S&P Global Ratings

RatingsDirect®

De Volksbank N.V.

Primary Credit Analyst:
Sylvie Dalmaz, PhD, Paris (33) 1-4420-6682; sylvie.dalmaz@spglobal.com

Secondary Contact:
Nicolas Hardy, Paris (33) 1-4420-7318; nicolas.hardy@spglobal.com

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

+

Additional Factors	-1

Issuer Credit Rating
A-/Stable/A-2

Resolution Counterparty Rating
A/--/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Adherence to very strong capitalization principles. • High buffers of loss-absorbing capacity, primarily derived from excess capital. • Granular deposit balances that broadly match loan balances.	• Narrow business focus in comparison with larger Dutch peers. • Prolonged low interest rate pressuring margins and constraining the group's efforts to improve efficiency and net income. • Increasing competition in the Dutch mortgage market.

Outlook: Stable

The stable outlook on Netherlands-based de Volksbank (DVB) reflects our view that the bank's capitalization will remain very strong and therefore offer protection to its debtholders, including its senior preferred bondholders, through its additional loss-absorbing capacity (ALAC). Our central scenario also assumes that DVB will eventually issue senior nonpreferred notes. Furthermore, we consider that, despite 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 optimize its business model.

We would revise the outlook to negative if a less conservative capital policy weakened DVB's financial profile, including its loss-absorbing capacity. Also, a downgrade could happen if we believed the economic risks of the Dutch banking market had intensified as a result of COVID-19, leading us to reassess the bank's currently favorably risk-adjusted ALAC buffers.

Rationale

DVB's stand-alone credit profile (SACP), which excludes ALAC uplift, stands at 'bbb+'. It reflects our view of the bank's stable franchise and very strong capital buffers, balanced against its business concentration in a single country and on a limited number of income streams.

DVB is the fourth-largest domestic player by mortgage lending in the Netherlands, well behind large domestic peers. We view DVB's loan book concentration and inherent lack of revenue diversification as rating weaknesses, because we believe the bank would have more difficulty withstanding a real estate downturn than diversified peers. Compensating for these weaknesses are the bank's above-average capital and a sound funding profile, with a granular deposit base. Since its nationalization, the bank has been able to restructure toward 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.

DVB's long-term issuer credit rating is bolstered by ALAC buffers standing at more than 10% of S&P Global Ratings' risk-weighted assets. It is, however, constrained by the pressures that we see on the bank's profitability in the coming years. They are due to prolonged low interest rates, intense domestic competition at a time new investments are needed, and credit risks increasing on the back of the COVID-19 pandemic.

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 bank operating only in the Netherlands like DVB is 'bbb+'. It is based on an economic risk score of '3', with negative trends, and an industry risk score of '3', with stable trends. The Netherlands is in group '3', like the U.S., the U.K., Australia, France, or Denmark.

Our assessment of Dutch economic risk balances the wealthy, diversified, and competitive nature of the country's economy. This translates into a wealthy sovereign able to provide support against international trade volatility, which the COVID-19 pandemic has amplified. Preexisting concerns related to global trade tensions and to Brexit remain. We now expect the Netherlands to enter into a sharp recession in 2020, with a 6.7% GDP contraction, followed by a 6.2% rebound in 2021. We continue to see risks to the downside. This should affect the credit quality of export-oriented corporates, small and midsize enterprises, or other cyclical sectors. Private sector leverage in the Netherlands remains, on a gross basis, among the highest in the world and constrains the structural ability of the Dutch economy to easily withstand potential external shocks. Economic imbalances have not receded in recent years because of a dynamic real estate market. Household indebtedness will reduce over time with the gradual move away from interest-only mortgages, but improvements have been so far hardly visible. Authorities in the Netherlands, and across many other European countries, have delivered unprecedented policy responses to the COVID-19 crisis in the form of monetary, fiscal, and regulatory support to their economies. Still, we expect the COVID-19-related short-term shock to be meaningful for banks' asset quality, revenues, profitability, and refinancing costs. On those grounds, we consider that the trend on economic risk for banking activities in the Netherlands is negative.

