
[3] Termination savings deposits at BLG Wonen

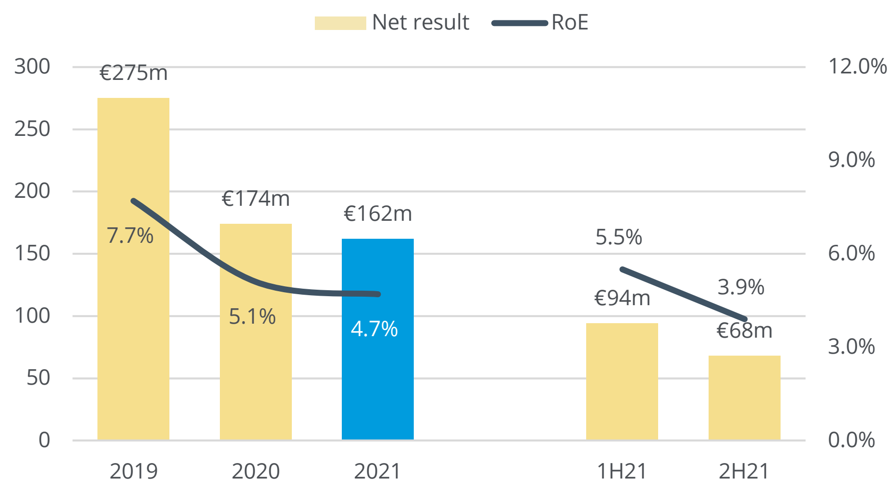
2. Financial results & outlook

Drop in net profit to €162m driven by continued pressure on net interest income and higher operating expenses, partly offset by a swing in impairment charges

Result (in € millions)

	2020	2021	Δ	1H21	2H21
Total income	923	827	*-10%*	417	410
Total operating expenses	652	667	*+2%*	322	345
Impairment charges	38	-58	--	-31	-27
Result before tax	**233**	**218**	***-6%***	**126**	**92**
Taxation	59	56		32	24
Net result	**174**	**162**	***-7%***	**94**	**68**
Incidental items	-34	17	--	6	11
Adjusted net result	**208**	**145**	***-30%***	**88**	**57**
Return on equity	5.1%	4.7%		5.5%	3.9%
Adjusted Return on equity	6.1%	4.2%		5.1%	3.3%

Net result and Return on Equity



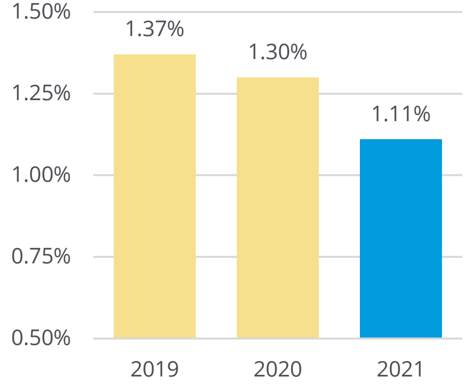
- Compared with 2020, net profit decreased by €12m to €162m. This decrease was attributable to €96m lower total income and €15m higher total operating expenses and was partly compensated by a €96m swing in impairment charges
- Adjusted for incidental items, net profit decreased by €63m to €145m. Net profit in 2021 included a positive incidental item of €17m (€22m pre-tax), consisting of a positive revaluation of a previous contribution made under the DGS related to the insolvency of DSB. In 2020 the net result contained a €34m (€45m pre-tax) negative incidental item, consisting entirely of restructuring provision
- Return on equity stood at 4.7%, lower compared to 2020 (5.1%), driven by a lower net profit. Adjusted for incidental items, return on equity amounted to 4.2% (2020: 6.1%)

Total income down by 10%, mainly due to pressure on net interest income

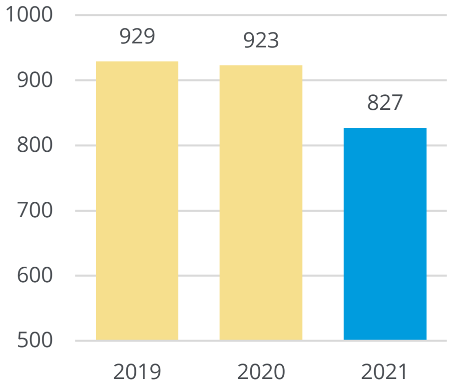
Income (in € millions)

	2020	2021	Δ	1H21	2H21
Net interest income	850	775	*-9%*	392	383
Net fee and commission income	46	39	*-15%*	20	19
Investment income	17	3	*-82%*	-2	5
Other results on financial instruments	9	10	*+11%*	7	3
Other income	1	--	--	--	--
Total income	**923**	**827**	***-10%***	**417**	**410**

Net interest margin
(as a % of average assets)



Total income
(in € millions)



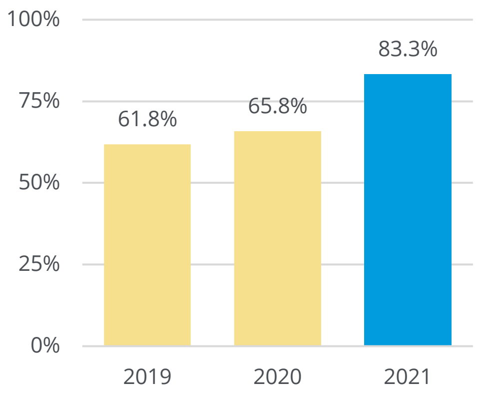
- Net interest income declined by €75m to €775m (-9%) mainly due to lower income from mortgages, reflecting a high number of (early) renewals at lower rates. In addition, the interest paid on liquidities deposited with financial institutions, such as the ECB, rose, driven by higher liquidities as a result of a substantial growth in deposits. Furthermore, net interest income included a charge of €13m related to a provision for a compensation scheme for customers with a revolving consumer credit facility. These elements were only partially compensated by higher compensation for loss of interest on account of early repayments (€103m; 2020: €56m), lower interest expenses on savings and the reclassification of franchise fees paid by RegioBank (impact +€18m in 2021)
- The net interest margin dropped from 1.30% to 1.11%, mainly driven by lower net interest income
- Net fee and commission income showed a €7m decrease to €39m, due to the reclassification of franchise fees paid by RegioBank. Excluding this reclassification, net fee and commission income rose by €11m, attributable to higher assets under management, which amounted to €4.75bn (YE20: €3.9bn)
- Investment income dropped to a normalised level following an exceptionally strong 2020 to €3m (2020: €17m), driven by lower realised results on fixed-income investments, sold as part of asset and liability management and optimisation of the investment portfolio
- Results on financial instruments increased to €10m (2020: €9m) as lower treasury results were compensated by a higher result on hedge accounting ineffectiveness, partly related to mortgages

Operating expenses up 2% despite a positive impact from a swing in incidental items

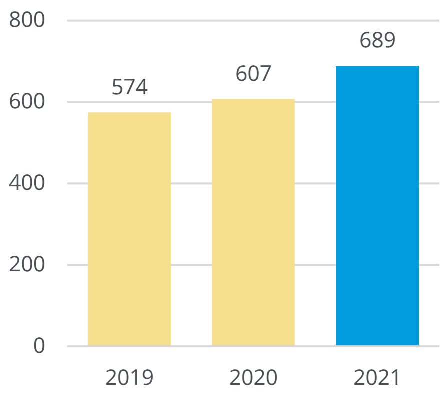
Operating expenses (in € millions)

