

An aerial photograph of a large body of water, possibly a lake or a wide river, with a prominent grassy bank and a dirt path. The water is dark blue, and the grass is a vibrant green. The sky is not visible, suggesting a high-angle shot. The overall scene is peaceful and natural.

# Green Bond Allocation Report 2020

de volksbank



## Introduction

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De Volksbank wants to make a relevant and positive contribution to society by focusing on financial resilience and sustainability. By issuing Green Bonds, de Volksbank wants to add another element to its value chain. We want to make a positive contribution to society. With our core activities mortgages, savings and payments,

*We have made our ambition measurable by means of objectives for a 100% climate-neutral balance sheet by 2030.*

we can have a considerable positive impact on sustainability in our chain and our customers'

financial resilience. We have made our ambition measurable by means of objectives for a 100% climate-neutral balance sheet by 2030.

Our long-standing commitment to sustainability is recognized by independent sustainability rating agencies that assess our sustainability performance annually. According to these several sustainability rating agencies, de Volksbank has a leading position in environmental, social and governance issues.

Since the publication of the Framework in April 2019, there were some relevant publications at EU level which are likely to impact the green bond market – such as the final TEG report on the EU Taxonomy (March 2020), the EU Green Bond Standard (June 2019) and the final Delegated Act (April 2021). Therefore, de Volksbank has updated

the Green Bond Framework April 2019 to reflect alignment with the EU Taxonomy (Delegated Act on the EU Taxonomy). We have had our Green Bond Framework 2021 externally assessed by ISS ESG, based on quality, sustainability and transparency, in accordance with the Green Bond Principles and the EU Taxonomy.

This Green Bond Allocation Report 2020 still reflects the allocation and reporting requirements as stated in the Green Bond Framework April 2019. We have had our Green Bond Framework April 2019 externally assessed and verified by ISS ESG, in accordance with the Green Bond Principles. In addition a Climate Bond Initiative Certificate has been appointed to the Green Bond Framework. De Volksbank is also a member of the Green Bond Principles.

*In September 2019, de Volksbank issued its first 'green senior preferred bond' in the amount of € 500 million.*

In September 2019, de Volksbank issued its first 'green senior preferred bond' in the amount of € 500 million. This issuance was rewarded with the Green Bond Award of the Year by Environmental Finance.

In this Green Bond Allocation Report 2020, de Volksbank N.V. reports on the use of proceeds during the financial year 2020, in respect:

- the EUR 500.000.000 Notes due September 2024 (Green Bond) that de Volksbank N.V. issued in September 2019 (ISIN XS2052503872);
- the EUR 500.000.000 Notes due October 2030 (Green Bond) that de Volksbank N.V. issued in July 2020 (ISIN XS2202902636);
- the EUR 300.000.000 Notes due October 2022 (Green Bond) that de Volksbank issued in October 2020 (ISIN XS2242176258);
- and the EUR 200.000.000 Notes due June 2022 (Green Bond) that de Volksbank issued in December 2020 (ISIN XS2271346152).

Besides an Allocation Report an Impact Report will be published as well. The Impact Report compares the CO<sub>2</sub>-emission of the Eligible Green Loan Portfolio to that of a comparable group of real estate with an average energy-efficiency. The objective of the Impact Report is to demonstrate that the selected buildings belong to the top most sustainable buildings in the Netherlands and that it meets the requirements of the Green Bond Principles.

EY performed a limited assurance engagement on the Green Bond Allocation Report over the year 2020. The report contains allocation reporting on a portfolio level.



# Green Bond Allocation Report

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

The Green Bond Allocation Report, as well as the impact report, will be made available via the [de Volksbank website](https://www.devолksbank.nl/en/investor-relations/green-bonds):  
[www.devолksbank.nl/en/investor-relations/green-bonds](https://www.devолksbank.nl/en/investor-relations/green-bonds)

As stated in the Green Bond Framework April 2019 this allocation report will provide, for each Eligible category:

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

# De Volksbank Green Bond Allocation Report

December 31 2020

Eligible Green Loan Portfolio			Green Funding					
Category	Number of Loans	Amount (EUR) <sup>1</sup>	Instrument (ISIN)	Issuance Date	Due Date	Principal (EUR)	New financing/ refinancing	Amount (EUR)
Green Buildings <sup>2</sup>	35.268	7.753.779.621	XS2052503872	September 2019	September 2024	500.000.000	100% refinancing	500.000.000
			XS2202902636	July 2020	October 2030	500.000.000	100% refinancing	500.000.000
			XS2242176258	October 2020	October 2022	300.000.000	100% refinancing	300.000.000
			XS2271346152	December 2020	June 2022	200.000.000	100% refinancing	200.000.000
<b>Total</b>		<b>7.753.779.621</b>						<b>1.500.000.000</b>

Percentage of Eligible Green Loan Portfolio Allocated (usage)..... 25%  
 Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio ..... 100%  
 Eligible Green Loans allocated to other outstanding transactions..... EUR 470.696.460  
 Eligible Green Loan Portfolio - Unallocated..... EUR 5.783.083.162