Our assessment of industry risks for Dutch banks incorporates high domestic concentration and our view of a stable competitive environment. We consider that the prospective profitability of domestic banking activities is adequate, although the 2020 economic shock should have a meaningful negative effect. We observe some price discipline in the competitive mortgage segment. Banks have also completed major restructuring efforts, while cost-optimization programs continue in the context of the persistently low interest-rate environment. Cost of risk has also remained low so far, but is expected to increase in 2020, notably in the corporate sector. The system's relatively heavy reliance on wholesale funding in average is partly attributable to households' propensity to save in life insurance and pension products, rather than in bank deposits, and also due to some entity-specific bias toward this source of funding. We consider that Dutch systemwide funding benefits from the depth of the domestic capital market and the Dutch authorities' good track record in providing liquidity support. We view the trend on industry risk as stable.

Table 1

De Volksbank N.V. Key Figures					
	--Year-ended Dec. 31--				
(Mil. €)	**2019**	**2018**	**2017**	**2016**	**2015**
Adjusted assets	62,839.0	60,942.0	60,878.0	61,546.0	62,675.0
Customer loans (gross)	50,580.0	50,662.0	49,471.0	48,807.0	49,608.0
Adjusted common equity	3,217.0	3,359.0	3,370.0	3,211.0	3,018.0
Operating revenues	929.0	958.0	1,028.0	997.0	1,090.0
Noninterest expenses	574.0	609.0	603.0	642.0	591.0
Core earnings	275.0	268.0	329.0	322.1	338.5

Business position: A monoline domestic retail bank

Our assessment of DVB's business position reflects our view of the bank's stabilized and recognized domestic franchise, yet narrower profile than the three large banks that dominate the Dutch banking market. In our view, DVB's focus on savings and loans to individuals makes it more vulnerable than more-diverse peers to interest rates being lower for longer, and to intense competition in the domestic market.

DVB is the fourth-largest lender to the private sector in the Netherlands, with more than 3 million customers. It has a nationwide franchise with a social character, and its commitment to sustainable finance is increasing. The bank follows a multi-brand strategy, including ASN Bank, RegioBank, BLG Wonen, and SNS, that helps differentiate its positioning versus peers. Its loan book reflects its monoline orientation, with residential mortgages representing over 90% of its total. DVB's market share in new mortgage loans stood at 6.1% as of year-end 2019. Following large impairments in its former commercial real estate investment and development loans, the bank was nationalized in 2013. At that time, its share in new mortgage loans dropped to below 2%. By contrast, DVB's retail savings' market share has been stable, even in troubled times, remaining at above 10%. This illustrates DVB's well-entrenched social franchise, in our view.

DVB's retail focus makes the bank's revenues heavily dependent on interest-related income. The low proportion of fees and commissions in the revenue mix is a weakness in terms of quality of earnings, as it indicates a narrower product range and more limited cross-selling capabilities than that of universal banks.

We believe that a privatization of DVB is unlikely in the short term, due to the weakening operating environment and the specific challenges the bank continues to face. We expect that DVB will continue to optimize its business model, considering options to diversify its sources of income and cutting costs. This should lead to a new strategic plan to be announced late 2020. In late 2019, in a letter to the House of Representatives, the Dutch Minister of Finance agreed with the conclusion of NL Financial Investments (NLFI) that DVB is not yet ready to return to the private sector, in particular in light of the current market conditions. NLFI is a not-for-profit organization with a statutory mandate which has owned DVB since the bank's nationalization. We expect NLFI to release its next progress report in fall 2020, in which it could identify possible options for DVB's medium-term privatization.

We compare DVB with two main peer groups. The first group includes the larger domestic banks: ABN AMRO, Rabobank, and ING Bank, compared with whom we view DVB's business operations as more vulnerable in an adverse economic scenario. The second group includes international and less diverse peers that face the same challenges as DVB. Examples include Belfius Bank, Argenta Group, Nykredit, and Swedish mortgage banks.

Table 2

De Volksbank N.V. Business Position

	--Year-ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Total revenues from business line (mil. €)	929.0	958.0	1,028.0	1,007.0	1,125.0
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	7.9	7.4	9.1	9.6	11.1

Capital and earnings:Very high capitalization likely to decline once the bank is privatized

DVB's capital ratios are very high and its solvency is undoubtedly its main rating strength. We expect the bank's management will commit to very strong capital in the years to come, mainly because of its monoline identity and the finalization of Basel 3, which will require more regulatory capital. We project the bank's RAC ratio to be above 20% in the coming two years, on the back of limited growth and subdued earnings. Quality of capital is high, in our view, since it consists solely of common equity Tier 1 capital and no hybrid instruments.