	2020	2021	Δ	1H21	2H21
Total operating expenses	**652**	**667**	***+2%***	**322**	**345**
Restructuring charge	45	--	--	--	--
Gain related to DGS/DSB loan	--	-22	--	-8	-14
Adjusted operating expenses	**607**	**689**	***+14%***	**330**	**359**
- of which regulatory levies	*50*	*79*	*+58%*	*40*	*39*
Total FTEs	**3,819**	**3,961**	***+4%***	**3,994**	**3,961**
Internal FTEs	3,171	3,178	*+0%*	3,228	3,178
External FTEs	648	783	*+21%*	766	783

Cost/income ratio[1]



Operating expenses[1] (in € millions)



- Total operating expenses rose by €15m to €667m (+2%), despite a €67m swing in incidental items. Operating expenses in 2021 were positively impacted by a €22m revaluation of a previous contribution made under the Deposit Guarantee Scheme (DGS) in relation to the insolvency of DSB, while expenses in 2020 included a €45m incidental restructuring charge
- Regulatory levies were €29m higher at €79m, largely reflecting a €26m higher ex-ante contribution to the DGS (€68m), due to the growth in covered deposits. The contribution to the resolution fund was €3m higher at €11m
- Excluding incidental items and regulatory levies, operating expenses increased by €53m to €610m (+10%), of which €52m as a result of higher staff costs, mainly reflecting an increase in total FTEs and wage inflation. In addition, marketing and IT expenses were higher. The increase was partly offset by lower depreciation of tangible and intangible assets due to positive revaluations, the sale of property and the fact that intangible assets had already been written off at year-end 2020
- Compared to YE20 the number of internal employees rose by 7 to 3,178 FTEs and the number of external employees by 135 to 783 FTEs. The increase in the total number of FTEs was mainly related to customer integrity activities and at the service centers due to higher volumes. Furthermore, total FTEs increased due to the implementation of the strategic plan in the areas of IT, support in the transition to a new way of working and the SME finance proposition

[1] Excluding incidental items

€58m reversal in impairment charges as a result of an improved economic outlook

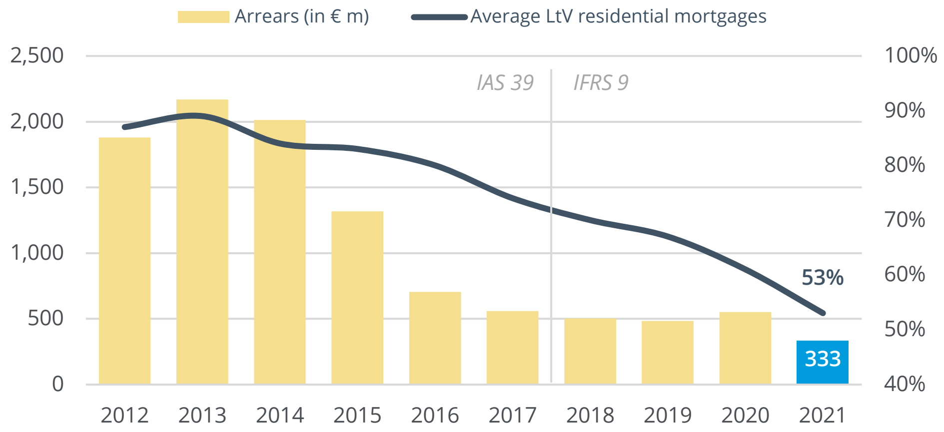
Impairment charges financial assets (in € millions)

	2020	2021	1H21	2H21
Residential mortgages	29	-46	-21	-25
SME loans	8	-12	-7	-5
Consumer loans	-1	3	-1	4
Other	2	-3	-2	-1
Total impairment charges	**38**	**-58**	**-31**	**-27**
Cost of risk residential mortgages	0.06%	-0.10%	-0.09%	-0.11%
Cost of risk total loans	0.08%	-0.12%	-0.13%	-0.12%

Base scenario macroeconomic parameters

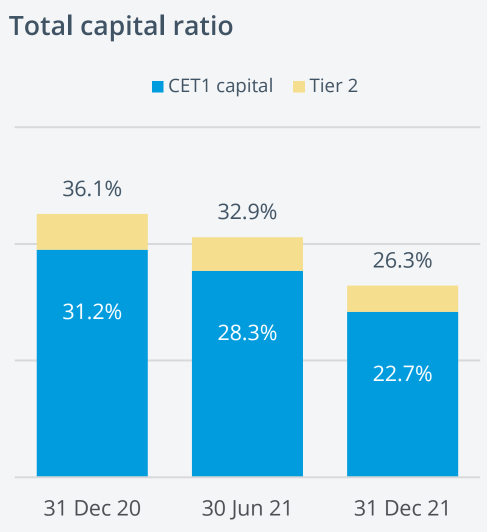
Scenarios as at	31 December 2020		31 December 2021	
	2021	2022	2022	2023
Relative change in house price index	-1.8%	3.2%	5.3%	4.4%
Unemployment rate	5.8%	5.0%	2.9%	2.6%
Number of bankruptcies (monthly)	386	472	239	241

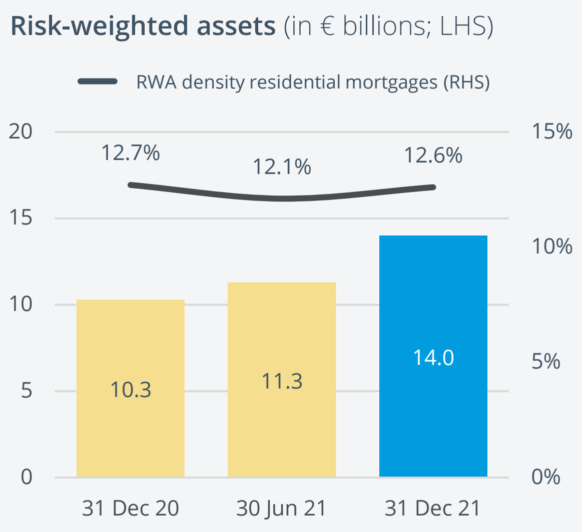
Residential mortgages in arrears; average LtV

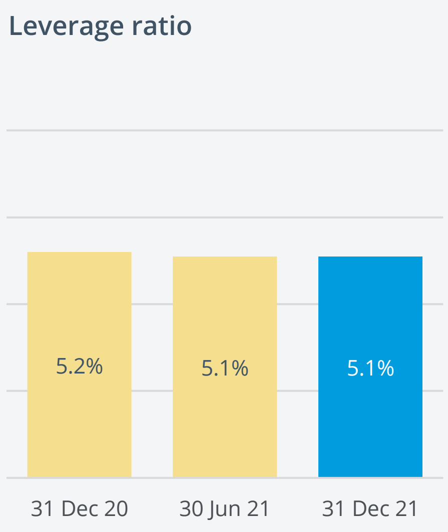


- Reversal in impairment charges amounted to €58m, reflecting the more positive macroeconomic outlook, partly offset by an increase in the management overlay
- Reversal in impairment charges on residential mortgage loans amounted to €46m, following from an improved economic outlook, most notably higher house prices. This was partly offset by the application of a higher management overlay, as the modelled provision decreased substantially, while the uncertainty about the impact of the Covid-19 pandemic remains high
- The average LtV of residential mortgages declined further to 53% (YE20: 61%)

