Utrecht, the Netherlands, 22 February 2018

2017 Results

Investor presentation

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de volksbank

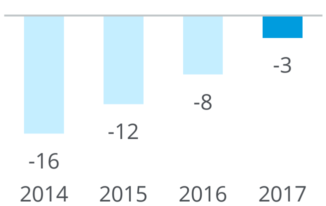
asn bank BLGwonen RegioBank SNS

1. Banking with a human touch

The implementation of our mission ‘Banking with a human touch’ led to progress in achieving our shared value objectives

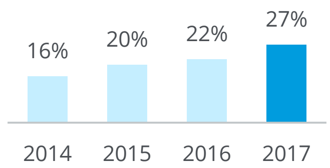
Customers

The customer-weighted Net Promoter Score rose to -3; at a market share in new current accounts of 20%, the number of current account customers rose to 1.4 million



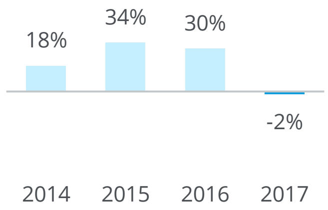
Society

The climate-neutral balance sheet rose to 27% and a objective for customer financial resilience was introduced



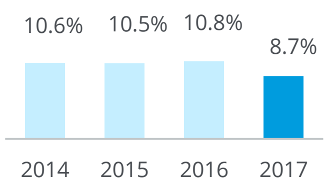
Employees

Commitment (7.6) and engagement (7.4) remained at the same level but the employee NPS showed a sharp decline to -2, notably due to the planned staff reductions



Shareholder

At 8.7% the adjusted return on equity, based on a very solid capital position, exceeded the 8% target



Introduction financial resilience objective

As a bank we want to offer customers a service aimed at increasing their financial resilience

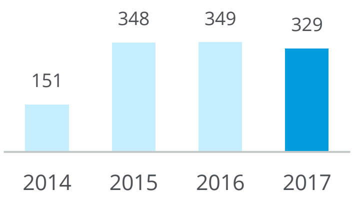
- We are the first bank in the Netherlands to introduce a quantitative objective, the Financial Confidence Barometer, that indicates the extent to which we successfully contribute to making our customers financially resilient
- A survey, conducted by GfK among 1,371 respondents, shows that although a large part of the respondents feels financially resilient, they are concerned about their financial future at the same time
- Our aim for 2020 is that more than 50% of our customers will feel that the bank is there for them when they have financial stress. In the recent first measurement, 40% of our customers felt this to be true

To support the launch of our new objective, we are organising a symposium in the second quarter of 2018 at which scientists, politicians, opinion makers and experience experts will discuss the following question: how do we make Dutch citizens financially resilient and less concerned?

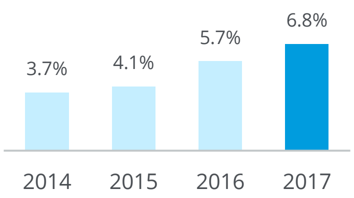
De Volksbank posts 2017 net profit of € 329 million

- **Net profit** fell slightly to €329m (-6%)
- **Net adjusted profit** decreased to € 316m (-16%), mainly driven by a lower net release of provisions for loans
- **Net interest income** was marginally lower at €924m (-1%); the interest margin improved to 1.50% (+2bps)
- **Operating expenses** decreased by 6%; adjusted operating expenses decreased slightly by 1%, despite higher additions to non-credit risk related provisions
- **Retail mortgage portfolio** grew by € 1bn to € 45.9bn; market share new mortgage production grew to 6.8% from 5.7% in 2016
- **Retail mortgages in arrears** fell further to €559m, 1.2% of total retail mortgages (-30bps)
- **CET 1 ratio** rose to 34.1%; the leverage ratio rose to 5.5%
- **The adjusted return on equity** of 8.7%, based on a very solid capital position, exceeded our 8% objective
- **Proposed dividend pay-out** for 2017 of €190m, corresponding to a pay-out ratio of 60%, (2016: €135m; 41%)

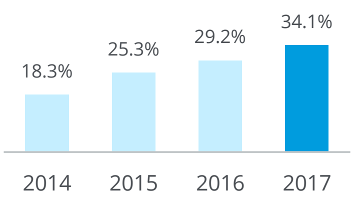
Net result



Market share
new retail mortgages



CET 1 ratio



Strategic pillar 1: Strengthening our social identity

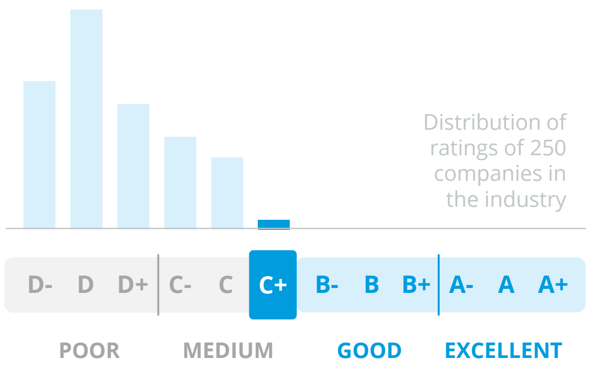
As from January 2017, we ceased to hand over customers' debts to debt collection agencies. As from 2018, we will also start to actively bring back customers whose debts had previously already been turned over to a debt collection agency. We want to be there for our customers in bad times too

In the past year, we developed a number of initiatives to strengthen our social identity with distinctive services

- Ceased to hand over customers' debt to debt collection agencies
- Started a pilot in which our financial advisers have a discretionary power to accept mortgages; after all, they know our customers best
- Started to personally approach a group of customers with an interest-only mortgage that is potentially the most vulnerable actively. We try to provide customers with the best possible understanding of the affordability of their mortgage in the future and discuss possible actions to help them to continue to live in their home with financial peace of mind
- In anticipation of PSD2 we introduce a main switch that allows customers to switch on or switch off the transfer of payment details to third parties at any time
- Gave more than 60 in-house workshops with the aim of guiding our employees' thinking and acting towards Banking with a human touch

ESG ratings of de Volksbank

Oekom research: De Volksbank holds top 3 position within financial services



- Oekom research, a German research firm, assesses companies all over the world for the sustainability of their investment policy
- In February 2017, de Volksbank was granted a C+ rating, which means de Volksbank is one of the three leaders in the financial sector. According to oekom, the score reflects 'the integration of sustainable and social aspects in the business operations and policies of de Volksbank'.

Sustainalytics: De Volksbank rated 1st among 339 analysed global banks

90	OVERALL ESG SCORE	95	ENVIRONMENT LEADER
1/339	RELATIVE POSITION	85	SOCIAL LEADER
100th	PERCENTILE	90	GOVERNANCE LEADER

- In July 2017 de Volksbank rated first among 339 global banks analysed by Sustainalytics
- Sustainalytics conducts global research on company policies in areas such as sustainability and corporate governance
- According to Sustainalytics, de Volksbank's high score – 90 out of 100 – is, among other things, an appreciation of the fact that it is taking over ASN Bank's sustainability policy

Strategic pillar 2: Simplifying and enhancing our business operations

Initiatives to simplify and improve our business operations are proceeding according to plan

- The initiatives are primarily aimed at STP, increased digitisation, optimisation of support functions, further automation and optimisation of IT processes and moderation of our remuneration policy
- We expect a decrease in the number of jobs by 800 to 900 in the years ahead
- In 2017 the top management structure was simplified. The number of senior management positions will be reduced from 47 to approximately 30 in the period up to 2020
- As from 2018, the number of other management positions will also reduce in line with the total reduction in the number of jobs.

At the end of 2016, we indicated that we expected the number of jobs to decrease by 800 to 900 in the years ahead. Approximately half of this number relates to our permanent staff. Through natural employee turnover and by proactively engaging with employees whose position may become redundant, we are now on schedule.

Strategic pillar 3: Innovating as a smart adopter

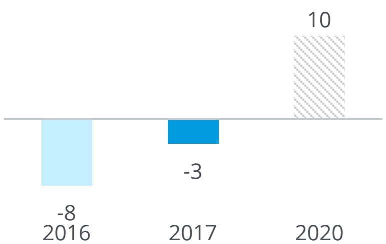
One-Two. This platform allows customers to interact with a single point of contact of their choice within their bank for all their financial questions, thus putting our Banking with a human touch mission into practice. After a successful pilot, we are now examining how this project can be further developed and implemented

On both PSD2 and AI applications, our position on privacy is clear; customers are and will remain the owner of their data, which will only be used with their consent and only for specific services

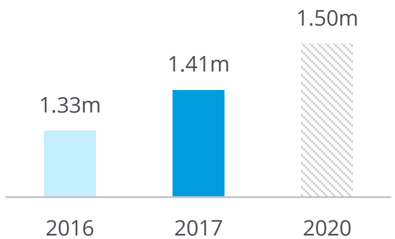
- Succesful pilot One-Two app; we are now examining how this project can be further developed and rolled out
- Experiments together with startups and partners to help customers gain a better understanding of the ecological and social impact of their (payment) behaviour
- Pilot in which we can use Artificial Intelligence (AI) and customer transaction data to immediately indicate how much house (and accompanying mortgage) a customer can afford

