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Ratings

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De Volksbank N.V.

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Table Of Contents

De Volksbank N.V.

SACP	bbb+		
Anchor	bbb+	
Business Position	Moderate	-1
Capital and Earnings	Very Strong	+2
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

\+

Support	+1
ALAC Support	+1
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating
A-/Positive/A-2

Resolution Counterparty Rating
A/--/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Very strong capitalization. • Granular deposit balances that broadly match loan balances. • Supportive additional loss absorption capacity.	• Narrow business focus in comparison with larger Dutch peers. • Increasing competition in the Dutch mortgage market. • Low interest rate pressuring margins and constraining the group's efforts to improve efficiency and net income.

Outlook: Positive

The positive outlook on Netherlands-based de Volksbank reflects S&P Global Ratings' view that the bank's capital planning should ultimately result in stronger creditworthiness for its senior bondholders. We could therefore raise our issuer credit rating on de Volksbank in the next two years if the bank maintains a very strong capital base and eventually issues senior nonpreferred notes in line with our central scenario. We also take the view that, in spite of the recovery in the bank's franchise, privatization is unlikely over our outlook horizon given the persistently low interest rate environment, which makes it challenging for the bank to build an attractive equity story.

We would revise the outlook to stable if a less conservative capital policy materially weakened de Volksbank's financial profile, or if, due to its business concentration, the bank was unable to sustain satisfactory earnings when compared to peers in an interest rate environment that could be depressed for a longer period of time.

We do not assign outlooks to issue ratings on bank debt. That said, we expect our issue ratings on de Volksbank's Tier 2 instrument to move in tandem with the bank's unsupported group credit profile.

Rationale

Our ratings on de Volksbank reflect our view of the bank's recovering franchise and very strong capital buffers, balanced against its business concentration in a single country and on a limited number of income streams.

De Volksbank is the fourth domestic player by mortgage lending, well behind large domestic Cooperatieve Rabobank, ABN AMRO, and ING Groep. We view the bank's loan book concentration and inherent lack of revenue diversification as rating weaknesses, because we believe de Volksbank would have more difficulty withstanding a real estate downturn than diversified peers.

Compensating for these weaknesses are the very high capital buffer and the sound funding profile. Since nationalization, the bank has been able to restructure towards a simpler balance sheet, leaving it with unusual capital strength for a commercial bank. We estimate the bank's risk-adjusted capital (RAC) ratio will remain above 20% in the coming two years. Funding and liquidity positions are sound, in line with those of local peers, with a loan-to-deposit ratio of about 105% and a granular base of domestic deposits in the Netherlands.

Finally, the ratings incorporate our view of de Volksbank's supportive additional loss-absorbing capacity (ALAC), for which we add one notch, leading to our view of the 'A-' ALAC-supported group credit profile.

Anchor: 'bbb+' for banks operating in The Netherlands

Our bank criteria use our Banking Industry Country Risk Assessment (BICRA) economic and industry risk scores to determine a bank's anchor--the starting point in assigning an issuer credit rating. The anchor for a commercial bank operating only in the Netherlands like de Volksbank is 'bbb+'. It is based on an economic risk score of '3' and an industry risk score of'3', with a stable trend for both (see "Ratings On Various Dutch Banks Affirmed; Most Positive Outlooks Revised To Stable On Property Market Developments," published on June 28, 2019).

Table 1

De Volksbank N.V.--Key Figures

	--Year ended Dec. 31--				
(Mil. €)	2018	2017	2016	2015	2014
Adjusted assets	60,942.0	60,878.0	61,546.0	62,675.0	68,144.0
Customer loans (gross)	50,662.0	49,471.0	48,807.0	49,608.0	53,344.0
Adjusted common equity	3,359.0	3,370.0	3,211.0	3,018.0	2,533.0
Operating revenues	958.0	1,028.0	997.0	1,090.0	1,099.0
Noninterest expenses	609.0	603.0	642.0	591.0	498.0
Core earnings	268.0	329.0	322.1	338.5	237.0