Decrease in CET1 capital ratio primarily due to an increase in risk-weighted assets

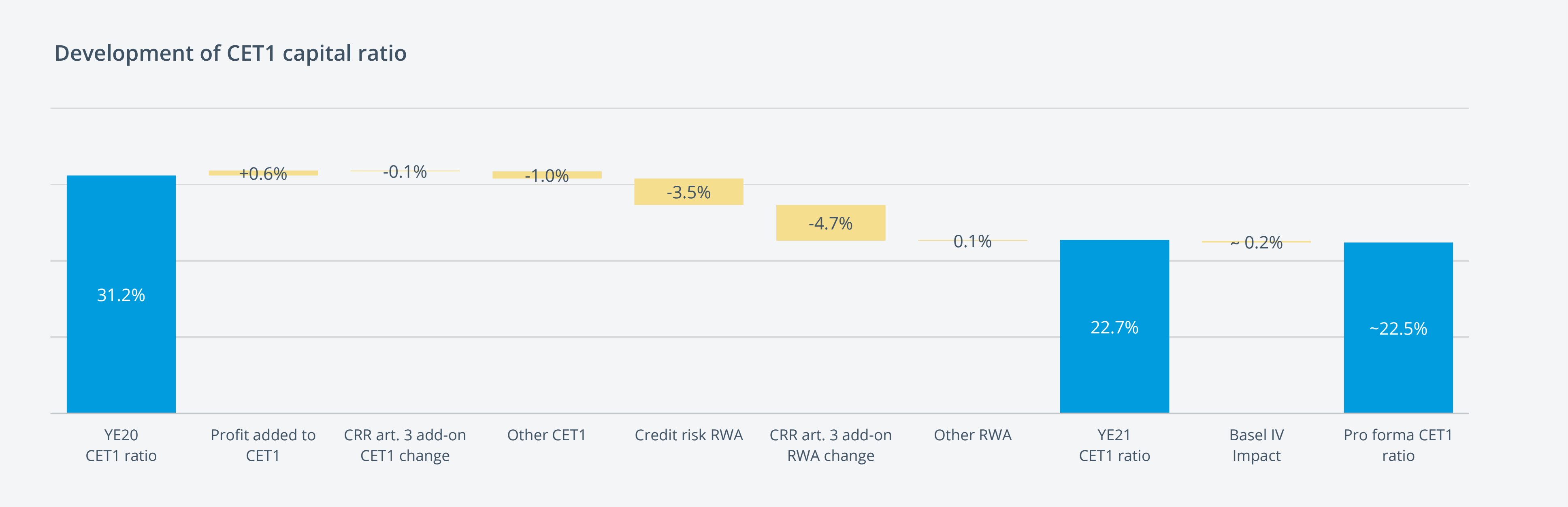






- In 2021, the CET1 capital ratio decreased to 22.7%, primarily due to an increase in risk-weighted assets (RWA)
  - CET1 capital decreased by €41m, as net profit retention (adjusted for 60% regular dividend pay-out ratio) was more than offset by a €62m deduction due to a temporary and voluntary Article 3 CRR add-on, awaiting formal approval from the supervisor on the implementation of a new data warehouse, and by a €18m decrease of the revaluation reserve
  - RWA increased by €3.7bn, mainly due to the inclusion of a €3bn temporary and voluntary Article 3 CRR add-on per YE21, related to the pending approval for the use of a new data warehouse. In addition, RWA for exposures to financial institutions and corporates increased by €1bn and RWA for residential mortgages increased by €0.3bn due to portfolio growth and the update of our Advanced Internal Ratings Based (AIRB) model. The Article 3 CRR add-on per YE20 of €0.6bn in anticipation of our AIRB model update is no longer applicable
- In 2021, the leverage ratio decreased to 5.1%, due to the decrease in CET1 capital. In June 2021, the ECB prolonged its temporary Covid-19 relief measure to exclude certain central bank exposures from the leverage ratio calculation until 31 March 2022
- For 2021, we propose to pay out a dividend of €97m, which corresponds to a pay-out ratio of 60% of the net profit

Development CET1 ratio in 2021; pro forma impact of Basel IV



- Based on the balance sheet and capital position as at 31 December 2021 and taking into account the October 2021 EC proposal for the implementation of Basel IV in European laws and regulations, we estimate an increase of approximately 1.5% as a result of fully phased-in Basel IV standards of our RWA. This would consequently reduce our CET1 capital ratio by approximately 0.2 percentage points. The EC proposal stipulates that the output floor will phase in from 50% in 2025 to 72.5% in 2030
- The pro forma Basel IV CET1 ratio of 22.5% is lower compared with 24.2% at YE20, mainly driven by an increase in RWA in 2021 for exposures to financial institutions and corporates
- In anticipation of the implementation of Basel IV, DNB announced in October 2019 that it would increase the minimum floor on the risk weighting of the mortgage loan portfolios of Dutch banks using internal risk models, with the exception of mortgages (partially) covered by the National Mortgage Guarantee (NHG) scheme. In October 2021, DNB announced that the regulation would come into force as of 1 January 2022. The measure will expire on 1 December 2022, and it is up to DNB to decide whether or not to extend the measure, every time for a two-year period. Given the RWA increase due to the update of our AIRB model and the Article 3 CRR add-on per YE21, we foresee no impact of the DNB measure for de Volksbank

Outlook

- In 2021, interest rates remained low, putting pressure on our total income and net profit. This underscores the urgency to come up with new initiatives so that our income becomes less sensitive to interest rates. We also focus on cost reductions, while making the investments necessary to improve our IT platform. In 2022, we will press on to implement our strategy and take the next step in the further development of our services. We will get even closer to our customers in order to gradually offer more services that seamlessly match their specific needs and life situations. We will do so both digitally and in local communities, always keeping a human touch in mind. Last year, we laid the groundwork for an agile way of working and the new organisation is set to start on 1 March. I am confident that the execution of our strategy will enable us to grow total income and improve operational efficiency in the coming years

- Based on the current outlook for economic growth, housing prices and interest rates we expect total income to hold up well compared with the level in 2021. Lower interest income on mortgages in the sustained low interest rate environment is expected to be largely absorbed by lower retail funding expenses and higher net fee and commission income, reflecting the progress of our growth initiatives

- For 2022, operating expenses are projected to be higher compared with 2021, mainly driven by strategy-related expenses and in the absence of the incidental gain in 2021

- Economic developments in the Netherlands and the consequences for the financial resilience of our customers are highly uncertain. This may affect our credit loss provisioning. Based on the current outlook and due to the sound quality of our loan portfolio, we expect the level of impairment charges on loans and advances to be low in 2022

- All in all, we expect the net profit for 2022 as a whole to be lower compared with 2021