Progress on long-term objectives

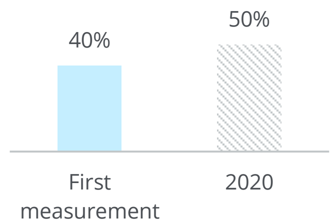
Customer-weighted average NPS



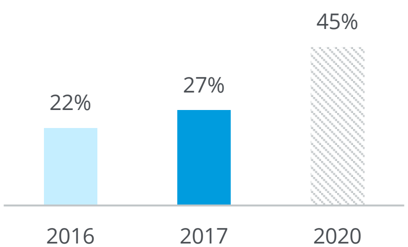
Current account customers



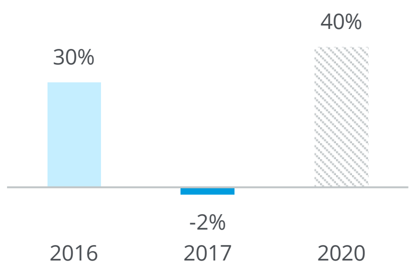
Financial Confidence Barometer



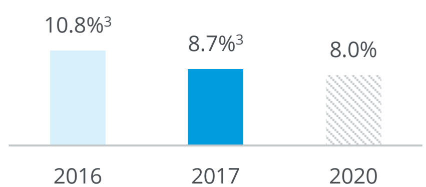
Climate-neutral balance sheet



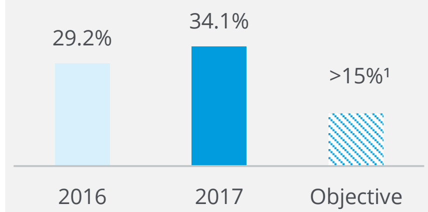
Employee NPS



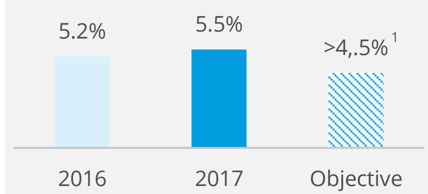
Return on Equity



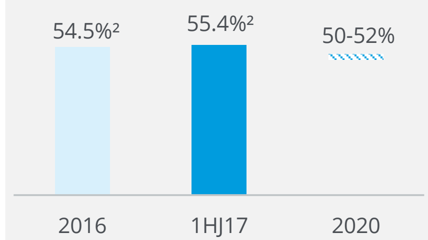
CET1 ratio



Leverage ratio



Cost to income ratio



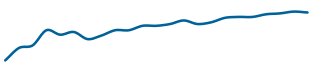
[1] CET1 ratio and leverage ratio objectives apply to every year [2] excluding incidental items and regulatory levies [3] excluding incidental items

2. Commercial developments

Overall customer satisfaction level developed well

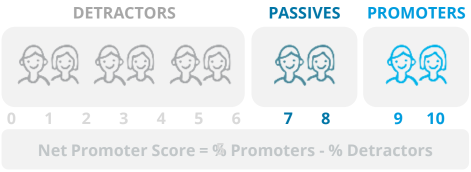
Net Promoter Score

(in %)

Brand	2010	2011	2012	2013	2014	2015	2016	2017	Trend 2010-2017
SNS	-67	-33	-35	-39	-28	-26	-18	**-13**	
ASN Bank	+19	+34	+22	+19	+12	+19	+14	**+17**	
RegioBank	-33	-18	-8	-7	-7	+5	+2	**+7**	
BLG Wonen	--	--	--	-15	-14	-42	-29	**-24**	
Weighted average	**-41**	**-16**	**-17**	**-21**	**-16**	**-12**	**-8**	**-3**	

** BLG Wonen's measurement started in 1H13*

- In 2017, our customer-weighted NPS improved from -8 to –3, with all brands contributing to this improvement
- At SNS the NPS improved from -18 to -13 and at BLG Wonen from -29 to -24
- At RegioBank the positive NPS improved further (from 2 to 7)
- ASN Bank showed a slight increase to an NPS of 17 (2016: 14), and still has one of the highest customer satisfaction scores in the banking sector

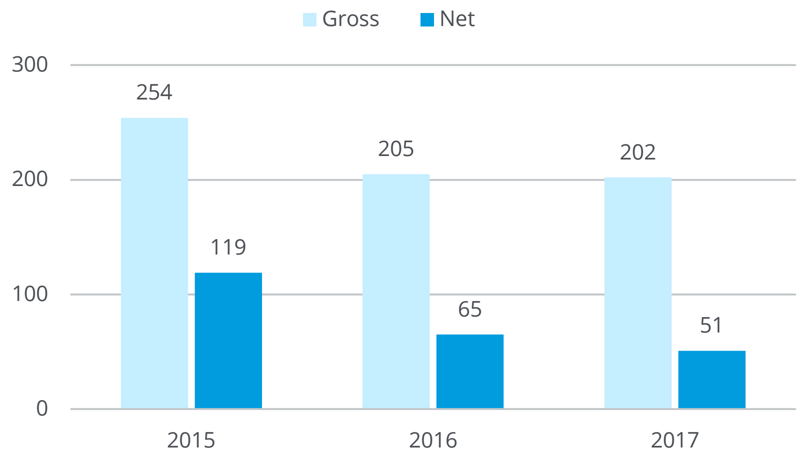


de volksbank

Continued customer growth driven by increase in current accounts

Development customers

In thousands

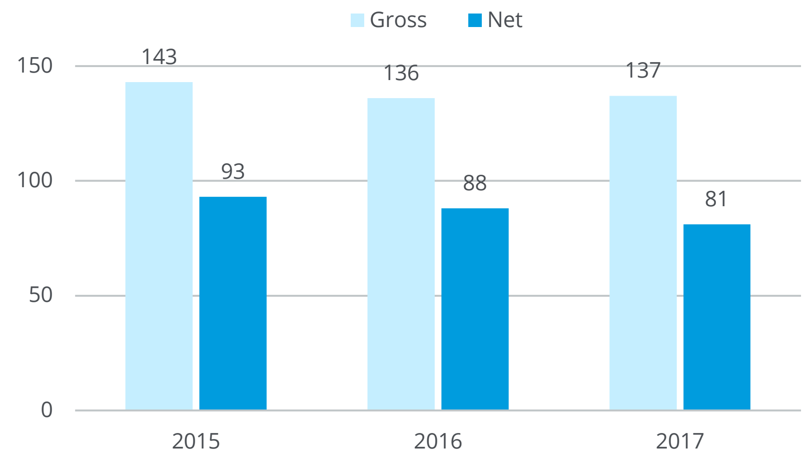


	2015	2016	2017
# Customers	3,007	3,077[1]	3,128

- The brands of de Volksbank combined welcomed 202,000 new customers in 2017
- Net growth of 51,000 lower than in 2016, partly as a result of lower growth in savings customers. This was partly attributable to the absence of major marketing campaigns and a limited outflow of customers following termination of the ZwitserlevenBank proposition

Development current account customers

In thousands



	2015	2016	2017
# Customers	1,240	1,328	1,409
Market share new current accounts[2]	25%	21%	20%

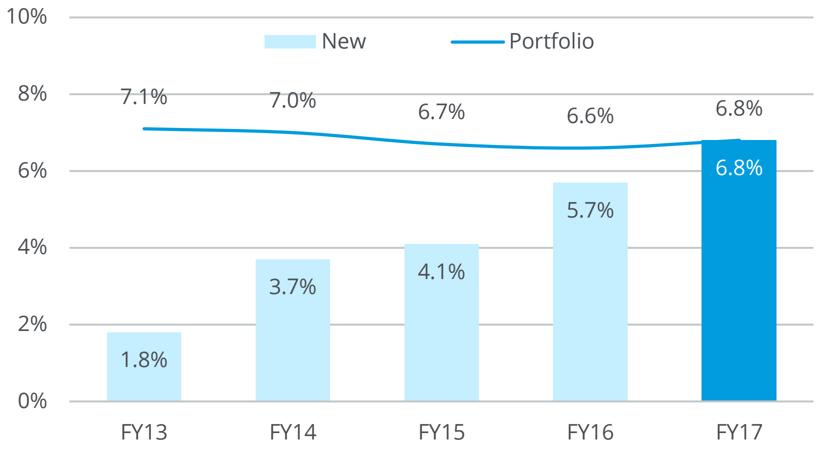
- 137,000 net new current account customers in 2017
- In 2017, 20% of new current accounts in the Netherlands was opened at one of our brands: ASN Bank, RegioBank and SNS
- On a total portfolio basis, our market share in current accounts in the Netherlands stood approximately 8%

[1] Includes an adjustment (+5k) due to changes in definition [2] market research conducted by GFK, based on Moving Annual Total (MAT)

Strong growth in new retail mortgage production; steady market share in retail savings

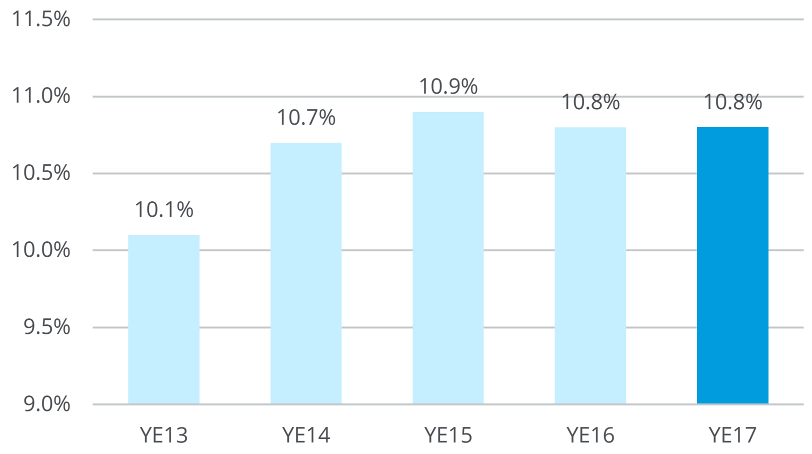
Market share retail mortgage loans

In %



Market share retail savings

In %



- New retail mortgage production increased to €5.2bn (+41%). In a growing market, our market share increased to 6.8%
- On a total portfolio basis, market share in retail mortgage loans remained virtually stable at 6.8%