Business position: Concentrated domestic retail banking profile

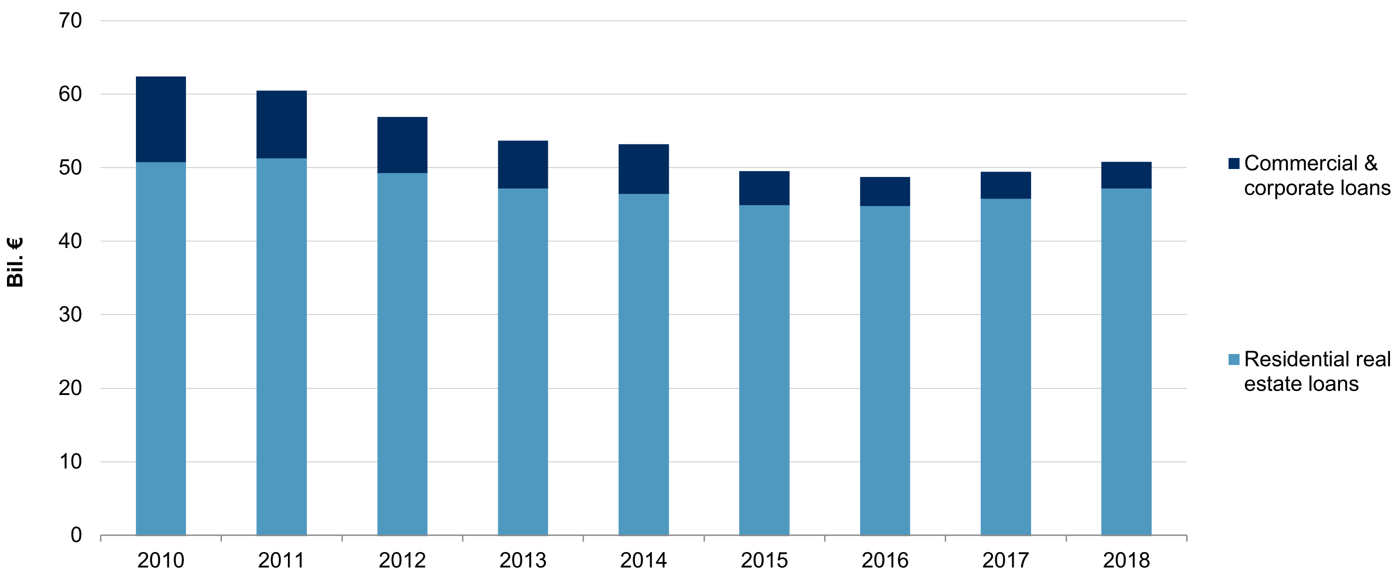
The bank has a narrower profile than the three large and diverse domestic banks that dominate the Dutch banking market, as it focuses almost exclusively on domestic retail banking--especially mortgage and savings products. After years of decline, we estimate the stabilized mortgage loan book allows more predictability in revenue generation and expect the bank's franchise recovery will stabilize in 2019 and 2020. In our view, de Volkbank's concentrated business profile makes it more vulnerable than its peers to interest rates being lower for longer.

We compare de Volksbank with two main peer groups. First, we view the bank business operations as more vulnerable than larger Dutch peers in an adverse economic scenario. Larger rated domestic peers are ABN AMRO, Cooperatieve Rabobank, and ING Bank. A broader international peer group includes commercial banks in Belgium and in Nordic countries. Examples include Belfius Bank, Argenta Group, Nykredit, and Swedish mortgage banks.

De Volksbank is the fourth-largest lender to the private sector in the Netherlands, and primarily a retail bank. Its loan book has quite a narrow focus, with residential mortgages representing over 90% of net loans and net interest income dominating revenue sources. We view de Volksbank's activities and revenue sources as less diversified than those of its larger competitors, despite its nationwide franchise. We acknowledge that the bank's multibrand strategy helps to differentiate its positioning from that of peers.