Questions & answers

Appendix

Summary P&L

In € millions	2020	2021	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21
Net interest income	850	775	455	453	442	433	436	414	392	383
Net fee and commission income	46	39	21	23	25	26	29	17	20	19
Other income	27	13	4	2	4	-1	15	12	5	8
Total income	**923**	**827**	**480**	**478**	**471**	**458**	**480**	**443**	**417**	**410**
Total operating expenses	652	667	301	308	278	296	292	360	322	345
Impairment charges	38	-58	-16	4	-13	6	45	-7	-31	-27
Total expenses	**690**	**609**	**285**	**312**	**265**	**302**	**337**	**353**	**291**	**318**
Result before tax	**233**	**218**	**195**	**166**	**206**	**156**	**143**	**90**	**126**	**92**
Taxation	59	56	46	47	52	35	37	22	32	24
Net result	**174**	**162**	**149**	**119**	**154**	**121**	**106**	**68**	**94**	**68**
Incidental items	-34	17	--	--	--	--	--	-34	-6	-11
Adjusted net result	**208**	**145**	**149**	**119**	**154**	**121**	**106**	**102**	**88**	**57**
Ratios										
Cost/income ratio	70.6%	80.7%	62.7%	64.4%	59.0%	64.6%	60.8%	81.3%	77.2%	84.1%
Adjusted cost/income ratio	65.8%	83.3%	62.7%	64.4%	59.0%	64.6%	60.8%	71.1%	79.1%	87.6%
Cost/asset ratio	0.92%	0.84%	0.88%	0.94%	0.81%	0.86%	0.83%	1.01%	0.82%	0.86%
Net interest margin	1.30%	1.11%	1.47%	1.47%	1.40%	1.34%	1.35%	1.25%	1.14%	1.07%
Cost of risk residential mortgages	0.06%	-0.10%	-0.03%	0.01%	-0.03%	0.04%	0.14%	-0.02%	-0.09%	-0.11%
RoE	5.1%	4.7%	8.5%	6.8%	8.6%	6.7%	6.2%	4.0%	5.5%	3.9%
Adjusted RoE	6.1%	4.2%	8.5%	6.8%	8.6%	6.7%	6.2%	5.9%	5.1%	3.3%

Summary balance sheet

In € millions	30-06-2018	31-12-2018	30-06-2019	31-12-2019	30-06-2020	31-12-2020	30-06-2021	31-12-2021
Total assets	**62,534**	**60,948**	**63,941**	**62,841**	**65,378**	**67,484**	**70,473**	**72,081**
Cash and cash equivalents	3,114	815	1,948	2,026	1,079	4,672	8,036	10,296
Loans and advances to banks	2,373	3,589	4,208	3,791	6,817	5,990	5,759	4,527
Loans and advances to customers	50,197	50,536	51,551	50,461	50,867	50,542	50,127	50,727
Derivatives	898	732	705	718	702	864	588	591
Investments	5,331	4,782	4,914	5,350	5,469	5,114	5,494	5,638
Tangible and intangible assets	76	69	139	128	114	110	90	93
Tax assets	214	133	133	99	64	42	64	39
Other assets	331	292	342	268	266	150	314	170
Total liabilities and equity	**62,534**	**60,948**	**63,941**	**62,841**	**65,378**	**67,484**	**70,473**	**72,081**
Savings	*37,674*	*37,376*	*38,475*	*38,404*	*40,521*	*42,111*	*44,689*	*45,646*
Other amounts due to customers	*10,835*	*10,841*	*11,298*	*10,641*	*11,073*	*11,541*	*11,757*	*12,482*
Amounts due to customers	**48,509**	**48,217**	**49,773**	**48,664**	**51,594**	**53,652**	**56,446**	**58,128**
Amounts due to banks	2,859	1,116	891	541	246	945	1,175	1,059
Debt certificates	5,378	5,822	6,490	6,906	6,545	6,119	6,885	7,402
Derivatives	1,091	1,120	1,926	1,841	2,188	2,163	1,256	1,013
Tax liabilities	20	15	15	15	16	17	12	9
Other liabilities	598	487	679	492	852	558	694	382
Other provisions	112	98	72	64	45	80	77	102
Participation certificates and subordinated debt	511	502	512	502	510	500	504	500
Shareholders' equity	3,456	3,571	3,578	3,435	3,382	3,450	3,424	3,486

Key items balance sheet

Key items balance sheet (in € millions)

	31 Dec 20	31 Dec 21	Δ YoY
Total assets	**67,484**	**72,081**	*+7%*
Cash and cash equivalents	4,672	10,296	*+120%*
Loans and advances to customers	**50,542**	**50,727**	*+0%*
- of which residential mortgages	47,697	48,091	*+1%*
- of which consumer loans	51	42	*-18%*
- of which SME loans	686	818	*+19%*
- of which other, including (semi-) public sector loans	2,108	1,776	*-16%*
Loans and advances to banks	5,990	4,527	*-24%*
Investments	5,114	5,638	*+10%*
Amounts due to customers	**53,652**	**58,128**	*+8%*
- of which retail savings	42,111	45,646	*+8%*
- of which other amounts due to customers	11,541	12,482	*+8%*
Amounts due to banks	945	1,059	*+12%*
Debt certificates	6,119	7,402	*+21%*
Shareholders' equity	3,450	3,486	*+1%*

Comments

- In 2021, the balance sheet total increased by €4.6bn to €72.1bn, mainly due to a €4.5bn rise in amounts due to customers. On the asset side, this was mainly reflected in an increase in cash and cash equivalents by €5.6bn and investments by €0.5bn, partly offset by a €0.5bn decrease in loans and advances to banks as a part of cash management
- Loans and advances to customers increased by €0.2bn, mainly due to growth in the residential mortgage portfolio (€0.4bn), despite a decrease in IFRS value adjustments of €0.7bn. In addition, SME loans rose by €0.1bn
- Debt certificates increased by €1.3bn due to the issuance of senior non-preferred notes totalling €1.0bn and a 20-year covered bond issuance of €0.6bn
- Shareholders' equity increased by €36m to ~€3.5bn, mainly due to net profit retention (€162m), partly offset by the 2020 dividend payment (€104m) and a decline in the fair value reserve (€23m)