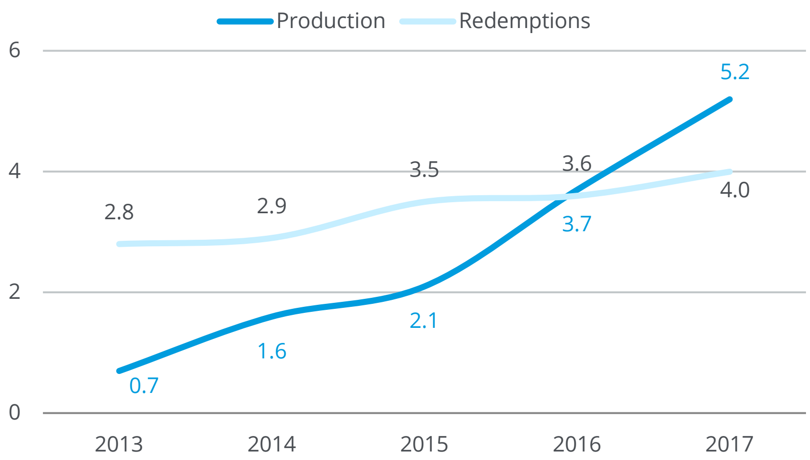
- Market share in retail savings steady at 10.8%
- Retail savings balances remained stable compared to YE16 at €36.6bn

[1] Market share retail savings June and December 2016 slightly adjusted due to a correction of the total Dutch savings market by DNB

Mortgage production outpaced redemptions; growth of the retail mortgage portfolio

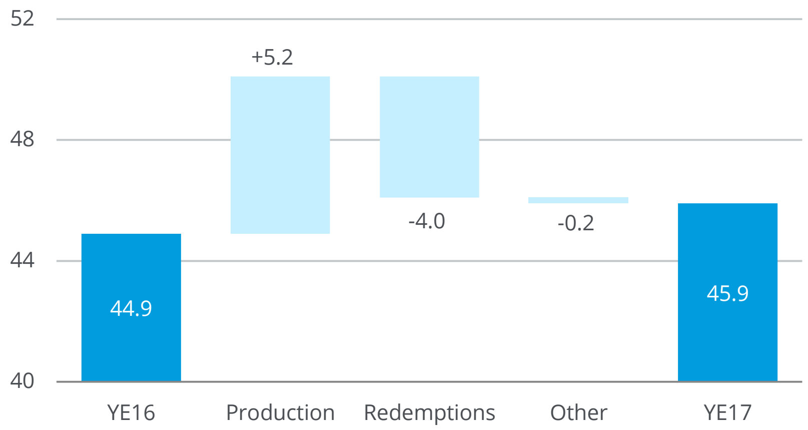
Mortgage production vs redemptions

In € billions



Development gross retail mortgage portfolio 2017[1]

In € billions



- New mortgage production increased to €5.2bn (+41%), the highest increase compared to previous periods
- The total level of redemptions of €4.0bn was slightly up compared to 2016 (€3.6bn), mainly driven by increased house removals, in line with the overall market
- Thanks to increased mortgage production and high level of retention, de Volksbank managed to grow its retail mortgage portfolio from €44.9bn at YE16 to €45.9bn at YE17
- Successful retention efforts were reflected in a high level of renewals of nearly €5.1bn (2016: nearly €8.5bn).
- Taking new mortgage production, mortgages with floating interest rates and renewals into account, nearly 80% of the total retail mortgage loan portfolio was effected at lower mortgage rates

[1] Conversions are excluded from production and redemptions figures

3. Financial results & outlook

Lower adjusted net profit, mainly due to a lower net release of loan provisions; 8.7% adjusted RoE, based on a very solid capital position

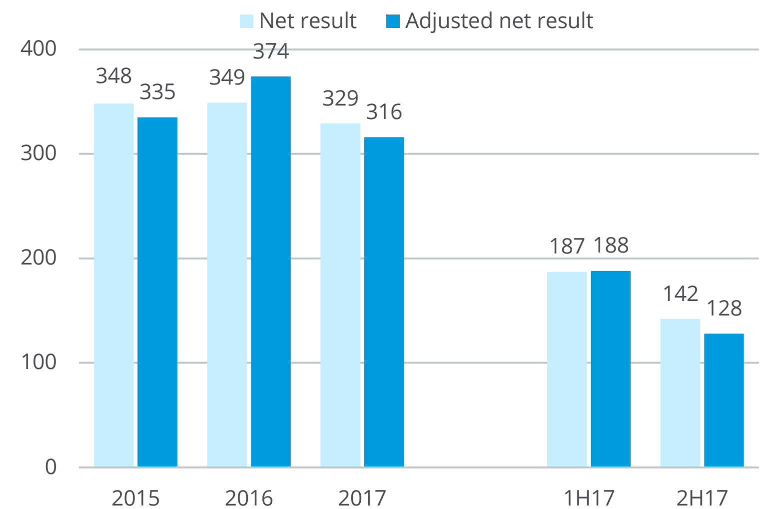
Result[1]

In € millions

	2016	2017	1H17	2H17
Net profit	**349**	**329**	**187**	**142**
Fair value movements of mortgages/related derivatives	(1)	13	(1)	14
Restructuring provision	(24)	--	--	--
Total incidental items	(25)	13	(1)	14
Adjusted net profit	**374**	**316**	**188**	**128**
Return on Equity	10.1%	9.1%	10.5%	7.8%
Adjusted Return on Equity	10.8%	8.7%	10.5%	7.0%

Result

In € millions



- Net profit decreased 6% to €329m
- In 2017, adjusted net profit decreased by €58m to €316m, which was mainly attributable to a €44m lower net release of provisions for loans. In addition, total adjusted income decreased by €24m to €1,011m (-2%), almost half of which was due to the absence of income from SNS Securities
- Adjusted RoE, based on a very solid capital position, was 8.7%, a decrease compared to 2016 (10.8%), driven by both a lower adjusted net profit and a higher average equity
- In 2H17, adjusted net profit decreased to €128m, partly due to lower net interest- and investment income. In addition, the net release of provisions on loans was sharply lower and the effective tax burden higher

[1] In 2017, de Volksbank amended its accounting principles for penalty interest and interest rate averaging surcharges received in connection with early mortgage redemption. These are now included in the accounts on the basis of the original remaining fixed-rate period instead of the new one. Comparative figures have been adjusted accordingly. This change in principles has a positive impact on net interest income of €26m in 2017 (€20m after tax) and €27m in 2016 (€20m after tax)

Marginally lower net interest income; slight improvement in net interest margin

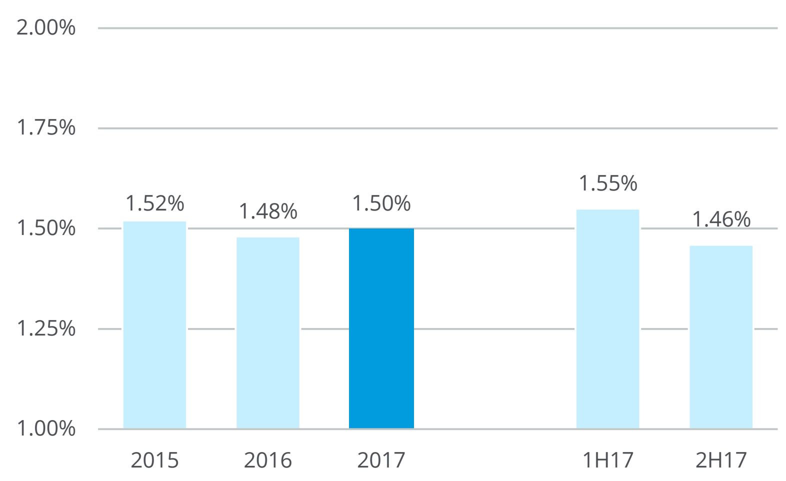
Income

In € millions

	2016	2017	1H17	2H17
Net interest income	938	924	476	448
Net fee and commission income	57	49	26	23
Investment income	57	41	29	12
Result on financial instruments	(20)	13	(2)	15
Other operating income	2	1	--	1
Total income	**1,034**	**1,028**	**529**	**499**
Incidental items	(1)	17	(1)	18
Adjusted total income	**1,035**	**1,011**	**530**	**481**

Net interest margin

(% of average assets)



- Net interest income decreased marginally by €14m to €924m. Lower interest expenses on savings deposits and wholesale funding almost compensated for lower interest income on mortgages and increased interest expenses to manage interest rate risk
- Net interest margin improved to 150 bps (2016: 148 bps) due to a lower level of average assets
- Net fee and commission income decreased by €8m to €49m, as higher fees related to asset management were more than offset by the impact of a reclassification of distribution fees paid by RegioBank and the absence of fee income from SNS Securities
- Investment income decreased by €16m to €41m, largely due to the absence of a €10m gain realised on the sale of a share in VISA Europe Ltd. in 2016
- Result on financial instruments improved by €33m to €13m. Of this amount €18m was attributable to a swing in fair value movements of former DBV mortgages and related derivatives, and the remainder mainly due to lower losses related to revaluation of funding bought back in previous years
- Lower net interest income in 2H17 vs 1H17 due to higher interest expenses related to derivatives in order to steer the duration, and lower interest income on mortgages

Adjusted operating expenses slightly lower due to impact efficiency measures, despite higher additions to non-credit risk related provisions