We acknowledge that our RAC projection and the bank's regulatory capital measures (32.6% phased-in common equity Tier 1 ratio at year-end 2019) are substantially higher than those of domestic peers. They are unlikely to be fully sustained over the long term if DVB transitions back to the private sector. However, this is not presently our central expectation as we believe that the weakening operating environment for banks prevent such a scenario to happen. Over our two-year outlook horizon, we are of the view that DVB's capitalization will remain very strong, as defined by our criteria.

We calculate that DVB's RAC ratio was 22.6% as of year-end 2019, stable compared with year-end 2018. Our projections for the period to year-end 2021 assume the following:

- Marginal loan book growth, on the back of the COVID-19 lockdown that will amplify the damages caused by preexisting fierce competition.
- Double-digit drop in net income in 2020 when compared with 2019, due to declining revenue, limited growth in costs, and rising credit risk.
- Lower interest income on mortgages that will not be compensated by lower expenses on savings in light of DVB's

more social stance than that of peers.

- A cancellation or a delay in the payment of the 2019 dividends, as recommended by the European Central Bank.
- A 60% dividend payout ratio thereafter.
- No further capital upstream to NLFI after the €250 million returned to shareholders in late 2019.

In spite of the bank's efforts, DVB's earnings structure is unlikely to change much in the next two years. We expect fees and commissions will continue to represent a small portion of revenue, at about 5%. In spite of lower interest income on mortgages, the bank's cost-to-income ratio (including regulatory levies and compliance costs) stabilized at 62% at year-end 2019, led by a 6% decline in costs. 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. We anticipate the bank's efficiency will deteriorate in the next two years, because of ongoing low interest rates and the recession in the Netherlands in 2020. We expect the cost of credit risk, including collective provisioning, to rise up to 10 basis points (bps) in 2020, on the back of an increase in unemployment and of a decline in houses' prices. Our central scenario assumes a net profit of under €200 million in 2020 and 2021 for DVB, below the €275 million achieved in 2019. These negative prospects weigh on our final assessment of DVB's issuer credit rating.

Table 3

De Volksbank N.V. Capital And Earnings

	--Year-ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	32.6	35.5	34.3	29.6	25.8
S&P Global Ratings' RAC ratio before diversification	22.6	22.7	22.8	21.3	17.9
S&P Global Ratings' RAC ratio after diversification	16.4	17.7	17.6	17.1	15.8
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	94.2	94.8	89.9	91.4	91.2
Fee income/operating revenues	5.5	4.6	4.8	5.7	4.4
Market-sensitive income/operating revenues	0.2	0.5	5.3	2.7	7.4
Noninterest expenses/operating revenues	61.8	63.6	58.7	64.4	54.2
Preprovision operating income/average assets	0.6	0.6	0.7	0.6	0.8
Core earnings/average managed assets	0.4	0.3	0.4	0.4	0.4

Table 4

De Volksbank N.V. Risk-Adjusted Capital Framework Data

(Mil. €)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global RWA**	**Average S&P Global RW (%)**
Credit risk					
Government & central banks	9,228	75	1	241	3
Of which regional governments and local authorities	1,659	0	0	60	4
Institutions and CCPs	2,134	342	16	79	4
Corporate	1,027	900	88	474	46
Retail	46,825	6,375	14	11,313	24
Of which mortgage	46,711	6,300	13	11,227	24

Table 4

De Volksbank N.V. Risk-Adjusted Capital Framework Data (cont.)					
Securitization§	72	13	17	14	20
Other assets†	463	375	81	521	113
Total credit risk	59,749	8,079	14	12,642	21
Credit valuation adjustment					
Total credit valuation adjustment	--	100	--	--	--
Market risk					
Equity in the banking book	9	13	139	79	875
Trading book market risk	--	0	--	--	--
Total market risk	--	13	--	79	--
Operational risk					
Total operational risk	--	1,500	--	1,542	--
(Mil. €)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification	--	9,692	--	14,263	100
Total diversification/ concentration adjustments	--	--	--	5,412	38
RWA after diversification	--	9,692	--	19,675	138
(Mil. €)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		3,156	32.6	3,217	22.6
Capital ratio after adjustments‡		3,156	32.6	3,217	16.4

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2019; S&P Global Ratings.

Risk position: A concentrated loan book

The bank's risk profile is typified by a loan book which is granular and of low risk. It also features concentration in a single asset class in the Netherlands, which exposes it to potential vulnerability in the domestic real estate market. Dutch and European authorities have recently delivered unprecedented policy responses to the COVID-19 fallout through various forms of support to their economies and population. We expect DVB to remain broadly resilient in the face of this cyclical shock. Under our central macroeconomic scenario, however, its asset quality metrics will deteriorate in 2020, and this should persist in 2021.