Breakdown of loans and advances to customers

in € millions	31 December 2020			30 June 2021			31 December 2021		
	Gross amount	Loan loss provision	Coverage ratio	Gross amount	Loan loss provision	Coverage ratio	Gross amount	Loan loss provision	Coverage ratio
Stage 1	**45,659**	**31**	**0.1%**	**46,167**	**38**	**0.1%**	**47,592**	**39**	**0.1%**
- of which residential mortgages	43,154	24	0.1%	43,638	30	0.1%	45,248	32	0.1%
- of which consumer loans	38	--	0.0%	32	--	0.0%	28	--	0.0%
- of which SME loans	558	6	1.1%	600	7	1.2%	663	6	0.9%
- of which other commercial loans and loans to public sector	1,916	1	0.1%	1,897	1	0.1%	1,653	1	0.1%
Stage 2	**2,796**	**58**	**2.1%**	**2,436**	**36**	**1.5%**	**1,825**	**1.797**	**1.5%**
- of which residential mortgages	2,539	52	2.0%	2,149	30	1.4%	1,575	1.551	1.5%
- of which consumer loans	13	1	7.7%	12	1	8.3%	14	14	0.0%
- of which SME loans	86	5	5.8%	104	4	3.8%	112	108	3.6%
- of which other commercial loans and loans to public sector	154	--	0.0%	171	1	0.6%	124	124	0.0%
Stage 3	**681**	**77**	**11.3%**	**566**	**64**	**11.3%**	**607**	**40**	**6.6%**
- of which residential mortgages	543	35	6.4%	491	37	7.5%	531	17	3.2%
- of which consumer loans	12	11	91.7%	10	9	90.0%	10	10	100.0%
- of which SME loans	80	27	33.8%	64	18	28.1%	66	13	19.7%
- of which other commercial loans and loans to public sector	43	4	9.3%	1	--	0.0%	--	--	--
Total stage 1, 2, 3	**49,136**	**166**	**0.3%**	**49,169**	**138**	**0.3%**	**50,024**	**107**	**0.2%**
- of which residential mortgages	46,236	111	0.2%	46,278	97	0.2%	47,354	73	0.2%
- of which consumer loans	63	12	19.0%	54	10	18.5%	52	10	19.2%
- of which SME loans[1]	724	38	5.2%	768	29	3.8%	841	23	2.7%
- of which other commercial loans and loans to public sector	2,113	5	0.2%	2,069	2	0.1%	1,777	1	0.1%
IFRS value adjustments[2]	1,572	--	--	1,098	--	--	810	--	--
Total loans and advances to customers	**50,708**	**166**	**0.3%**	**50,267**	**138**	**0.3%**	**50,834**	**107**	**0.2%**
Off-balance sheet items[3]	2,814	5	0.2%	3,236	4	0.1%	3,415	13	0.4%
Total on and off-balance sheet	**53,522**	**171**	**0.3%**	**53,503**	**142**	**0.3%**	**54,249**	**120**	**0.2%**

[1] Gross SME loans include mortgage-backed loans for a gross amount of € 803 million
[2] Consisting of fair value adjustments from hedge accounting and amortisations
[3] Off-balance sheet: liabilities from irrevocable facilities, guarantees and repurchase commitments

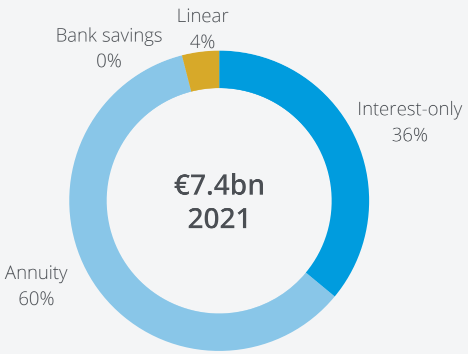
Quality of residential mortgages

in € millions	1 Jan 18	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021
Gross loans	**45,551**	**46,370**	**46,824**	**47,162**	**46,963**	**46,664**	**46,236**	**46,278**	**47,354**
- of which stage 1	42,366	43,706	44,236	45,005	43,977	43,166	43,154	43,638	45,248
- of which stage 2	2,467	2,030	2,039	1,657	2,446	2,949	2,539	2,149	1,575
- of which stage 3	718	634	549	500	540	549	543	491	531
Loan loss provisions	**74**	**61**	**58**	**53**	**71**	**110**	**111**	**97**	**73**
- of which stage 1	3	2	2	2	6	24	24	30	32
- of which stage 2	17	11	10	9	22	35	52	30	24
- of which stage 3	53	48	46	42	43	51	35	37	17
Stage 2 as a % of gross loans	5.3%	4.4%	4.4%	3.5%	5.2%	6.3%	5.5%	4.6%	3.3%
Stage 2 coverage ratio[1]	0.7%	0.5%	0.5%	0.5%	0.9%	1.2%	2.0%	1.4%	1.5%
Stage 3 as a % of gross loans	1.5%	1.4%	1.2%	1.1%	1.1%	1.2%	1.2%	1.1%	1.1%
Stage 3 coverage ratio[1]	7.4%	7.6%	8.4%	8.4%	8.0%	9.3%	6.4%	7.5%	3.2%
Net loans excluding IFRS adjustments	**45,477**	**46,309**	**46,766**	**47,109**	**46,892**	**46,554**	**46,125**	**46,181**	**47,281**
IFRS adjustments	295	356	496	1,293	1,198	1,597	1,572	1,098	810
Total net loans	**45,772**	**46,665**	**47,262**	**48,401**	**48,090**	**48,151**	**47,697**	**47,279**	**48,091**
Irrevocable loan commitments and financial guarantee contracts	1,967	1,769	1,796	1,692	1,598	2,021	1,924	2,293	2,329
Provision off-balance sheet items	1	1	0	1	1	1	1	1	7
Coverage ratio off-balance sheet items	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.3%
Total gross on and off-balance sheet exposure	**47,518**	**48,339**	**48,620**	**48,854**	**48,561**	**48,685**	**48,160**	**48,571**	**49,683**
Impairment charges	--	-8	-8	-8	2	33	29	-21	-58
Provision as a % of gross loans	0.16%	0.13%	0.12%	0.11%	0.15%	0.24%	0.24%	0.21%	0.15%
Cost of risk[2]	--	-0.03%	-0.02%	-0.03%	0.00%	0.14%	0.06%	-0.09%	-0.10%

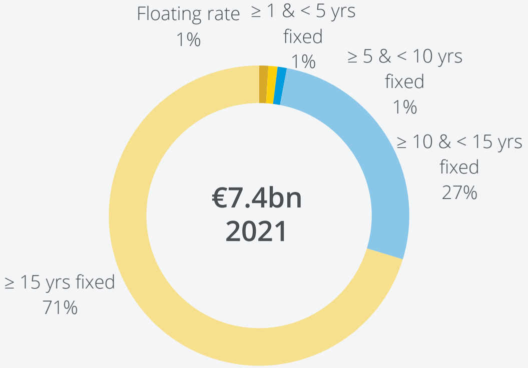
[1] Stage 2/3 loan loss provision as a % of gross exposure to stage 2/3
[2] Impairment charges as a % of average gross exposure -/- IFRS adjustments

Residential mortgage production

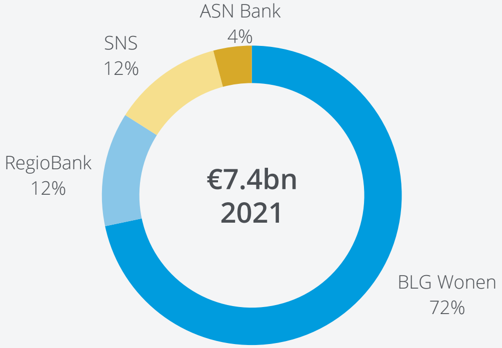
Residential mortgage production by redemption type[1]



Residential mortgage production by interest type[1]



Residential mortgage production by brand on own book[1]