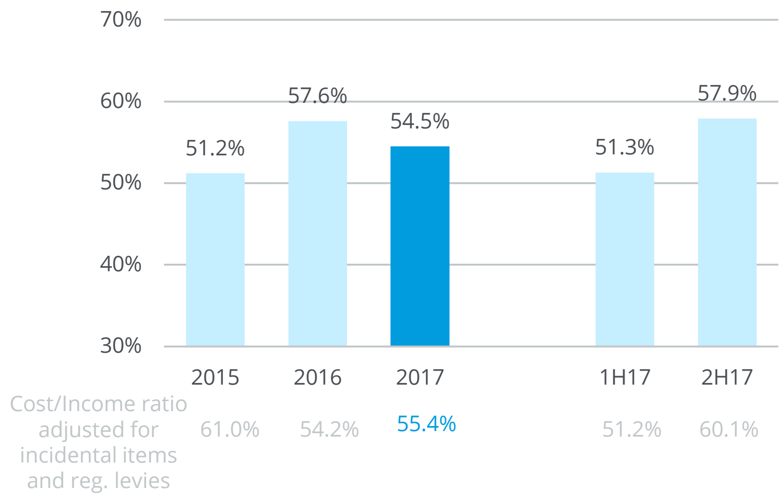
Operating expenses

In € millions

	2016	2017	1H17	2H17
Total operating expenses	**642**	**603**	**299**	**304**
Restructuring charge	32	--	--	--
Regulatory levies	46	43	28	15
Adjusted operating expenses	**564**	**560**	**271**	**289**
Total FTE	**4,005**	**3,945**	**3,961**	**3,945**
Internal FTE	3,354	3,231	3,288	3,231
External FTE	651	714	673	714

Cost/Income ratio adjusted for regulatory levies

In %



- Total operating expenses decreased by €39m to €603m (-6%), mainly because of the incidental restructuring charge of €32m in 2016
- Adjusted operating expenses decreased by €4m to €560m (-1%) driven by the first positive effects of efficiency measures, despite a €20m addition to non-credit risk related provisions (2016: €1m)
- Non-credit risk related provisions consisted predominantly of additional restructuring charges (€8m) and costs related to assisting various customers with consumer or mortgage loans
- 2H17 adjusted operating expenses rose by €18m vs 1H17 to €289m, due to planned marketing and consulting expenses in 2H and additional costs related to transaction monitoring / other compliance projects

[1] In 2H16, de Volksbank took a major restructuring charge of €32m, which is accounted for as an incidental item. Smaller additions and releases in the other periods are not accounted for as incidental items

Lower net release of loan provisions; strong decline in mortgages in arrears

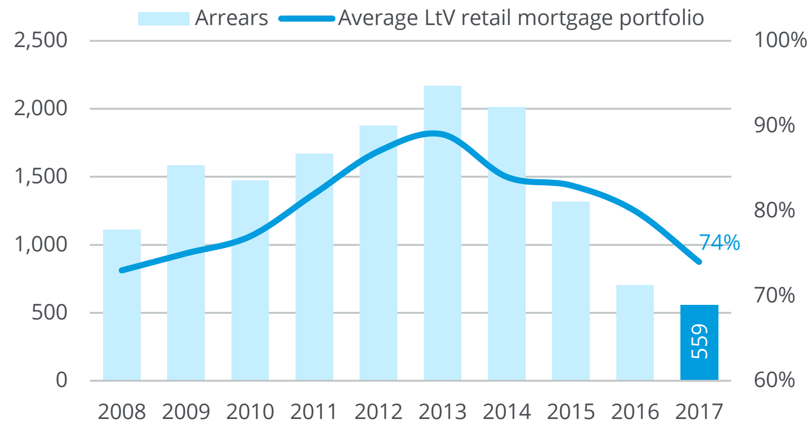
Loan impairment charges

In € millions

	2016	2017	1H17	2H17
Retail mortgage loans	-65	-21	-18	-3
SME loans	-2	-9	-3	-6
Other	-2	6	1	5
Total loan impairment charges	**-68**	**-24**	-20	-4
Cost of risk retail mortgages	-0.15%	-0.05%	-0.08%	-0.02%
Cost of risk total loans	-0.14%	-0.05%	-0.08%	-0.01%

Retail mortgages in arrears, average LtV

(in € millions LHS; LTV RHS)



Retail mortgage loans

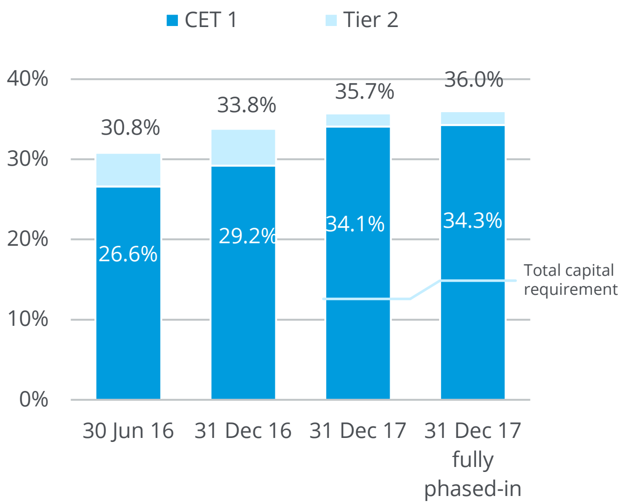
Ratios

	2016	1H17	2017
Loans in arrears % gross loans	1.5%	1.2%	1.2%
Impaired ratio	1.0%	0.7%	0.6%
Loan loss reserves % gross loans	0.25%	0.19%	0.16%
Coverage ratio	19.0%	17.4%	15.9%
Average LtV	80%	77%	74%

- Improving macro-economic conditions and a further increase in house prices continued to have a positive effect on impairment charges, resulting in a net release of €24m
- Continued efforts by the Arrears Management department and stricter acceptance criteria for mortgage loans in recent years contributed to a continued decrease in impaired retail mortgage loans, albeit more gradually than in 2016
- Decrease in retail mortgages in arrears (from 1 day overdue) from €0.7bn to €0.6bn, 1.2% of gross loans. Impaired default loans decreased from €0.4bn to €0.3bn, 0.7% of gross loans (impaired ratio)

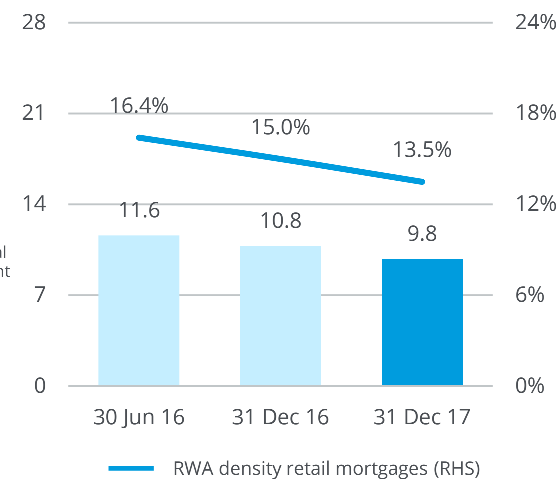
Further improvement in capital ratios; proposed dividend of €190m, pay-out ratio of 60%

Total capital ratio

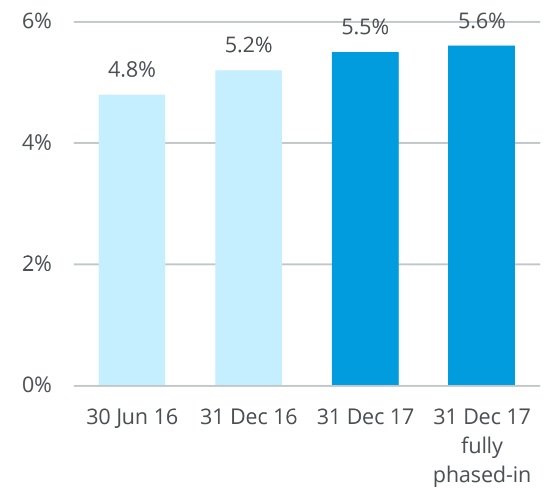


Risk-weighted assets

(in € billions; LHS)