Chart 1

De Volksbank Loan Book Evolution Since 2010



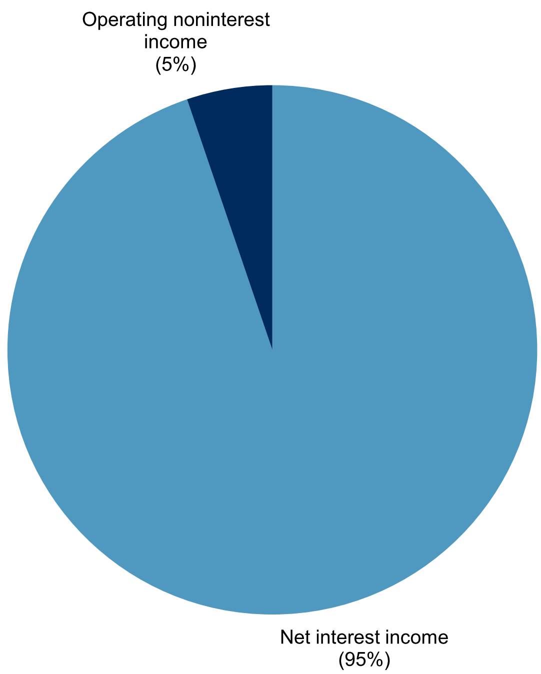
Source: S&P Global Ratings.

De Volksbank's new mortgage lending market share has recovered over the past few years. The bank was nationalized back in 2013 following large impairments in its former commercial real estate investment and development loans. At that time, management's focus on saving the bank led to reduced new production on its retail portfolio, with its market share of new mortgage lending dropping to below 2% in 2012 and 2013. Since 2013, nationalization has allowed the bank to enter into recovery mode, with its market share in new mortgage lending gradually increasing to over 7% in 2018, thanks to a refocused strategy on domestic mortgages. We assume the bank's franchise will stabilize in the next two years, in light of a competitive market where insurance-owned banks, pension funds, and other small banks are also seeking to gain market share in this segment. By contrast, de Volksbank's retail savings have been remarkably stable, even in troubled times, remaining between 10.5% and 11% since 2014. This illustrates the strength of the retail franchise. The bank has also reported a healthy share of the new personal current account market.

This retail focus makes the bank's revenues heavily dependent on interest-related income (see chart 2), which are under pressure in the current low interest environment. The low proportion of fees and commissions in the revenues 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.

Chart 2

De Volksbank Revenue Breakup At Year-End 2018



Source: S&P Global Ratings.

Overall, we believe de Volksbank's refocusing of its strategy on the low-risk retail segment in the Netherlands, where the bank has a historically strong franchise, coupled with deliberately high capital ratios, support the bank's creditworthiness.

Although we believe that a privatization of de Volksbank is unlikely in the short-term, we should have a better view on a potential privatization agenda by the end of 2019. In early July 2016, in a letter to the House of Representatives, the Dutch Minister of Finance agreed with the conclusion of NL Financial Investments (NLFI) that de Volksbank is not yet ready to return to the private sector. NLFI is a not-for-profit organization with a statutory mandate, and it has owned de Volksbank since the bank's nationalization. At that time, the rationale for the delay was to wait for the bank to achieve its optimum value in order to increase market interest and for more clarity on future capital regulations that could affect the bank's capital structure and efficiency. We note such regulatory clarification came in December 2017, when the Basel Committee unveiled new proposals for banks' regulatory capital. These new proposals will translate into higher risk-weights for mortgages, and therefore reduce its currently very high capitalization, but not to the extent that it could jeopardize the bank's business model. In the fall of 2018, NLFI came out with a second progress report and one of the conclusions drawn was that De Volksbank will need the three-year period starting mid-2016, before a decision on privatization can be taken. Further, it was decided that if it is not feasible by mid-2019, NLFI will issue another progress report with an indication of the expected timeline. We expect NLFI to release its next progress report before year-end 2019. Meanwhile, we expect the bank will continue implementing its existing strategic plan and maintain its dividend payout ratio, building an attractive track record for potential acquirers, while maintaining very strong capital ratios.