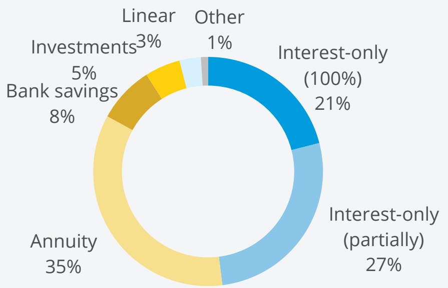


[1] Excluding mortgages that have been executed but have not yet been processed in the system, bridge loans, and 'extra ruimte' mortgages

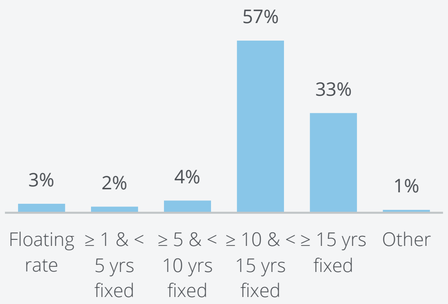
- 60% of new residential mortgages consists of annuity mortgages. Only new annuity or linear mortgages benefit from tax deductibility
- 32% of the residential mortgage production consists of interest-only mortgages due to the refinancing/conversion of loans originated before 2013
- In 2021, there was a continued strong demand for mortgages with longer term fixed-rate terms. In 2020, 54% of new residential mortgage production had a fixed-term rate of ≥ 15 years, in 2021 this share increased to 71%

Residential mortgage portfolio

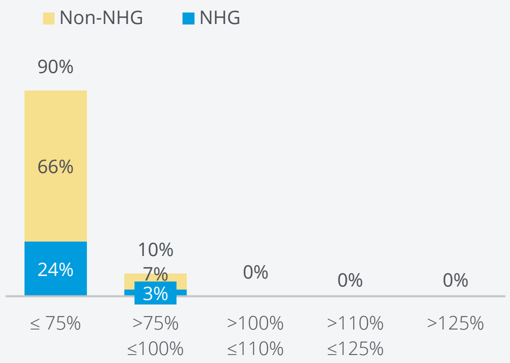
Residential mortgages by redemption type



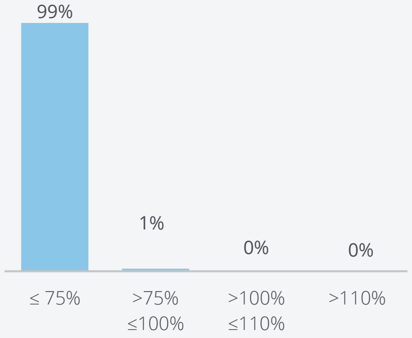
Residential mortgages by fixed-term maturity



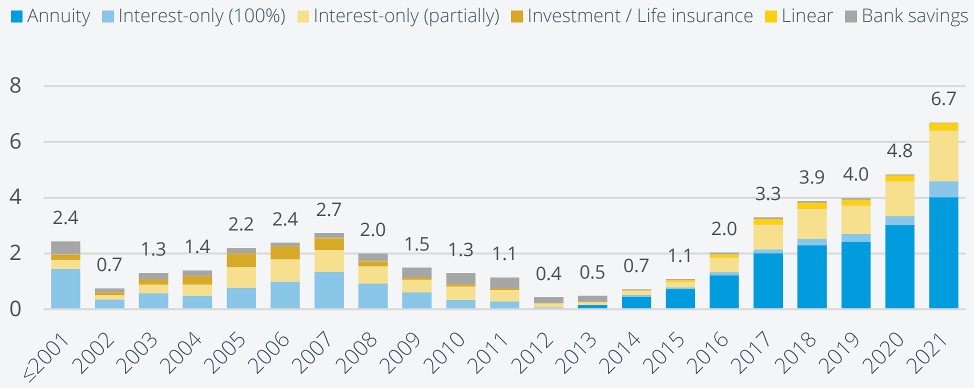
Residential mortgages by LtV bucket



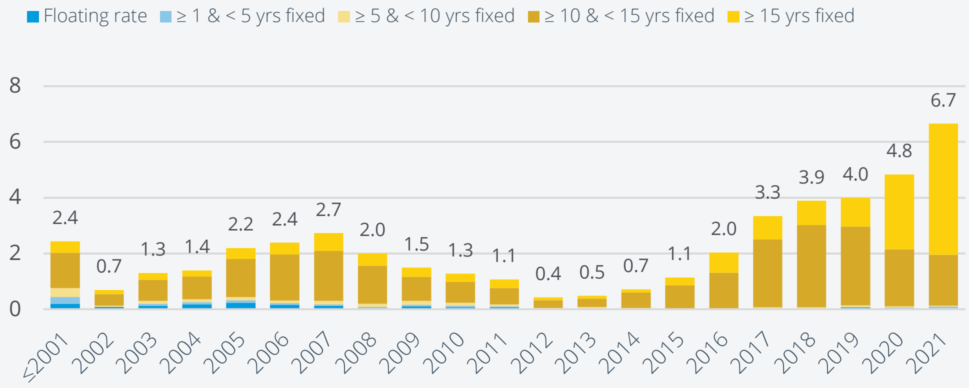
Interest-only (100%) mortgages by LtV bucket



Residential mortgages by year of origination and redemption type (in € billions)



Residential mortgages by year of origination and fixed-rate term (in € billions)



Quality of SME loans

in € millions	1 Jan 18	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021
Gross loans	**791**	**753**	**743**	**730**	**704**	**690**	**724**	**768**	**841**
- of which stage 1	558	553	558	565	566	506	558	600	663
- of which stage 2	123	103	99	85	67	96	86	104	112
- of which stage 3	110	97	86	80	71	89	80	64	66
Loan loss provisions	**49**	**40**	**41**	**38**	**31**	**36**	**38**	**29**	**23**
- of which stage 1	1	1	1	1	1	1	6	7	6
- of which stage 2	12	8	7	6	5	9	5	4	4
- of which stage 3	36	31	33	31	25	26	27	18	13
Stage 2 as a % of gross loans	16.3%	13.7%	13.3%	11.6%	9.5%	13.9%	11.9%	13.5%	13.3%
Stage 2 coverage ratio[1]	9.8%	7.8%	7.1%	7.1%	7.5%	9.4%	5.8%	3.8%	3.6%
Stage 3 as a % of gross loans	14.6%	12.9%	11.6%	11.0%	10.1%	12.8%	11.0%	8.3%	7.8%
Stage 3 coverage ratio[1]	32.7%	32.0%	38.4%	38.8%	35.2%	29.2%	33.8%	28.1%	19.7%
Total net loans	**742**	**713**	**702**	**692**	**669**	**654**	**686**	**739**	**818**
Irrevocable loan commitments and financial guarantee contracts	38	36	36	38	40	46	45	85	123
Provision off-balance sheet items	0	0	0	0	0	0	1	1	1
Coverage ratio off-balance sheet items	0.8%	0.8%	0.8%	0.8%	0.0%	0.0%	2.2%	1.2%	0.8%
Total gross on and off-balance sheet exposure	**829**	**789**	**779**	**768**	**744**	**740**	**769**	**853**	**864**
Impairment charges	--	-7	-5	-3	-8	5	8	-7	-12
Provision as a % of gross loans	6.2%	5.3%	5.5%	5.2%	4.4%	5.2%	5.2%	3.8%	2.7%
Cost of risk[2]	--	-1.98%	-0.75%	-0.69%	-1.05%	1.56%	1.16%	-1.98%	-1.56%