Leverage ratio

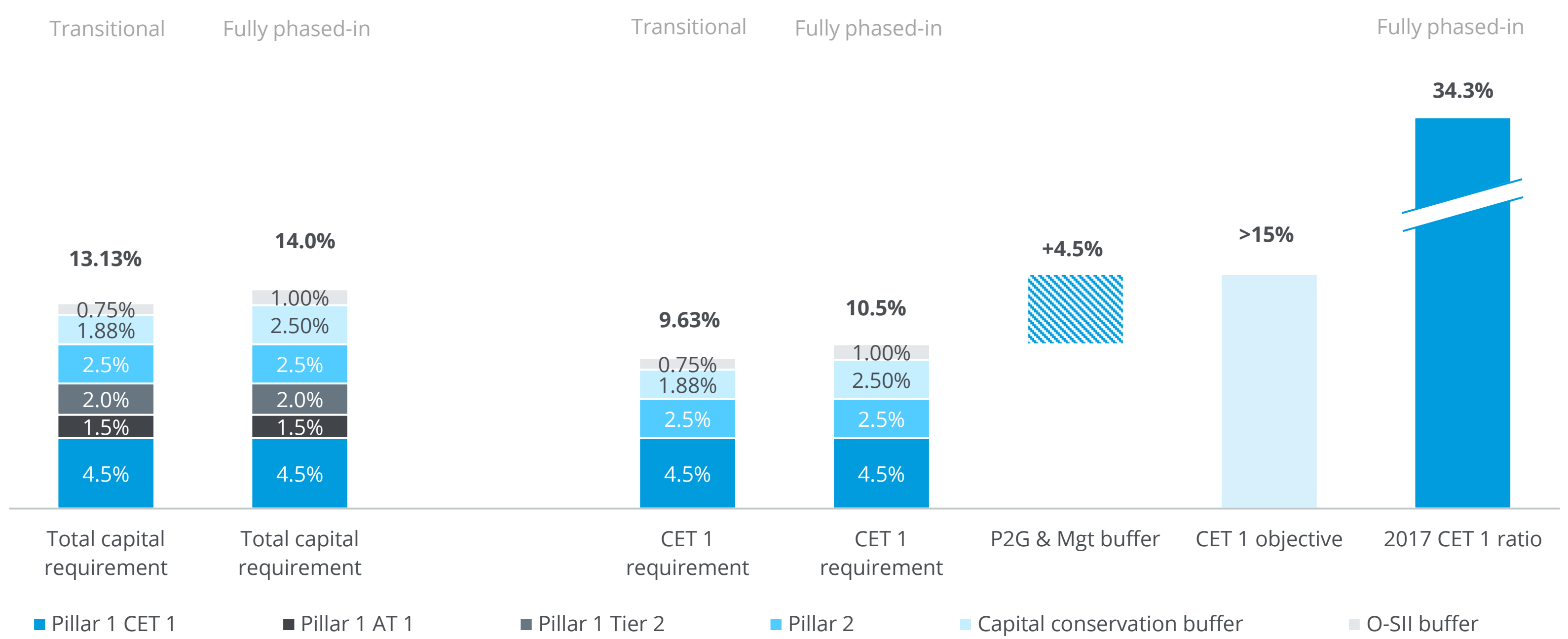


- The transitional CET1 ratio increased to 34.1%, from 29.2% at YE16, driven by an increase in CET1 capital and a decrease in RWA
- The total capital ratio rose to 35.7%. This includes the impact of the EBA interpretation of CRR Article 82 (regarding financial parent holding companies) on the total capital ratio of -/- 3.5%-point
- RWA decreased to €9.8bn, compared to €10.8bn at year-end 2016, impacted by decreasing PDs and LGDs as a result of improved economic conditions. This was partially offset by an increase in RWA of €0.5bn following from a Margin of Conservatism (MoC) model update. The RWA density of retail mortgages declined further to 13.5%
- The transitional leverage ratio rose to 5.5% from 5.2% at YE16, mainly driven by an increase of CET 1 capital
- Proposed dividend pay-out of €190m to NLFI, corresponding to a pay-out ratio of 60% (2016: €135m; 41%)

De Volksbank amply meets its capital requirements following from the 2018 SREP

SREP total capital requirement

SREP CET1 requirement vs internal target

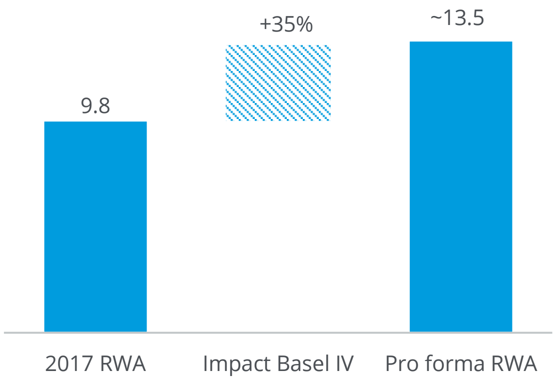


- Following from the SREP, with effect from 1 January 2018, de Volksbank is required to meet a minimum total capital requirement of 13.13% (overall capital requirement, OCR), of which 9.63% CET 1 capital
- The OCR serves as the Maximum Distributable Amount trigger level, below which no coupon or dividend payments are allowed
- Fully phased-in (as from 1 January 2019), the OCR for de Volksbank equals 14.0%, of which 10.5% CET1 capital
- De Volksbank's aims at a CET 1 ratio of more than 15%. This objective includes a Pillar 2 Guidance and an ample management buffer of 4.5%

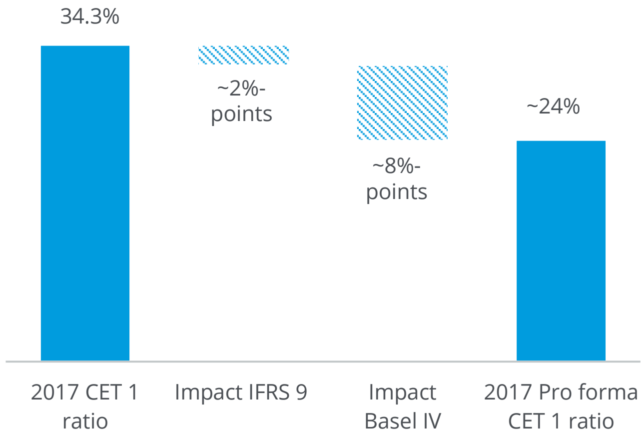
De Volksbank can comfortably absorb the impact of Basel IV and IFRS 9

Impact Basel IV on RWA

(in € billions)



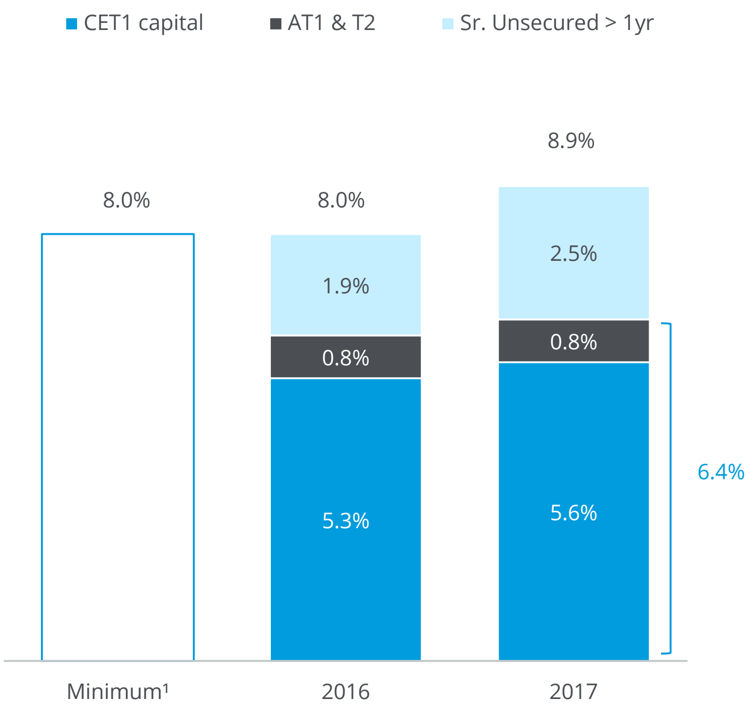
Impact IFRS 9 and Basel IV on CET1 ratio



- Based on the balance sheet position at YE17, we estimate that RWA, due to Basel IV, will increase by approximately 35%. This estimate is based on the following assumptions: 1) the application of loan splitting for retail mortgages, 2) the application of NHG as a credit risk mitigating measure, and 3) the assumption that 90% the retail mortgage loans complies with the documentation requirements
- An increase of 35% in RWA corresponds to a decrease of our CET1 ratio by more than 8%-points
- Expected impact of IFRS 9 on CET1 ratio of approximately -2%-points due to:
  - alignment classification former DBV mortgages from ‘fair value’ to ‘amortised cost’ (-1.2%),
  - reassessment valuation standard of part of the liquidity portfolio from ‘available for sale’ (fair value) to ‘hold to collect’ (amortised cost) (-0.8%)
  - and an increase in loan loss provisions (-0.1%)
- The 2017 pro forma CET1 ratio including the impact of IFRS 9 and Basel IV of approximately 24% is still well above our internal objective of at least 15%
- Over the coming year we will investigate whether there is reason to revise our capital objectives, in particular on the basis of the combined impact on our capital ratios of Basel IV, the results from the TRIM (Targeted Review Internal Model) and the impact of IFRS 9 on stress testing

De Volksbank is well positioned to meet the MREL requirement

MREL ratio

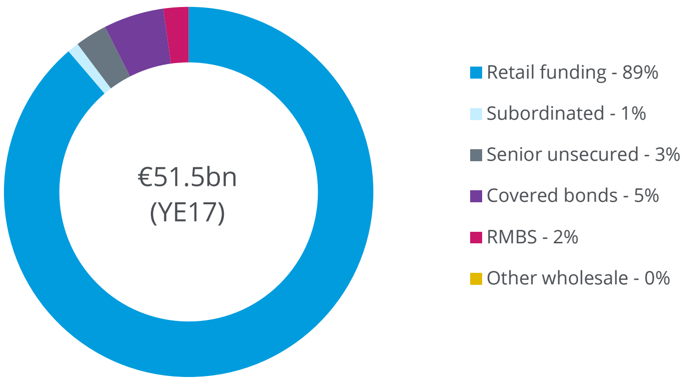


- Including all MREL-eligible liabilities, the non-risk weighted MREL ratio amounts to 8.9%
- The non-risk weighted MREL ratio including only eligible liabilities subordinated to unsecured liabilities amounting to 6.4%
- In February 2017, the SRB confirmed that it supports the designation of de Volksbank N.V. as the resolution entity (OpCo funding model)
- The basic assumption in de Volksbank's capital planning is that a minimum non-risk-weighted MREL requirement of 8% will apply, which must consist of (Tier 1 and Tier 2) capital and senior non-preferred notes
- If this requirement does become effective, in view of our current capital position, we expect to issue senior non-preferred notes totaling approximately €2.0bn in the next few years