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 for funding its distressed book before SNS REAAL transferred it to Propertize BV. As a result, DVB now focuses on retail activities. Mortgage loans account for 95% of its book, the balance being made of commitments to the public sector and to small and midsize companies (SMEs), primarily in the form of mortgage-backed loans.

Over 2016-2019, the bank reported net recoveries. This release of provisions was supported by high reserves built during the downturn, improving economic conditions, and recovering property prices. However, we expect this will now come to an end. The Netherlands has entered into a recession, and the cost of credit risk is expected to turn negative and rise up to 10bps in 2020. It should be in the range of 5bps thereafter, although this projection remains dependent on the time and magnitude of the economic recovery. DVB's nonperforming assets stabilized to 1.3% of gross loans at year-end 2019. We expect the stock of impaired loans to increase in the next two years up to 2%. The coverage ratio remains lower than peers', with loan loss reserves accounting for 18.4% of nonperforming assets as per our calculations, compared with a Dutch market average close to 25%. We note that peers' wholesale banking activities and riskier balance sheets also explain a large part of the coverage level difference.

We believe the intrinsic risk profile of DVB's mortgage book is gradually, and notably, reducing, thanks to the regulatory reform on Dutch mortgages. This is reflected by the growing share of annuity loans compared with the historical interest-only profile of the Dutch market, and the lowering number of loans in negative equity. In 2019, two-thirds of new mortgages granted by DVB consisted of annuity loans, the only ones that now benefit from tax deductibility. The balance comprised the refinancing of higher-risk interest-only loans that originated before 2013. As of the same date, 3% of the bank's mortgage book was in negative equity. Its average loan-to-value mortgage book stood at 67% at year-end 2019, from 80% at end-2016. This figure still appears high compared with that of peers in other countries, but is mitigated by various safety nets, including the fact that about 30% of the portfolio benefits from the Dutch national mortgage guarantee scheme (Nationale Hypotheek Garantie or NHG, which supports house ownership). In our RAC framework, we treat the NHG scheme as a Dutch sovereign guarantee--although we apply a haircut to the guaranteed amount to take into account that the originator remains accountable for 10% of any loss.

DVB is exposed to some legal risks. We continue to monitor the proceedings following the bank's nationalization in 2013. DVB has indicated that various former owners who were expropriated in 2013 have initiated legal proceedings to seek compensation for damages. We note that, given the uncertain legal outcome, at year-end 2019 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--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	(0.2)	2.4	1.4	(1.6)	(7.0)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	37.9	28.1	29.2	24.6	13.0
Total managed assets/adjusted common equity (x)	23.5	23.4	22.2	23.3	25.9
New loan loss provisions/average customer loans	(0.0)	(0.0)	(0.0)	(0.1)	0.1
Net charge-offs/average customer loans	0.0	0.1	(0.0)	0.0	0.2
Gross nonperforming assets/customer loans + other real estate owned	1.3	1.3	1.4	1.8	3.1
Loan loss reserves/gross nonperforming assets	18.4	19.2	21.8	24.5	25.1

RWA--Risk-weighted assets.

Funding and liquidity: A sticky deposit base and more diversified capital market funding

We view the bank's funding as average and its liquidity as adequate. DVB primarily relies on retail funding, with core deposits accounting for 85% of its funding base. Over recent years, the bank has been diversifying its sources of funding raised on the capital markets and through private placements. It has been a regular issuer of covered bonds and senior unsecured notes. In late 2019, DVB issued a five-year inaugural €500 million senior preferred green bond.

DVB's granular and stable retail deposit base underpins its funding profile. Core customer deposits of €49 billion as of December 2019 have grown steadily in the past years. The bank's retail deposit franchise is strong and stable. At the same time, the loan book has declined over the past decade. The net customer-loans-to-customer-deposits ratio had improved to 103% in December 2019, compared with 145% in 2012. That said, we have seen some stability in the ratio in the past few years, and expect the metric to be maintained at this level. Our stable funding ratio, at 107% at year-end 2019, also highlights the balanced nature of DVB'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 3x short-term wholesale funding at year-end 2019 according to our metrics, which is stronger than peers. The bank states that its liquidity buffer was €16.9 billion at the same date, comprising €3.9 billion of cash and €13 billion of other liquid assets (of which core eurozone sovereign bonds made up €2.8 billion).