[1] Stage 2/3 loan loss provision as a % of gross exposure stage 2/3
[2] Impairment charges as % of average gross exposure -/- IFRS adjustments

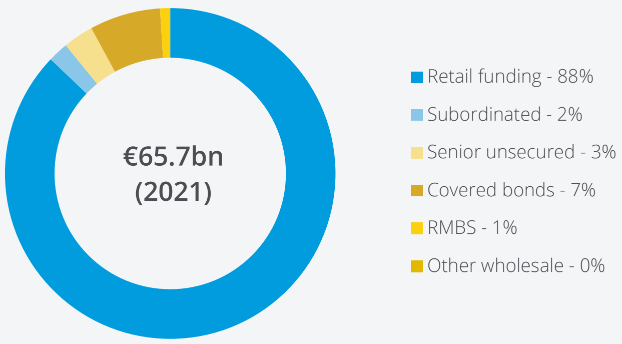
Quality of consumer loans

in € millions	1 Jan 18	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2020	30 Jun 2021	31 Dec 2021
Gross loans	**143**	**123**	**110**	**90**	**87**	**70**	**63**	**54**	**52**
- *of which stage 1*	92	82	74	64	62	49	38	32	28
- *of which stage 2*	17	13	14	11	12	9	13	12	14
- *of which stage 3*	34	28	22	15	13	12	12	10	10
Loan loss provisions	**34**	**28**	**24**	**15**	**14**	**13**	**13**	**10**	**10**
- *of which stage 1*	0	0	0	0	0	0	0	0	0
- *of which stage 2*	2	1	2	1	1	1	1	1	0
- *of which stage 3*	32	27	22	14	13	12	12	9	10
Stage 2 as a % of gross loans	13.8%	10.6%	12.7%	12.2%	13.8%	12.9%	20.6%	22.2.%	26.9%
Stage 2 coverage ratio[1]	11.8%	7.7%	14.3%	9.1%	8.3%	11.1%	7.7%	8.3%	0.0%
Stage 3 as a % of gross loans	27.6%	22.8%	20.0%	16.7%	14.9%	17.1%	19.0%	18.5%	19.2%
Stage 3 coverage ratio[1]	94.1%	96.4%	100.0%	93.3%	100.0%	100.0%	91.7%	90.0%	100.0%
Total net loans	**109**	**95**	**86**	**75**	**73**	**58**	**51**	**44**	**42**
Irrevocable loan commitments and financial guarantee contracts	576	582	464	461	453	440	431	430	415
Provision off-balance sheet items	7	5	4	3	3	4	2	2	5
Coverage ratio off-balance sheet items	1.2%	0.9%	0.9%	0.7%	0.7%	0.9%	0.5%	0.5%	1.2%
Total gross on and off-balance sheet exposure	**719**	**705**	**574**	**551**	**540**	**510**	**494**	**484**	**467**
Impairment charges	--	-2	-1	--	-2	1	-1	-1	3
Provision as a % of gross loans	23.8%	22.8%	21.8%	16.7%	16.1%	18.6%	19.0%	18.5%	19.7%
Cost of risk[2]	--	-0.45%	-0.18%	-0.1%	-0.5%	0.60%	-0.16%	-0.36%	0.65%

[1] Stage 2/3 loan loss provision as a % of gross exposure stage 2/3
[2] Impairment charges as % of average gross exposure -/- IFRS adjustments

Funding & liquidity

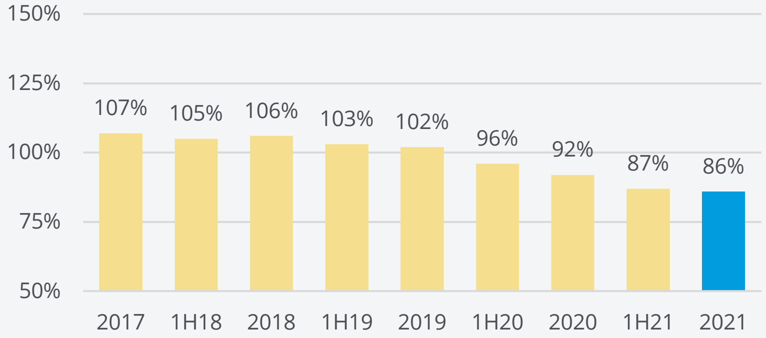
Funding mix



Liquidity buffer[1] (in € millions)

	2020	1H21	2021
Cash position	5,003	8,391	10,707
Sovereigns	2,803	1,986	1,780
Regional/local governments & supranationals	1,252	1,512	1,567
Other liquid assets	337	544	618
Eligible retained RMBS	8,529	8,243	7,898
Total liquidity buffer	**17,924**	**20,676**	**22,570**

Loan-to-Deposit ratio



Key liquidity indicators

	2020	1H21	2021
LCR	233%	261%	324%
NSFR	>100%	171%	176%
Loan-to-deposit ratio	92%	87%	86%

- Retail funding was marginally down to 88% (YE20: 89%)
- Loan-to-Deposit ratio decreased further to 86% as a result of limited loan growth and a substantial increase in deposits
- Liquidity buffer rose by €4.6bn to €22.6bn
- LCR and NSFR well above 100%

[1] As per 2H21, the liquidity position has replaced the previous indicators 'Cash position and liquidity buffer' to better reflect directly available liquidity, instead of including a 10-day in- and outflow horizon. Comparative figures have been adjusted accordingly

Investment portfolio

Breakdown by sector (in € billions)

	1H21	%	2021	%
Sovereigns	3.4	61%	3.3	59%
Financials	1.4	26%	1.5	27%
Corporates	0.7	13%	0.8	14%
Other	0.0	0%	0.0	0%
Total	**5.5**	**100%**	**5.6**	**100%**

Breakdown by maturity (in € billions)

	1H21	%	2021	%
< 3 months	0.1	2%	0.2	4%
< 1 year	0.2	4%	0.5	9%
< 3 years	1.3	24%	1.2	21%
< 5 years	1.2	22%	1.1	20%
< 10 years	2.3	41%	2.3	41%
< 15 years	0.3	6%	0.2	4%
> 15 years	0.1	2%	0.1	2%
Total	**5.5**	**100%**	**5.6**	**100%**

Breakdown by rating (in € billions)

	1H21	%	2021	%
AAA	3.0	55%	2.9	52%
AA	1.9	35%	1.9	34%
A	0.4	7%	0.4	7%
BBB	0.2	3%	0.2	%
< BBB	0.0	0%	0.0	0%
No rating	0.0	0%	0.1	2%
Total	**5.5**	**100%**	**5.6**	**100%**