Table 2

De Volksbank N.V.--Business Position					
	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Total revenues from business line (currency in millions)	958.0	1,028.0	1,007.0	1,125.0	1,099.0
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	7.4	9.1	9.6	11.1	5.4

Capital and earnings: Very high capitalization is likely to decline over time

Capital ratios are very high and solvency is undoubtedly the main rating strength. Profitability is sound and stable, with an expected return on equity of 6.5%-7.5% in 2019-2020, but quality of earnings is modest.

We regard de Volksbank's capital as very strong. We expect the bank's management will commit to very strong regulatory ratios because of future regulatory impact, such as significantly increased risk-weighted assets as a result of the Basel output floor. We project the bank's RAC ratio to be above 20% in the coming two years. The sharp improvement since 2014 reflects the completion of the disentanglement from SNS REAAL, the utilization of tax losses carried forward, and better-than-expected retained earnings up to now.

We acknowledge that our RAC projection and the bank's regulatory capital measures (35.5% phased-in common equity Tier 1 ratio at year-end 2018) are substantially higher than those of domestic peers. They are unlikely to be fully sustained over the long term if de Volksbank transitions back to the private sector in the medium term. However, this is not presently our central expectation as we believe that the low interest rate environment in which de Volksbank operates challenges its immediate capacity to build an attractive investment story, which is a necessary step before a decision on privatization can be taken. We expect NLFI to issue another progress report in 2019 that will provide additional clarity on a possible privatization agenda. That said, over our two-year outlook horizon, we are confident that de Volksbank's capitalization will remain very strong, as defined by our criteria.

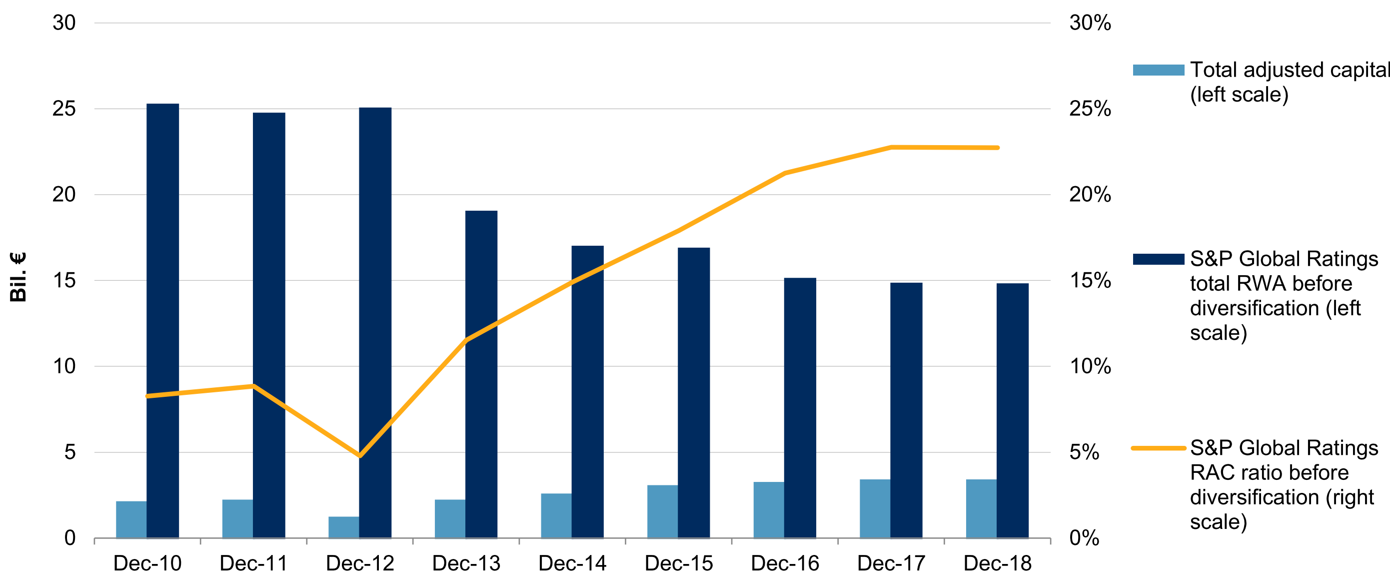
We calculate Volksbank's RAC ratio was 22.7% as of year-end 2018. Our projections for the period to year-end 2020 assume the following:

- Marginal loan book growth, leading to higher credit risk weighted assets (RWAs).
- Lower pre-provision operating income in 2019 and 2020 than in 2018. We factor in compressed margins; flat income from other sources (excluding nonrecurring income); and continued investment in operational capability offset by a cost-savings program.
- We expect cost of risk to increase modestly to around 3-5 basis points in 2019-2020.
- Return on assets of 0.3%-0.4% for the next two years, slightly lower than in 2017-2018.
- We assume a 60% payout ratio in line with the dividend on 2018 earnings and possible capital upstream to

shareholders.

Chart 3

De Volksbank RAC Ratio Since 2010



RWA--Risk-weighted assets. RAC--Risk-adjusted capital. Source: S&P Global Ratings.

Quality of capital is high in our view since it consists solely of common equity Tier 1 capital and no hybrid instruments.

Given the reduced scale of the franchise, we think that ongoing efficiency initiatives will be key to the long-term viability of de Volksbank's strategy.

The earnings structure is unlikely to change much in the next two years and we expect fees and commissions will continue to represent a small portion of revenues, at about 5%.

The cost-to-income ratio based on our calculation (including regulatory levies and compliance costs) increased to 63.6% at year-end 2018, led by lower operating revenues due to net interest margin compression (negative €16 million) and lower gains on fixed-income investments (negative €23 million). The efficiency ratio is in line with that of larger Dutch peers, but higher than the 45%-55% mark achieved by Nordic mortgage lender peers. That said, as for peers, we anticipate the bank's efficiency will remain under pressure, likely close to 60%-62% in the next two years, because of the low-interest-rate environment. Our central scenario assumes a net profit of under €250 million in 2019 and 2020, below the €268 million achieved in 2018.

Table 3

De Volksbank N.V.--Capital And Earnings

	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Tier 1 capital ratio	35.5	34.3	29.6	25.8	17.4
S&P Global Ratings' RAC ratio before diversification	22.7	22.8	21.3	17.9	14.9
S&P Global Ratings' RAC ratio after diversification	17.7	17.6	17.1	15.8	13.3
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	94.8	89.9	91.4	91.2	93.2
Fee income/operating revenues	4.6	4.8	5.7	4.4	4.0
Market-sensitive income/operating revenues	0.5	5.3	2.7	7.4	2.4
Noninterest expenses/operating revenues	63.6	58.7	64.4	54.2	45.3
Preprovision operating income/average assets	0.6	0.7	0.6	0.8	0.8
Core earnings/average managed assets	0.3	0.4	0.4	0.4	0.3

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 and central banks	8,217.0	150.0	1.8	240.3	2.9
Institutions and CCPs	1,903.0	362.5	19.0	391.8	20.6
Corporate	1,054.0	950.0	90.1	816.4	77.5
Retail	46,615.0	5,862.5	12.6	11,255.2	24.1
Of which mortgage	46,329.0	5,687.5	12.3	11,041.0	23.8
Securitization§	85.0	0.0	0.0	17.0	20.0
Other assets†	392.0	325.0	82.9	440.9	112.5
Total credit risk	58,266.0	7,650.0	13.1	13,161.6	22.6
Credit valuation adjustment					
Total credit valuation adjustment	--	150.0	--	0.0	--
Market risk					
Equity in the banking book	7.0	12.5	178.6	61.3	875.0
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	12.5	--	61.3	--
Operational risk					
Total operational risk	--	1,537.5	--	1,551.0	--
		Basel III RWA		**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification		9,350.0		14,773.9	100.0
Total Diversification/Concentration Adjustments		--		4,152.3	28.1
RWA after diversification		9,350.0		18,926.2	128.1

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	3,313.0	35.4	3,359.0	22.7
Capital ratio after adjustments‡	3,313.0	35.5	3,359.0	17.7

*Exposure at default. §Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Other assets includes Deferred Tax Assets (DTAs) not deducted from ACE. ‡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, 2018, S&P Global.

