

# de volksbank

## Annual Review 2022





# De Volksbank's Annual Review



Dear reader,

In front of you is our Annual Review 2022. In it, we describe how the further implementation of our strategy progressed in 2022 and how we created value for our customers, society, our employees and our shareholder. For more detailed background information about certain topics, see our additional reports:

- **Integrated Annual Report 2022**, providing details on our financial statements, our risk management, 'environmental, social and governance (ESG)' aspects and the principles and standards to which we are committed.
- **Pillar 3 Report 2022**, containing the mandatory reporting on capital requirements and risk management ensuing from the European Capital Requirements Regulation (CRR).

This Annual Review contains a summary of our most important financial and social results over the past year. Throughout this report, the material topics are identifiable by **MT** and our key performance indicators by **KPI**. This Annual Review 2022 was published on 10 March 2023 and is available in both Dutch and English. The Dutch version prevails. The other reports are available on our [website](#) in English only.

## Foreword

“The publication of this Annual Review for 2022 gives me the opportunity to reflect first of all on the current events that affect us all. In 2022, we faced major changes in the world around us. The year started on a positive note with the lifting of the Covid-related European lockdown measures. However, at the end of February, Russia invaded Ukraine. First and foremost, our thoughts go out to the people of Ukraine, who are fighting for their independence, and to all those who are affected by the war.

The Russia-Ukraine war sent energy prices sky high, fuelling inflation and inflation expectations. In response, the European Central Bank began to increase its deposit rates. Yet, we succeeded in staying close to our customers and providing them with the support they have come to expect from us. We did so by focussing on the implementation of our strategy for the period 2021-2025: ‘Better for each other – from promise to impact’. We have set ourselves two major strategic goals. Our first goal for 2025 is to be the bank with the strongest customer relationship in the Netherlands, and our second goal is to have a substantial and measurable positive impact on society.

Our brands continued to resonate positively with customers. In May 2022, RegioBank was again voted ‘most customer-friendly bank’ in the Netherlands, with SNS and ASN Bank in second and third place. Still, the average Net Promoter Score of our brands declined, impacted by the introduction of a fixed fee for the basic banking package.

We continued to strengthen the relationship with our customers by actively engaging with them through our digital bank channels and, in the case of SNS and RegioBank, through our network of shops and branches. Examples of customer engagement in 2022 include the fourth edition of the SNS Youth Council in Utrecht, to discuss the importance of equal access to financial knowledge and information. BLG Wonen held its annual Housing Debate in Rotterdam, focussed on corporates and ideas to make the housing market more accessible and sustainable. In June, RegioBank organised its second national ‘Village Summit’ in Goirle for everyone involved in regional developments and initiatives. In December, ASN Bank hosted a meeting in Leiden for 250 investors to discuss sustainable investment opportunities.

To achieve our strategic goals, we are executing several change movements and making investments, ensuring more robust and efficient business operations. An important element was the transition to a new way of working based on agile principles in March.



**We continued to strengthen the relationship with our customers by actively engaging with them through our digital bank channels and through our network of shops and branches**

In a changing economic and interest rate environment, our net profit rose by 18% to € 191 million, as higher total income and lower operating expenses were partly offset by a swing in impairments.

On 22 February 2023, the Dutch Minister of Finance wrote to the House of Representatives that, in order to avoid unnecessary delay and provide clarity to de Volksbank, she intends to take a directional decision about the future of our bank before the end of 2023. Our shareholder NLFi and de Volksbank will be actively involved in the process towards this decision. We think that this is a good moment to further explore the future options for our bank and appreciate that, together with NLFi, we can actively participate in this process. A final choice on our future can only be made when NLFi has determined the bank is ready for it.

In the first two years of the strategic period 2021-2025 we focussed on increasing our multi-customer base, increasing fee income, creating an agile organisation, and installing a new leadership team. Making our operations more robust is a necessary condition for creating impact, both at customer and social level. In the coming years, the challenge is to increasingly move from 'promise' to 'impact', while making additional investments in IT systems, data quality and programmes to improve our KYC operations. We attach great importance to our gatekeeper function by having adequate customer integrity policies and controls in place and by meeting all regulatory requirements. I am confident that we will succeed in executing our strategy and would like to thank our customers for their trust in our bank and our employees for their hard work to provide excellent services to all our stakeholders."