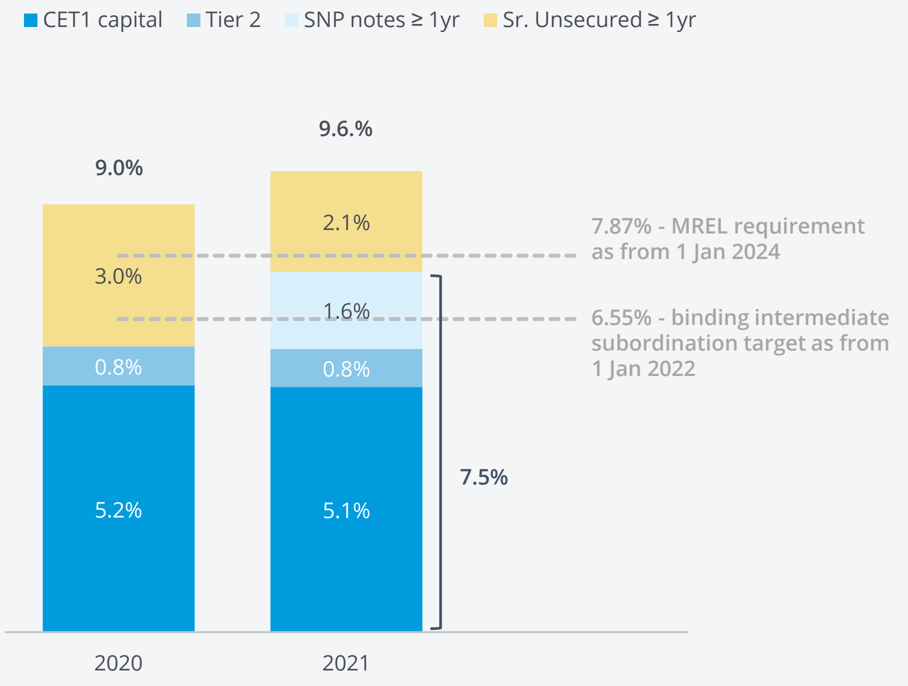
Breakdown by country (in € millions)

	1H21	%	2021	%
Netherlands	1,304	24%	1,308	23%
Germany	1,533	28%	1,560	28%
France	835	15%	799	14%
Belgium	546	10%	585	10%
Other[1]	588	11%	716	13%
Austria	282	5%	254	5%
Spain	240	4%	274	5%
Ireland	155	3%	128	2%
Total	**5,483**	**100%**	**5,624**	**100%**

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

De Volksbank meets its MREL requirements

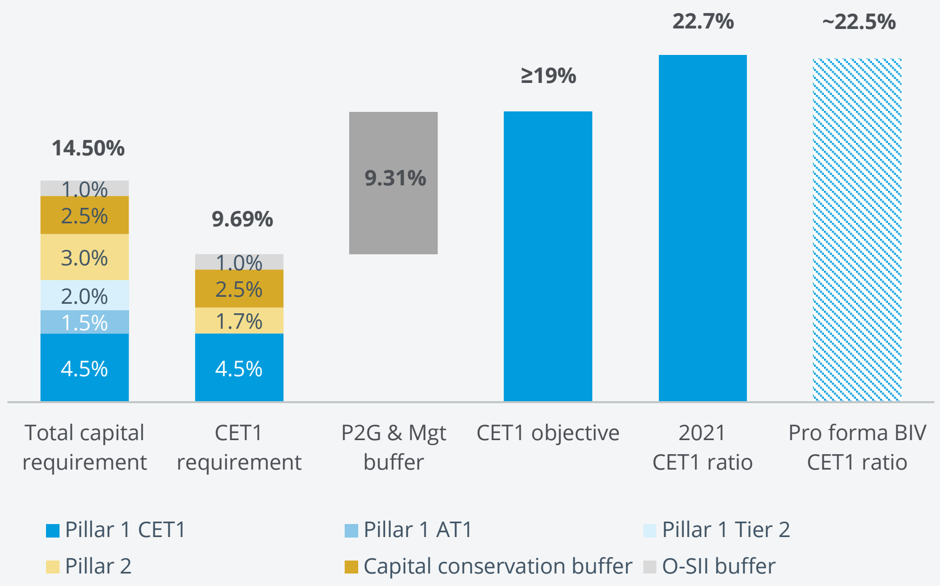
MREL ratio (as a % of leverage ratio exposure; LRE)



- On 10 May 2021, DNB – being the national resolution authority – set the MREL requirements for de Volksbank, to be met as from 1 January 2022 and 1 January 2024
- As from 1 January 2022, de Volksbank has to meet a MREL of 7.87% of the leverage ratio exposure (LRE) and as from 1 January 2024, the 7.87% has to be fully met with subordinated instruments (Tier 1 capital, Tier 2 capital and senior non-preferred (SNP) notes)
- As a binding intermediate target, de Volksbank has to meet a MREL of 6.55% of the LRE with subordinated instruments as from 1 January 2022
- For de Volksbank, the non-risk-weighted MREL requirements are more restrictive than the risk-weighted MREL requirements
- Based on its current capital position, de Volksbank plans to issue senior non-preferred (SNP) notes totalling €1.2bn to €1.7bn up to 2024, on top of the planned issuance of Additional Tier 1 (AT1) capital in 2022 and €1.0bn SNP debt instruments already issued in the first half of 2021
- As per year-end 2021, the non-risk-weighted MREL ratio based on the LRE was equal to 9.6% (YE20: 9.0%)
- Including only total capital and eligible SNP liabilities, the non-risk-weighted MREL ratio based on the LRE equalled 7.5% (YE20: 6.0%). This increase mainly resulted from the issuances of €500m in green SNP instruments in both February 2021 and in June 2021

De Volksbank meets its SREP capital requirements

SREP capital requirement and CET1 ratio



- With effect from 1 March 2022, de Volksbank is required to meet a minimum total capital ratio of 14.5% (Overall Capital Requirement, OCR), of which at least 9.69% needs to be composed of CET1 capital. This obligation stems from the Supervisory Review and Evaluation Process (SREP) as performed by the ECB in 2021
- The OCR serves as the Maximum Distributable Amount trigger level, below which coupon or dividend payments are restricted
- As of 31 December 2021, de Volksbank's CET1 ratio stood at 22.7%. The Basel IV fully loaded CET1 capital ratio was 22.5%. De Volksbank aims for a CET1 ratio of at least 19%, based on the fully phased-in Basel IV rules

2025 long-term objectives

Customer

2025 objectives

Net Promoter Score

+13

Active multi-customers[1]

1,3 million

Society[2]

2025 objectives

Climate-neutral balance sheet

>75%
2030: 100%

Employee

Objectives

Genuine attention

≥ 7.5

Shareholder

Objectives

Return on equity[3]

2025: 8%

Dividend pay-out ratio

40-60% of net profit

Other objectives

CET1 ratio

≥ 19%

Basel IV fully phased-in

Leverage ratio

≥ 4.5%

Cost/Income ratio[4]

2025: 57-59%

Including regulatory levies

[1] Active multi-customer: a customer with a current account and at least one product from another product group, who has made at least ten customer-initiated transactions on his or her current account for three months in a row

[2] We want to make a positive contribution to society on four themes: sustainability, financial resilience, quality of life in the region and good housing for everyone. KPIs will be defined for all themes in due course

[3] For the next few years, we expect that the return on equity will be less than 8% based on the current outlook. Implementing the strategy, de Volksbank will make substantial investments in the years ahead to allow later growth to an RoE of 8% by 2025

[4] We expect that the cost/income ratio will exceed this range in the next few years as the strategic initiatives are intended to produce an effect over the course of the years, both at the level of income and at the level of operating expenses

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