Risk position: Concentrated loan book

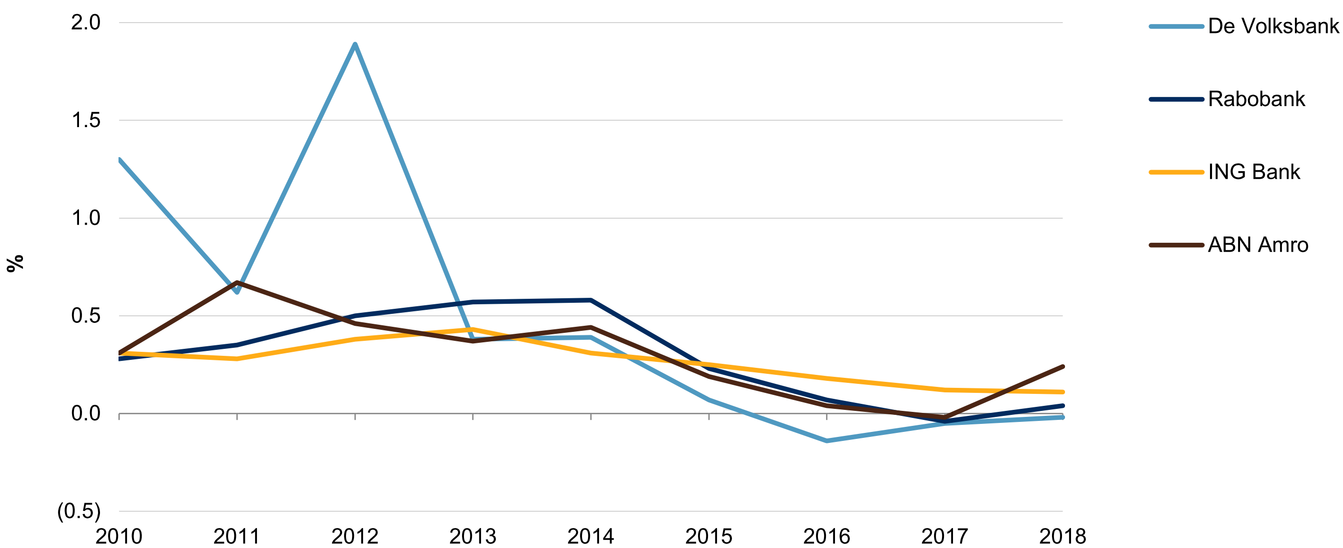
The bank's loan book is of low risk but features concentration in a single asset class in the Netherlands, which exposes it to potential vulnerability in the domestic real estate market.

In the past, commercial property comprised a disproportionate share of the bank's total credit losses. In 2013, the Dutch authorities granted the bank a guarantee on approximately €5 billion for funding the distressed book before SNS REAAL definitely transfers it to Propertize BV. As a result, de Volksbank focuses almost entirely on retail activities. Our assessment therefore increasingly considers the relative performance of the bank's mortgage book but also concentration risks, in particular its strong sensitivity to property cycles in the Netherlands.

The bank reported net recoveries of €12 million for 2018 down from recoveries of €24 million in 2017 and €68 million in 2016. This release of provisions was supported by the high reserves built during the downturn and in the context of improving economic condition and recovering property prices in Netherlands. Going forward we expect cost of risk to remain low but be in the positive range of 3-5 basis points on the back of a supportive domestic economy. De Volksbank's nonperforming assets continued to decrease, reaching 1.3% of gross loans at year-end 2018 compared with 1.4% at end-2017 and 4.9% at year-end 2013. We expect the stock of impaired loans to remain at this level in the next two years, noting that the flow of new problem loans has reduced considerably since 2015. The coverage ratio remains lower than peers', with loan loss reserves accounting for 19.2% of nonperforming assets as per our calculations, compared with a Dutch market average close to 25% on the same date. We note that peers' more diversified and riskier balance sheets also explain a large part of the coverage level difference compared with de Volksbank.

Chart 4

De Volksbank New Loan Loss Provisions/Average Loans



Source: S&P Global Ratings.