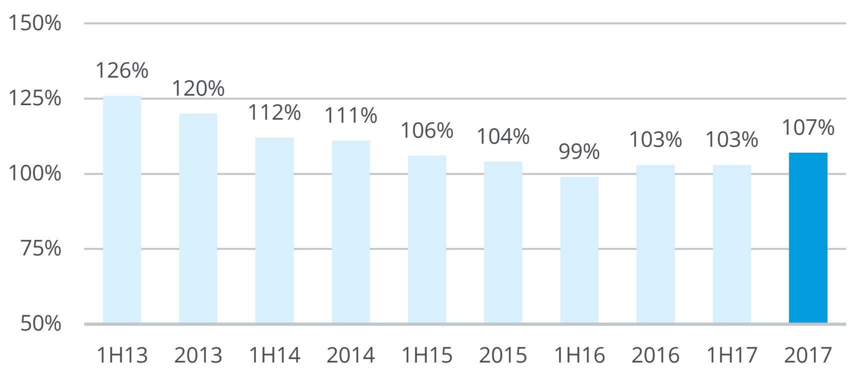
[1] The final MREL requirement, transition period and definition of eligible liabilities specific to de Volksbank have not yet been communicated

Funding & liquidity

Funding mix



Loan-to-Deposit ratio[1]



Liquidity position

In € millions

	2015	2016	1H17	2017
Cash	2,447	2,816	3,314	3,753
Sovereigns	3,762	2,713	2,563	1,600
Regional/local governments & supranationals	702	755	805	850
Other liquid assets	413	351	377	421
Eligible retained RMBS	4,812	3,898	4,777	3,968
Total liquidity position	**12,136**	**10,533**	**11,836**	**10,592**

- Further increase in retail funding in 2017 (86% YE16)
- Loan-to-Deposit ratio increased to 107%
- Liquidity position remained high
- LCR and NSFR well above 100%
- Upgrade of credit ratings for senior unsecured debt to A- at S&P and Fitch

[1] The Loan-to-Deposit ratio is calculated by dividing retail loans by retail funding. As from June 2017, retail loans are adjusted for fair value adjustments from hedge accounting. Comparative figures have been adjusted accordingly

Outlook

- Economic growth in the Netherlands is expected to remain robust throughout 2018, although the growth rate is likely to decline slightly. Higher inflation and interest rates may put a slight brake on consumption growth. Both employment growth and the fall in unemployment are expected to decline slightly. The housing market will remain solid, but the number of transactions may decline slightly

- The number of customers in arrears on their mortgage or SME loan is likely to fall further. Due to a combination of positive macroeconomic developments and a continued rise in house prices, loan impairment charges are expected to remain limited. However, in 2018 we do not anticipate a release of provisions for loans as in the years 2016 and 2017

- As a result of the implementation of IFRS 9, we also expect impairment charges to show a more volatile picture. Net interest income is expected to be slightly lower than in 2017

- The expected reduction in total operating expenses in 2018 is not expected to fully compensate lower interest income and the swing in impairment charges

All things considered, the net result for 2018 is expected to be lower compared to 2017

Questions & answers

de volksbank

Appendix

Summary P&L

In € millions	2016	2017	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17
Net interest income	938	924	460	497	491	533	515	479	486	452	476	448
Net fee and commission income	57	49	28	22	24	20	24	24	31	26	26	23
Other income	39	55	156	(114)	23	8	96	(12)	7	32	27	28
Total income	1,034	**1,028**	644	399	538	561	635	490	524	510	529	**499**
Total operating expenses	642	603	267	255	241	250	266	324	312	330	299	304
Other expenses	1	--	--	8	51	32	--	22	1	--	--	--
Impairment charges	(68)	(24)	94	130	81	126	44	(7)	(45)	(23)	(20)	(4)
Impairment charges goodwill	--	--	--	--	--	67	--	--	--	--	--	
Total expenses	575	**579**	361	393	373	475	310	339	268	307	279	**300**
Result before tax	459	**449**	283	6	165	86	325	151	256	203	250	**199**
Taxation	110	120	68	37	54	46	81	47	65	45	63	57
Net result	**349**	**329**	**215**	**(31)**	**111**	**40**	**244**	**104**	**192**	**157**	**187**	**142**
Incidental items	(25)	13	20	(99)	(43)	(100)	47	(34)	(12)	(13)	(1)	14
Adjusted net result	**374**	**316**	**195**	**68**	**154**	**140**	**197**	**138**	**204**	**170**	**188**	**128**

Ratios

Ratios	2016	2017	1H13	2H13	1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17
Cost/Income ratio	57.6%	54.5%	41.5%	63.9%	44.8%	44.6%	42.0%	62.9%	54.4%	61.0%	51.3%	57.9%
Cost/Asset ratio	0.94%	0.91%	0.67%	0.67%	0.67%	0.75%	0.80%	0.96%	0.90%	0.99%	0.88%	0.94%
Net interest margin	1.48%	1.50%	1.16%	1.30%	1.37%	1.56%	1.54%	1.49%	1.52%	1.43%	1.55%	1.46%
Cost of risk retail mortgages	-0.15%	-0.05%	0.29%	0.43%	0.29%	0.35%	0.15%	0.00%	-0.18%	-0.11%	-0.08%	-0.02%
RoE	10.1%	9.1%	20.7%	-2.5%	8.2%	2.8%	15.7%	6.4%	11.4%	8.9%	10.5%	7.8%
Adjusted RoE	10.8%	8.7%	18.8%	5.6%	11.4%	9.6%	12.7%	8.5%	12.1%	9.7%	10.5%	7.0%

Summary balance sheet

In € millions	30-6-2014	31-12-2014	30-6-2015	31-12-2015	30-06-2016	31-12-2016	30-06-2017	31-12-2017
Total assets	**68,633**	**68,159**	**65,327**	**62,690**	**64,408**	**61,588**	**60,986**	**60,892**
Cash and cash equivalents	2,693	1,968	3,913	2,259	3,110	1,911	2,742	2,180
Loans and advances to banks	2,537	2,604	2,402	2,081	3,333	2,918	2,125	2,643
Loans and advances to customers	53,550	52,834	49,705	49,217	48,697	48,620	48,813	49,322
Derivatives	2,661	2,702	2,198	1,993	1,864	1,533	1,340	1,075
Investments	5,888	7,001	6,055	6,376	6,646	5,970	5,337	5,094
Property and equipment	54	86	80	77	74	73	71	67
Intangible assets	84	15	12	15	14	15	14	14
Deferred tax assets	412	450	309	284	367	137	122	110
Corporate income tax	275	66	36	--	--	--	32	22
Other assets	479	284	430	278	303	411	390	365
Assets held for sale	--	149	187	110	--	--	--	--
Total liabilities and equity	**68,633**	**68,159**	**65,327**	**62,690**	**64,408**	**61,588**	**60,986**	**60,892**
Savings	*36,269*	*35,666*	*37,277*	*36,860*	*37,666*	*36,593*	*37,373*	*36,575*
Other amounts due to customers	*10,249*	*10,542*	*10,344*	*10,580*	*11,482*	*10,835*	*10,658*	*10,280*
Amounts due to customers	**46,518**	**46,208**	**47,621**	**47,440**	**49,148**	**47,428**	**48,031**	**46,855**
Amounts due to banks	2,915	2,099	1,587	1,000	1,522	1,446	1,064	2,681
Debt certificates	12,077	11,252	9,027	6,941	6,008	5,696	5,564	4,900
Derivatives	3,080	3,266	2,507	2,189	2,536	1,861	1,450	1,252
Deferred tax liabilities	239	287	217	216	282	59	46	45
Corporate income tax	--	--	--	--	90	25	--	--
Other liabilities	884	1,971	1,074	11	808	891	645	822
Other provisions	58	55	54	955	53	103	99	109
Provision for employee benefits	--	--	17	23	24	17	16	16
Participation certificates and subordinated debt	40	40	--	493	505	501	498	498
Liabilities held for sale	--	18	75	37	--	--	--	--
Shareholders' equity	2,822	2,963	3,148	3,302	3,432	3,561	3,573	3.714

Key items balance sheet

Key items balance sheet

In € millions

	31 Dec 16	31 Dec 17	Δ YoY
Total assets	**61,588**	**60,892**	**-1%**
Loans and advances to customers	**48,620**	**49,322**	**+2%**
- of which retail mortgage loans	44,824	45,820	+2%
- of which retail other loans	165	111	-33%
- of which SME loans	835	737	-12%
- of which other, including (semi-) public sector loans	2,796	2,654	-5%
Loans and advances to banks	2,918	2,643	-10%
Investments	5,970	5,094	-15%
Amounts due to customers	**47,428**	**46,855**	**-1%**
- of which retail savings	36,593	36,575	+0%
- of which other amounts due to customers	10,835	10,280	-5%
Amounts due to banks	1,446	2,681	+85%
Debt certificates	5,696	4,900	-14%
Shareholders' equity	3,561	3,714	+4%

Comments

- Balance sheet total decreased by €0.7bn to €60.9bn vs YE16
- Loans and advances to customers increased by €0.7bn to €49.3bn as a higher retail mortgage portfolio was partly offset by lower loans to the public sector and SME loans
- Loans and advances to banks decreased by €0.3bn to €2.6bn, mainly driven by cash management transactions
- Investments decreased by €0.9bn to €5.1bn, mainly due to liquidity management and a decrease in the market value of sovereign bonds
- Amounts due to customers decreased by €0.6bn mainly driven by the transfer of investment accounts to NIBC Bank or third parties
- Retail savings remained stable at €36.6bn
- Amounts due to banks increased by €1.2bn due to a €0.6bn higher amount of repos and the participation in a 3-week USD tender, partly offset by wholesale funding redemptions
- Debt certificates decreased by €0.8bn to €4.9bn as regular redemptions were compensated by public and private issuances of €0.9bn in covered bonds, a €0.5bn senior unsecured transaction and €0.5bn outstanding money market funding
- Shareholders' equity increased by €0.2bn to €3.7bn as net profit retention (€329m) was partly offset by a dividend payment over 2016 (€135m) and a decrease in the fair value reserve of the fixed-income portfolio (€41m)

Overview credit ratings of de Volksbank

Standard & Poors

Rating overview

Anchor	BICRA (3,3)	bbb+
Business position	Moderate	-1
Capital & earnings	Very strong	+2
Risk position	Moderate	-1
Funding Liquidity	Average Adequate	0
SACP		**bbb+**
Sovereign support		0
ALAC Support		+1
Issuer Credit Rating		**A-/Pos**

7 June 2017 – "The upgrade of De Volksbank is underpinned by our view of the bank's gradual franchise recovery and the enhanced predictability of its revenues. De Volksbank's competitive position in the Dutch retail market is gradually recovering, after a sharp drop due to the bank's rescue by the Dutch government in 2013. …We believe the low interest rates will continue to constrain the bank's net interest income for the next years, like for most retail banks in Europe, but that De Volksbank will be able to cope with the decrease thanks to lower funding and operational costs.…capitalization remains exceptionally strong for a commercial bank…"

15 September 2017
"Our positive outlook on De Volksbank reflects our view that the bank could benefit from a more favorable domestic operating environment, ultimately resulting in stronger creditworthiness."