On behalf of the Executive  
Committee of de Volksbank,

**Martijn Gribnau**  
*Chair*





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## Summary

In 2022, we focussed on the implementation of our strategy for the period 2021-2025, entitled 'Better for each other – from promise to impact'. Our first goal for 2025 is to be the bank with the strongest customer relationship in the Netherlands, and our second goal is to have a substantial and measurable positive impact on society.

Our brands' growth priorities, which help reduce the interest rate sensitivity of our income, are an important element of our strategy. All brands showed the first signs of progress in achieving their growth priorities for the next few years.

- SNS broadened its target audience by including younger customers and strengthening its business model with more fee income. In 2022, we launched three campaigns, we updated our brand promise and introduced new products and services, for retail customers as well as for self-employed persons and SMEs.

**Our climate-neutral balance sheet increased from 55% to 62%, well on track to reach our objective of being 75% climate neutral by 2025**

- ASN Bank aims to accelerate growth as a digital, sustainable bank. In 2022, the number of ASN Bank customers decreased mainly due to the introduction of the basic banking package. Yet, the number of investment accounts grew.
- RegioBank continued to have a strong local presence with a broad range of propositions and was again voted 'most customer-friendly bank' in the Netherlands in May 2022. In September 2022, the bank launched for the first time a campaign on TV and radio.
- BLG Wonen is further expanding its distribution reach and service. The bank organized various events and is working on a power of attorney for service providers.

To achieve our strategic goals, we are executing five change movements and making investments, ensuring more robust and efficient business operations.

To increase our social impact, we further improved our ecological footprint. Our climate-neutral balance sheet increased by 7 percentage points to 62%, well on track to reach our objective of being 75% climate neutral by 2025. At the end of the year we published our first Climate Action Plan, outlining our goal to achieve a net zero balance sheet by 2050, or sooner if possible.

Despite the internal organisational changes, the KPI score for 'genuine attention for employees' remained high at 7.6, a limited decline compared to the score of 7.8 in 2021, but still above our objective of at least 7.5.

At the end of 2022, we reached a new collective labour agreement. In addition to an agreement on wages for the next two years, the focus is mainly on arrangements that further define de Volksbank's social and inclusive character.

Taking into account the changing economic and interest rate environment, we continued to make commercial and financial progress in 2022.

Our residential mortgage portfolio grew by € 1.1 billion to € 48.3 billion and SME loans by € 255 million to € 1.1 billion. Retail savings decreased by € 1.1 billion to € 44.5 billion, impacted by an outflow of mono savings customers following the introduction of a fixed fee for the basic banking package. And, as a result of falling stock markets, assets under management decreased by € 0.8 billion to € 3.9 billion.



Compared to 2021, our net profit increased by € 29 million to € 191 million. This was attributable to a 17% increase in our total income to € 965 million and a 2% decrease in our operational costs to € 655 million. This was partly offset by a swing in impairment charges to € 52 million, where we saw a release of € 58 million in 2021.

Net interest income increased by 10% to € 851 million, mainly driven by the more favourable interest rate environment in the second half of 2022. Net fee and commission income also showed an increase, of 31% to € 51 million, as a result of higher fees from mortgage advice and from property valuation platform Fitrex, acquired in 2021. Other income was exceptionally high at € 63 million, up € 50 million compared to 2021. This increase was mainly attributable to a € 46 million gain on swaptions, used to protect our long term interest income against sharply rising interest rates.

The decrease in total operating expenses was the result of lower regulatory levies and staff costs, partly due to a decrease in the number of employees as a result of the successful roll-out of the agile way of working. The impairment charges of € 52 million were mainly the result of the deteriorated macroeconomic parameters used in our provisioning models. Actual defaults of residential mortgages and SME loans remained very low.