The average loan-to-value of the mortgage book stood at 70% at year-end 2018, improving from 74% at end-2017 or 80% at end-2016. This figure still appears high compared with that of peers in other countries, but this is mitigated by various safety nets, including the fact that about 30% of the portfolio benefited from the Nationale Hypotheek Garantie (NHG) scheme. In our RAC framework, we treat the NHG scheme as a Dutch sovereign guarantee--reflecting what we view as a material risk-reduction--although we apply a 35% haircut to the guaranteed amount (no change in the approach). We believe the risk profile is gradually reducing thanks to the combination of a recovering property market and the regulatory reform of mortgages. This is reflected by the growing share of annuity loans compared to the historical interest only profile of the Dutch market, and the lowering number of loans in negative equity.

Like peers, de Volksbank is exposed to legal risk. We continue to monitor in particular the proceedings following the bank's nationalization in 2013. De Volksbank has indicated that various former holders of securities and capital components expropriated in 2013 have initiated legal proceedings to seek compensation for damages. We note that given the uncertain legal outcome, at year-end 2018 no provisions were made in respect of possible legal actions by former holders or other affected parties.

Table 5

De Volksbank N.V.--Risk Position

	--Year ended Dec. 31--				
(%)	2018	2017	2016	2015	2014
Growth in customer loans	2.4	1.4	(1.6)	(7.0)	(1.0)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	28.1	29.2	24.6	13.0	12.1
Total managed assets/adjusted common equity (x)	23.4	22.2	23.3	25.9	35.2
New loan loss provisions/average customer loans	(0.0)	(0.0)	(0.1)	0.1	0.4
Net charge-offs/average customer loans	0.1	(0.0)	0.0	0.2	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.3	1.4	1.8	3.1	4.3
Loan loss reserves/gross nonperforming assets	19.2	21.8	24.5	25.1	22.1

Funding and liquidity: Funding profile expected to become more diversified over time

We view the bank's funding as average and its liquidity as adequate. In November 2015, de Volksbank issued its first debt instrument since its nationalization, a €500 million Tier 2 instrument due 2025. Since then, the bank has been a regular issuer of covered bonds and senior unsecured notes (for about €1.8 billion). We see these issuances as the initial steps toward the bank gaining a more diversified capital and funding structure, and reflects its regained access to wholesale sources of funding.

The bank's granular and stable retail deposit base underpins its funding profile. Core customer deposits of €48.2 billion as of December 2018 have grown steadily in the past few years. The bank's retail deposit franchise is strong, with a market share of 10.5%-11.0%, and has not been affected by the bank's past issues in its commercial real estate portfolio. At the same time, the loan book has declined over the past few years. The net customer loans to customer deposits ratio had improved to 105% in December 2018, compared with 145% in 2012. That said, we have seen some stability in the ratio in the past few years and expect this metric to be maintained. Our stable funding ratio, at 107% at year-end 2018, also highlights the balanced nature of de Volksbank's funding profile.

In our view, the bank's liquidity position remains comfortable, reflecting the low reliance on short-term wholesale funding. Broad liquid assets covered more than 5x short-term wholesale funding at year-end 2018 according to our metrics, which is strong compared with peers. The bank states that its liquidity buffer was €15.2 billion at the same date, comprising €2.5 billion of cash and €12.7 billion of other liquid assets (of which core eurozone sovereign bonds made up €2.4 billion).

Table 6

De Volksbank N.V.--Funding And Liquidity

	--Year ended Dec. 31--				
(%)	2018	2017	2016	2015	2014
Core deposits/funding base	86.6	85.3	86.1	84.9	77.5
Customer loans (net)/customer deposits	104.8	105.3	102.5	103.7	114.3
Long-term funding ratio	97.8	94.2	93.9	97.5	95.8
Stable funding ratio	107.2	105.9	105.6	108.6	105.5
Short-term wholesale funding/funding base	2.3	6.2	6.5	2.6	4.4
Broad liquid assets/short-term wholesale funding (x)	5.5	2.5	2.4	5.7	3.7

Table 6

De Volksbank N.V.--Funding And Liquidity (cont.)					
	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Net broad liquid assets/short-term customer deposits	14.4	12.8	13.0	17.5	19.0
Short-term wholesale funding/total wholesale funding	17.3	41.9	47.1	17.5	19.6
Narrow liquid assets/3-month wholesale funding (x)	6.5	2.7	4.4	11.0	8.9

Support: Additional loss absorbing capacity provide an additional notch

Since December 2015, we have regarded the prospect of extraordinary government support for Dutch banks as uncertain in view of the country's well-advanced and effective resolution regime.