Support:ALAC provides two notches

Since December 2015, we have regarded the prospect of extraordinary government support for Dutch banks as uncertain. That said, we consider the Dutch resolution regime as effective under our criteria, in part because it contains a well-defined bail-in process under which authorities can permit nonviable, systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

We calculate that DVB's ALAC stood at above 10% of S&P Global Ratings' risk-weighted assets (RWA) at year-end 2019, stable when compared with the past two years. We anticipate that the ratio will not stray far from this level in the next two years thanks to the bank's continuous adherence to very strong capitalization principles. Potential issuances of senior nonpreferred notes--in order to meet subordinated requirements of minimum own funds and eligible liabilities--would secure and bolster the bank's risk-adjusted ALAC trajectory.

We therefore consider that the bank's ALAC-protecting senior creditors will remain above the 10% of the RWA threshold we deem appropriate for two notches uplift in the long-term rating on DVB. The threshold we apply to DVB is above our standard 8% benchmark, which reflects the lack of diversity of the bank's ALAC buffer and related concentration of maturities. As of year-end 2019, DVB's buffer consisted of excess core capital and of a single €500 million Tier 2 instrument issued in 2015. In our central scenario, we assume that, if called, the latter instrument will be refinanced.

Table 6

De Volksbank N.V. Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	85.9	86.6	85.3	86.1	84.9
Customer loans (net)/customer deposits	102.9	104.8	105.3	102.5	103.7
Long-term funding ratio	95.3	97.8	94.2	93.9	97.5

Table 6

De Volksbank N.V. Funding And Liquidity (cont.)					
	--Year-ended Dec. 31--				
(%)	2019	2018	2017	2016	2015
Stable funding ratio	106.6	107.2	105.9	105.6	108.6
Short-term wholesale funding/funding base	5.0	2.3	6.2	6.5	2.6
Broad liquid assets/short-term wholesale funding (x)	3.1	5.5	2.5	2.4	5.7
Net broad liquid assets/short-term customer deposits	14.1	14.4	12.8	13.0	17.5
Short-term wholesale funding/total wholesale funding	35.6	17.3	41.9	47.1	17.5
Narrow liquid assets/3-month wholesale funding (x)	13.8	6.5	2.7	4.4	11.0

Additional rating factors: DVB's net income will be affected in the coming years

DVB's issuer credit rating is constrained by the trends that we see in its profitability. In the past few years, the bank's earnings have been adversely affected by industrywide margin compression and intense domestic competition, at a time when continuous investments are needed. Pressure on preprovision operating income is expected to be amplified in 2020-2021 as a result of the COVID-19 pandemic, and new loan loss provisions will turn negative. As result, DVB's net income trajectory will be hurt in the near-term. We believe that this expected depressed path is not consistent with an 'A' long-term issuer credit rating.

Hybrid issue ratings

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

Our 'BBB-' ratings on DVB's Tier 2 instrument 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

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

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, 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: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- How COVID-19 Risks Prompted European Bank Rating Actions, April 29, 2020
- Research Update: De Volksbank Outlook Revised To Stable On Impaired Earnings In COVID-19 Fallout; 'A-/A-2' Ratings Affirmed, April 23, 2020
- Negative Rating Actions Taken On Multiple Benelux Banks On Deepening COVID-19 Downside Risks, April 23, 2020
- Negative Rating Actions Taken On Various French Banks On Deepening COVID-19 Downside Risks, April 23, 2020
- How COVID-19 Risks Prompted European Bank Rating Actions, April 23, 2020
- Europe’s AT1 Market Faces The COVID-19 Test: Bend, Not Break, April 22, 2020
- How COVID-19 Is Affecting Bank Ratings, April 22, 2020
- Europe Braces For A Deeper Recession In 2020, April 20, 2020
- European Banks' First-Quarter Results: Many COVID-19 Questions, Few Conclusive Answers, April 1, 2020
- COVID-19: The Steepening Cost To The Eurozone And U.K. Economies, March 26, 2020
- COVID-19 Countermeasures May Contain Damage To Europe's Financial Institutions For Now, March 13, 2020
- The Coronavirus Will Shave 50 Basis Points Off Eurozone Growth, March 4, 2020
- De Volksbank Sustains Very Strong Capital Despite €250 Million Capital Distribution To The Dutch Government, Dec. 17 , 2019

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 May 14, 2020)*

De Volksbank N.V.	
Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Senior Unsecured	A-
Subordinated	BBB-
Issuer Credit Ratings History	
23-Apr-2020	A-/Stable/A-2
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
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.