Moody's

Rating overview

Macro profile	Strong +
Solvency score	a3
Liquidity score	baa1
Financial profile	a3
Adjustments	-1
Assigned adj. BCA	**baa2**
LGF analysis	0
Government support	+1
Senior Unsecured rating	**Baa1/Pos**

22 November 2016 – "The upgrade of SNS Bank's BCA to baa2 from baa3 reflects primarily the bank's improved credit fundamentals. …SNS Bank has improved its asset risk, as reflected in a cost of risk of less than 10 basis points over the last two years. SNS has a strong capital base. The State-owned bank's successful return to capital markets in October 2015 allowed it to diversify its funding sources. Looking to the future, the bank will continue to be constrained by its mono-line business and lack of diversification, which is reflected in a negative qualitative adjustment to its BCA."

"The outlook on SNS Bank's long-term deposit and debt ratings is positive, reflecting the potential for a further increase in the bank's BCA."

Fitch

Rating overview

Viability rating	A-
Support rating floor	No floor
Issuer Default Rating	**A-/Sta**

24 November 2017 – "The upgrade reflects de Volksbank's continued strong financial metrics and Fitch's view that these will be maintained. This is based on our expectation that de Volksbank will continue to pursue a domestic retail strategy focused on low-risk mortgage lending. We believe that the risk of a dramatic change in the bank's strategic direction is remote as we expect that de Volksbank will remain majority state-owned in the medium term."

"Our expectation of the bank's continued strong performance is also underpinned by the generally positive outlook on the Dutch economy, including a decreasing unemployment rate and a growing housing market. We believe that given de Volksbank's concentration on domestic mortgage lending, the bank will benefit more from these trends than the more diversified three largest Dutch banks."

De Volksbank capital market transactions

Senior Unsecured (2017)

Issue Rating:	A- (S&P), Baa1 (Moody's), A- (Fitch)
Coupon:	0.125%
Maturity:	3 years
Maturity date:	28 September 2020
Size	€ 500,000,000
Spread:	Mid-swaps + 23bps

Tier 2 (2015)

Issue Rating:	BBB- (S&P), Baa3 (Moody's), BBB (Fitch)
Coupon:	3.750%
Maturity:	10 years (10NC5)
Maturity date:	5 November 2025
Size	€ 500,000,000
Spread:	Mid-swaps + 365bps

Covered bond (2016)

Issue Rating:	Aaa (Moody's), AAA (Fitch)
Coupon:	0.750%
Maturity:	15 years
Maturity date:	24 October 2031
Size	€ 500,000,000
Spread:	Mid-swaps + 9bps

Covered bond (2017)

Issue Rating:	Aaa (Moody's), AAA (Fitch)
Coupon:	0.750%
Maturity:	10 years
Maturity date:	18 May 2027
Size	€ 500,000,000
Spread:	Mid-swaps + 3bps

Several privately placed covered bonds (2017)

Issue Rating:	Aaa (Moody's), AAA (Fitch)
Coupon:	-
Maturity:	16 – 20 years
Maturity date:	-
Total size	€ 430,000,000
Spread:	-

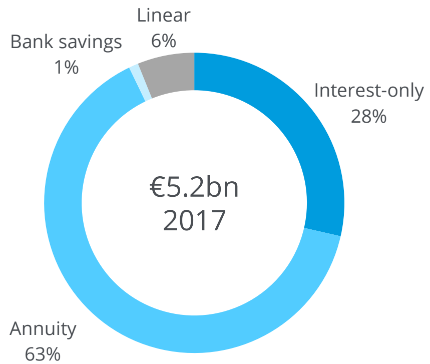
Quality of retail mortgage loans

in € millions	2014	2015	2016	2017
Gross loans	46,556	45,044	44,244	45,436
Loans in arrears	2,014	1,317	682	541
Non-default loans	657	396	260	264
Impaired default loans	1,357	921	422	277
Specific provision	266	207	80	44
IBNR provision	60	50	34	28
Total provision	326	257	114	72
Impairment charges	146	34	-65	-21
Additions	179	97	35	27
Write-offs	102	108	82	23
Loans in arrears (%)	4.3%	2.9%	1.5%	1.2%
Impaired ratio	2.9%	2.0%	1.0%	0.6%
Coverage ratio[1]	19.6%	22.5%	19.0%	15.9%
Total provision as a % of loans in arrears	16.2%	19.5%	16.7%	13.3%
Total provision as a % of gross loans	0.70%	0.57%	0.26%	0.16%
Impairment charges as a % of avg. gross loans	0.31%	0.08%	-0.15%	-0.05%

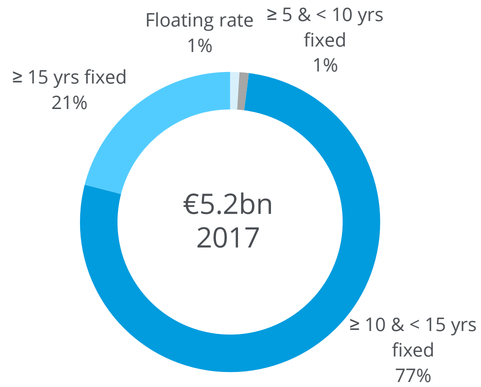
[1] Specific provision as a % of impaired default loans

Retail mortgage production

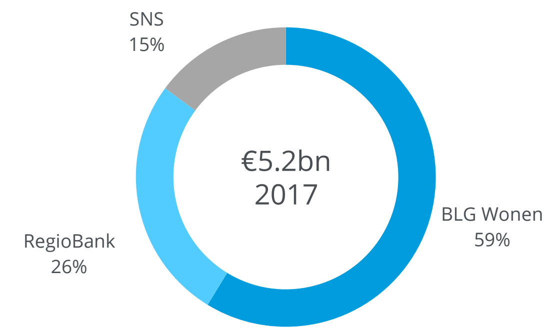
Retail mortgage production by redemption type



Retail mortgage production by interest type



Retail mortgage production by brand on own book

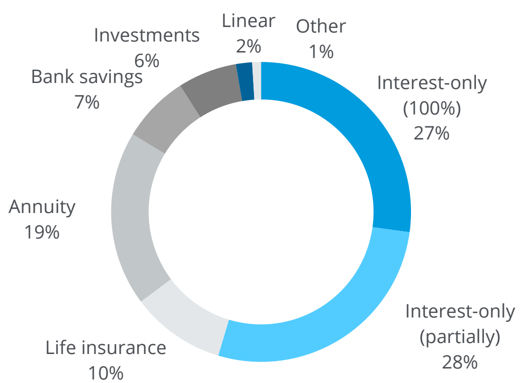


- In 2H16, RegioBank and SNS introduced more sophisticated LtV buckets in their pricing policy, enabling more diversified pricing. BLG Wonen has followed this initiative in 2H17
- 63% of new retail mortgages are annuity mortgages, mainly driven by a change in fiscal treatment. Only new annuity or linear mortgages benefit from tax deductibility of the mortgage interest paid
- 28% of retail mortgage production are interest-only mortgages due to the refinancing/conversion of loans originated before 2013
- Strong demand for longer term fixed-rate period mortgages
- All brands contributed to the increase in new retail mortgages

Retail mortgage portfolio

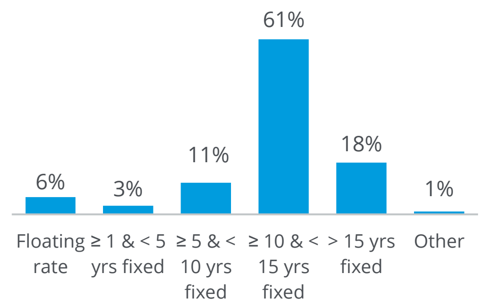
Retail mortgages by redemption type

2017: €45.4bn[1]



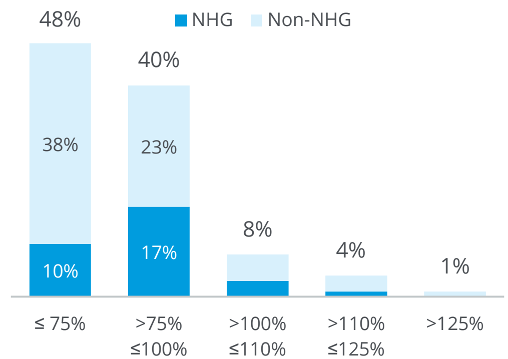
Retail mortgages by interest type

2017: €45.4bn[1]