While we calculate that ALAC was 11% of S&P Global Ratings' risk-weighted assets at year-end 2018, but we anticipate the ratio will be 9%-10% in the next two years. We include in our projection potential issuance of subordinated notes based on the assumption that the bank will probably start issuing them soon in order to meet its requirements of minimum own funds and eligible liabilities.

We therefore consider that the bank's loss absorption capacity protecting senior creditors will remain above the 6% of the RWA threshold we deem appropriate for one notch of uplift, but still below the 10% threshold allowing for two notches uplift in our assessment of the long-term rating on de Volksbank. The thresholds we apply to de Volksbank are above our standard 5% and 8% benchmarks, which reflects the bank's concentration of maturities, as its buffer consists as of today of excess core capital and of a single Tier 2 instrument as of year-end 2018.

Table 7

De Volksbank NV--Summary Of ALAC Calculation As Of Dec. 31, 2018			
		(Mil. €)	**% of S&P Global Ratings RWA**
A	Adjusted common equity	3,359.0	
B	Hybrids in TAC	0.0	
C (A+B)	Total adjusted common equity	3,359.0	22.7
D	TAC in excess of our 15% threshold	1,138.0	7.7
E	ALAC-eligible instruments	500.0	3.4
F (=D+E)	ALAC buffer	1,638.0	11.1
	S&P Global Ratings RWA*	14,809.0	

Source: S&P Global Ratings database. ALAC--Additional loss-absorbing capacity. RWA--Risk-weighted assets. TAC--Total adjusted capital.

Additional rating factors: None

No additional factors affect this rating.

Hybrid issue ratings

We notch ratings on hybrid debt from de Volksbank's 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 de Volksbank's Tier 2 instrument stands two notches below the bank's 'bbb+' SACP. We derive this gap as follows:

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

Resolution counterparty ratings assigned in June 2018

On June 12, 2018, we assigned a 'A/A-1' long- and short-term resolution counterparty ratings (RCR) to de Volksbank N.V., along with 30 other European banking groups (see "31 European Banking Groups Assigned Resolution Counterparty Ratings; Four Collateralized Notes Upgraded; UCO Removed," published June 12, 2018). It followed the publication of our RCR methodology on April 19, 2018. 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 (ICR) when the ICR ranges from 'BBB-' to 'A+'.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria - Financial Institutions - General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- 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
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Ratings On Various Dutch Banks Affirmed; Most Positive Outlooks Revised To Stable On Property Market Developments, June 28, 2019

- 31 European Banking Groups Assigned Resolution Counterparty Ratings; Four Collateralized Notes Upgraded; UCO Removed, June 12, 2018
- Research Update: Netherlands-Based De Volksbank Long-Term Rating Raised To 'A-' On Recovering Franchise; Outlook Stable, June 7, 2017
- Various Dutch Bank Outlooks To Positive On Receding Economic Imbalances In The Netherlands, Sept. 15, 2017

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	**3**	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	**bbb+**	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of July 15, 2019)*	
De Volksbank N.V.	
Issuer Credit Rating	A-/Positive/A-2
Resolution Counterparty Rating	A/--/A-1
Senior Unsecured	A-
Subordinated	BBB-
Issuer Credit Ratings History	
15-Sep-2017	A-/Positive/A-2
07-Jun-2017	A-/Stable/A-2
11-Aug-2016	BBB+/Stable/A-2
02-Dec-2015	BBB/Positive/A-2
04-Nov-2014	BBB/Negative/A-2
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.

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