New loans in the Eligible Green Loan Portfolio since YE2020..... 7.497

Category	Number of Loans	Amount (EUR)	Allocated	Issuance Date	Amount (EUR)
Green Buildings	35383	7.753.779.621	Green Senior Unsecured	September 2019	500.000.000
			Green Tier 2	July 2020	500.000.000
			Green Senior Unsecured PP	October 2020	300.000.000
			Green Senior Unsecured PP	December 2020	200.000.000
			Pearl 1 RMBS	September 2006	28.268.276
			Covered Bond Programme	N/A	432.245.526
<b>Total Eligible Green Loan Portfolio</b>		<b>7.753.779.621</b>	<b>Total allocated</b>		<b>1.970.696.460</b>
			<b>Total unallocated</b>		<b>5.783.083.162</b>

1 These Amounts represent the 31 December 2020 Total Outstanding to loans that de Volksbank has identified as Eligible Green Loans in accordance with the de Volksbank Green Bond Framework 2019. EY's Limited Assurance Report in relation to the Eligible Green Loan Portfolio and respective disclosed Amounts, is included on the following pages.

2 Green buildings are new or existing residential buildings with an Energy Performance Certificate (EPC) label "A" in the Netherlands, as defined in the Green Bond Framework 2019. The EPC labels have been obtained from the database of the Netherlands Enterprise Agency (RVO). For definitive labels we work with the most recent year-end label composition, which allows us to also include any changes in the definitive labels in our calculations.

# de volksbank

beter voor elkaar



## Assurance report of the independent auditor

To: the executive board of de Volksbank N.V. and the holders of Green Bonds issued by de Volksbank N.V.

### Our conclusion

We have performed a limited assurance engagement on the accompanying Green Bond Allocation Report for the year 2020 of de Volksbank N.V. at Utrecht.

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Green Bond Allocation Report 2020 is not prepared, in all material respects, in accordance with the reporting criteria as included in the section Reporting criteria.

### Basis for our conclusion

We have performed our limited assurance engagement on the Green Bond Allocation Report 2020 in accordance with Dutch law, including Dutch Standard 3000A "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" (Assurance engagements other than audits or reviews of historical financial information [attestation engagements]). Our responsibilities under this standard are further described in the section Our responsibilities for the assurance engagement on the Green Bond Allocation Report 2020.

We are independent of de Volksbank N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Reporting criteria

The Green Bond Allocation Report 2020 needs to be read and understood together with the reporting criteria. De Volksbank N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Green Bond Allocation Report 2020 are the definitions and principles as developed by de Volksbank N.V. and included in the "Green Bond Framework" version April 2019 on [www.devolkbank.nl/investor-relations/green-bonds](http://www.devolkbank.nl/investor-relations/green-bonds).

The absence of an established practice on which to draw, to evaluate and measure the information in the Green Bond Allocation Report 2020 information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

#### Limitations to the scope of our assurance engagement

The Green Bond Allocation Report 2020 includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Green Bond Allocation Report 2020.

The references to external sources or websites in the Green Bond Allocation Report 2020, with the exception of the “Green Bond Framework” version April 2019, are not part of the information as assured by us. We therefore do not provide assurance on this information.

#### Responsibilities of the executive board and the supervisory board for the Green Bond Allocation Report 2020

The executive board is responsible for the preparation of a reliable and adequate Green Bond Allocation Report 2020 in accordance with the reporting criteria as included in the section Reporting criteria of our report. In this context, the executive board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the executive board regarding the scope of the Green Bond Allocation Report 2020 and the reporting policy are summarized in the “Green Bond Framework” version April 2019 of de Volksbank N.V.

The executive board is also responsible for such internal control as the executive board determines is necessary to enable the preparation of the Green Bond Allocation Report 2020 that is free from material misstatement, whether due to fraud or errors.

The supervisory board is responsible for overseeing the reporting process of de Volksbank N.V.

#### Our responsibilities for the assurance engagement on the Green Bond Allocation Report 2020

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



The procedures of our limited assurance engagement included amongst others:

- ▶ Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant social themes and issues and the characteristics of the company as far as relevant for the Green Bond Allocation Report 2020
- ▶ Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Green Bond Allocation Report 2020 and the “Green Bond Framework” version April 2019. This includes the evaluation of the reasonableness of estimates made by the executive board
- ▶ Obtaining an understanding of the reporting processes for the Green Bond Allocation Report 2020, including obtaining a general understanding of internal control relevant to our assurance engagement
- ▶ Identifying areas of the Green Bond Allocation Report 2020 with a higher risk of misleading or unbalanced information, or material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the Green Bond Allocation Report 2020 responsive to this risk analysis. These further assurance procedures consisted amongst others of:
  - ▶ Interviewing management and relevant staff at corporate and business level responsible for the Green Bond allocation strategy, policy and results
  - ▶ Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Green Bond Allocation Report 2020
  - ▶ Obtaining assurance information that the information in the Green Bond Allocation Report 2020 reconciles with underlying records of the company
  - ▶ Reviewing, on a limited test basis, relevant internal and external documentation
  - ▶ Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level
- ▶ Reconciling the relevant financial information with the financial administration
- ▶ Evaluating the overall presentation, structure and content of the Green Bond Allocation Report 2020
- ▶ Considering whether the Green Bond Allocation Report 2020 as a whole, including the disclosures, reflects the purpose of the reporting criteria used

Den Haag, 14 June 2021

Ernst & Young Accountants LLP

signed by R.J. Bleijs