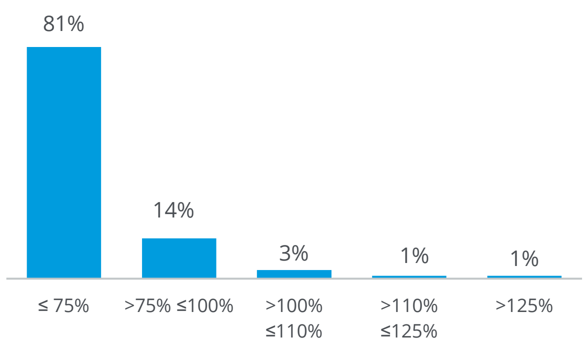


Retail mortgages by LtV bucket

2017: €43.3bn[2]

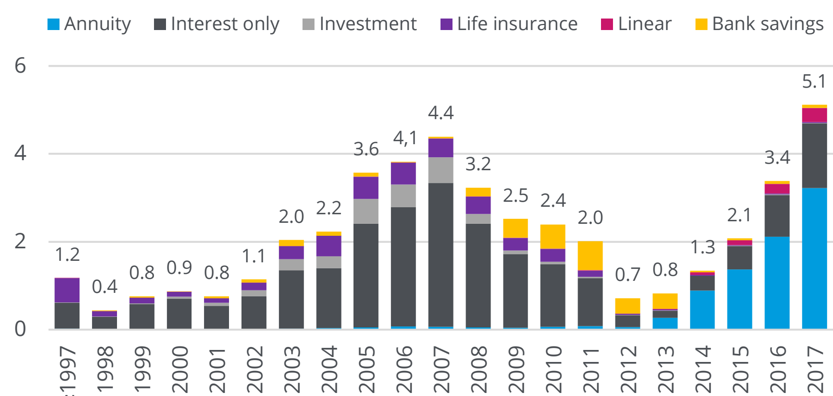


Interest-only (100%) mortgages by LtV bucket



Retail mortgages by year of origination

In € billions



[1] Total net retail mortgage loans (€45.8bn) +/+ provision (€0.1) -/- IFRS value adjustments (€0.5bn) [2] Total net retail mortgage loans (€45.8bn) +/+ provision (€0.1m) -/- IFRS value adjustments (€0.5bn), savings parts (€2.1bn)

Quality of SME loans

in € millions	2014	2015	2016	2017
Gross loans	1,164	1,089	909	786
Loans in arrears	204	178	146	104
Non-default loans	-	-	-	-
Impaired default loans	204	178	146	104
Specific provision	123	95	70	47
IBNR provision	6	4	4	2
Total provision	129	99	74	49
Impairment charges	44	-3	-2	-9
Additions	59	24	12	10
Write-offs	15	27	26	19
Loans in arrears (%)	17.5%	16.3%	16.1%	13.2%
Impaired ratio	17.5%	16.3%	16.1%	13.2%
Coverage ratio[1]	60.3%	53.4%	47.9%	45.2%
Total provision as a % of loans in arrears	63.2%	55.6%	50.7%	47.1%
Total provision as a % of gross loans	11.1%	9.1%	8.1%	6.2%
Impairment charges as a % of avg. gross loans	3.65%	-0.28%	-0.27%	-1.10%

[1] Specific provision as a % of impaired default loans

Quality of retail other loans

in € millions	2014	2015	2016	2017
Gross loans	268	219	191	139
Loans in arrears	85	61	44	37
Non-default loans	15	13	4	3
Impaired default loans	70	48	40	34
Specific provision	52	33	25	27
IBNR provision	3	2	1	1
Total provision	55	35	26	28
Impairment charges	16	4	-1	6
Additions	17	8	3	7
Write-offs	7	24	9	5
Loans in arrears (%)	31.7%	27.9%	23.0%	26.6%
Impaired ratio	26.1%	21.9%	20.9%	24.5%
Coverage ratio[1]	74.3%	68.8%	62.5%	79.4%
Total provision as a % of loans in arrears	31.7%	57.4%	59.1%	75.7%
Total provision as a % of gross loans	20.5%	16.0%	13.6%	20.1%
Impairment charges as a % of avg. gross loans	5.7%	1.8%	0.28%	3.81%

[1] Specific provision as a % of impaired default loans

Investment portfolio

Breakdown by sector

In € billions

	2016	%	2017	%
Sovereigns	4.7	79%	3.7	74%
Financials	0.7	12%	0.8	15%
Corporates	0.5	9%	0.6	11%
Other	0.0	0%	0.0	0%
Total	**5.9**	**100%**	**5.1**	**100%**
- of which liquidity portfolio	5.0		4.8	
- of which deposits	0.9		0.3	
- of which trading portfolio	0.0		0.0	

Breakdown by maturity

In € billions

	2016	%	2017	%
< 3 months	0.9	16%	0.1	2%
< 1 year	0.1	1%	0.4	8%
< 3 years	0.8	13%	0.5	11%
< 5 years	0.6	11%	1.0	20%
< 10 years	3.0	51%	2.7	53%
< 15 years	0.2	4%	0.3	5%
> 15 years	0.3	4%	0.1	1%
Total	**5.9**	**100%**	**5.1**	**100%**

Breakdown by rating

In € billions

	2016	%	2017	%
AAA	2.7	45%	2.7	53%
AA	2.2	37%	2.0	38%
A	1.0	17%	0.4	8%
BBB	0.1	1%	0.0	1%
< BBB	0.0	0%	0.0	0%
No rating	0.0	0%	0.0	0%
Total	**5.9**	**100%**	**5.1**	**100%**

Breakdown by country

In € millions

	2016	%	2017	%
Netherlands	1,294	22%	1,157	23%
Germany	1,350	23%	1,493	29%
Other[1]	1,155	19%	608	12%
France	945	16%	699	14%
Belgium	665	11%	577	11%
Austria	389	6%	396	8%
Ireland	120	2%	118	2%
Italy	30	1%	30	1%
Total	**5,948**	**100%**	**5,077**	**100%**

[1] Other mainly consists of Luxembourg, Finland and Switzerland

Profile

Profile of de Volksbank

Dutch retail bank in the Netherlands with over 3 million customers and 3 core services: mortgages, savings and payments

de volksbank

asn bank | BLGwonen | RegioBank | SNS

Mortgages
€46bn
market share 7%

Savings
€37bn
market share 11%

Payments
1.4m
current accounts customers
market share 8%

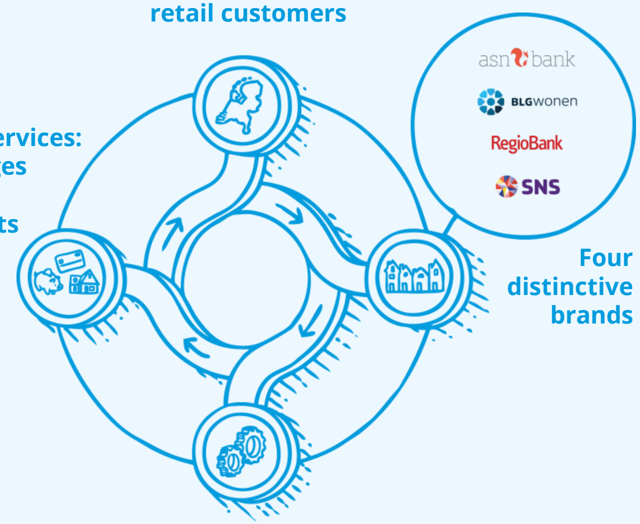
A financially sound bank with a solid capital base

€329m
2017 net profit

34.1%
2017 CET1 ratio

Focus on Dutch retail customers

3 core services:
mortgages
savings
payments



Four distinctive brands

Single back office, strong IT organisation and central staff organisation

Our mission: Banking with a human touch

Our ambition

Optimising shared value by:

creating benefits for customers,

taking responsibility for society,

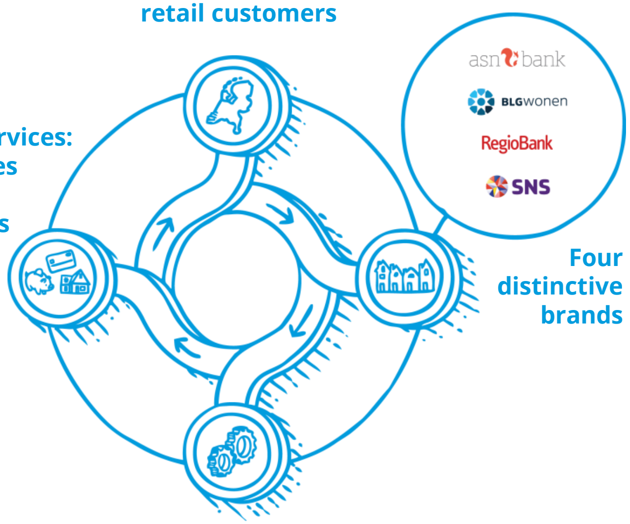
providing meaning for our employees and

achieving adequate returns for our shareholder(s).

Profile

Focus on Dutch retail customers

3 core services:
mortgages
savings
payments



Four distinctive brands

Single back office, strong IT organisation and central staff organisation

Strategic pillars

Strengthen our social identity

Further simplify and enhance the efficiency of our business operations

Continue to develop towards a flexible organisation that innovates as a smart adopter

Embedded in Dutch society

- **1817** Foundation Nutsspaarbank
- **1920** Foundation CVB, Centrale Volksbank
- **1960** Foundation ASN Bank
- **1987** 2 local savings banks merge into SNS
- **1993** Acquisition BLG Wonen
- **1997** SNS and REAAL merge and become SNS REAAL
- **2006** IPO; Acquisition Property Finance
- **2013** Nationalisation SNS REAAL; Demerger Property Finance
- **2014** Start disentanglement bank and insurer
- **2015** SNS Bank NV stand-alone bank with the State as sole shareholder
- **2016** Announcement change in legal structure and name
- **2017** SNS Bank NV becomes de Volksbank NV

de volksbank

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