Our CET1 capital ratio and leverage ratio both showed a decrease in 2022, but remained robust and above our minimum objectives. Return on equity improved to 5.2%, compared to 4.7% in 2021, well on track to achieve our objective of 8% for 2025.

On 16 May 2022, the Executive Committee was established. On 1 April, we announced the appointment of Marjolein de Jongh as Chief Transformation Officer and of Michel Ruijterman as Chief Information Officer, followed by the appointment of André Haag as Chief Financial Officer with effect from 1 August. Finally, with effect from 1 October, Jacqueline Touw was appointed as Chief People & Organisation Officer. With this appointment, all vacancies on the Executive Committee were filled.

Because of the changed interest rate environment, the prospect of a positive development of total income has improved. Yet, wage growth and the need to invest in projects to further improve IT systems and meet additional regulatory requirements will also cause an increase in operating expenses. A further downturn in the Dutch housing market may require additional provisioning. All in all, we expect a higher net profit for 2023 and we will continue to focus on the further implementation of our new strategy.



# 2022 in a nutshell

Here, we present which moments, decisions and events characterised the year 2022 for us as a bank and for our stakeholders.

## JANUARY

- BLG Wonen launches High-Rent Pilot Project in collaboration with NHG, VEH, ING, Florius and Aegon
- SNS launches new brand campaign and repositioning: 'People first. Then money'



## FEBRUARY

- SNS introduces growth coaching and launches 'Future Money Talks' content platform
- ASN Mortgage interest rate discount becomes available for sustainable homes
- a.s.r. sustainable non-life insurance becomes available at ASN Bank

## MARCH

- First SNS Youth Council
- SNS launches renewed Asset Growth proposition
- ASN Bank named most sustainable bank for the fourth time
- Eurowijs reaches 1 million pupils



## APRIL

- Current account for Ukrainian refugees becomes available at SNS and RegioBank
- De Volksbank issues € 500 million in green SNP notes
- De Volksbank team wins Partnership Award with a new idea for first-time buyers

## MAY

- Apple Pay rolled out to customers
- RegioBank, ASN Bank and SNS ranked 1, 2 and 3 in the Bank sector in annual survey 'Most Customer-Friendly Business in the Netherlands'
- Marjolein de Jongh appointed CTO and Michel Ruijterman appointed CIO

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- High-Rent Pilot Project wins Golden Lotus Award for 'Most Innovative Mortgage Product of 2022'
- RegioBank organises National Village Summit for the second time
- Sustainable house of the future: second place for team TU Eindhoven/de Volksbank

## JUNE

7

- SNS and RegioBank announce basic banking package from 1 July, ASN Bank follows on 1 October
- ASN Bank launches European Citizens' Initiative 'Good Clothes, Fair Pay' in collaboration with civil society organisations
- De Volksbank passes portfolio mark of € 1 billion in SME loans

## JULY

8

- De Volksbank with Ruler nominated for Computable Award
- SNS launches *Kansvergroters* campaign
- André Haag appointed CFO

## AUGUST

9



- RegioBank initiates largest brand campaign in its history
- BLG Wonen and RegioBank launch Appraisal Service and Desktop Appraisal

## SEPTEMBER

10

- De Volksbank stops charging negative interest
- RegioBank wins *Zilveren Spreekbuis* 2022 and is once again named the best bank in the Netherlands by the Dutch Consumers' Association
- SNS adds NN Security Package to corporate insurance range
- ASN Bank launches *VanafHier* platform
- Jacqueline Touw appointed CPOO

## OCTOBER

11

- SNS organises first Growth opportunities Debate in Utrecht
- RegioBank presents 'Most Socially Engaged Business Owner of the Year Award'
- BLG Wonen organises '2022 Housing Debate'
- BLG Wonen announces launch of Buy-to-Let Mortgage with social character

## NOVEMBER

12



- ASN Bank presents 'Make Nature Count' report at Montreal biodiversity summit
- New collective labour agreement for the period 2023-2024
- RegioBank again closes the year with a 'Community Wishes' campaign
- De Volksbank publishes Climate Action Plan

## DECEMBER



## Company profile

De Volksbank aims to meet the specific financial needs of its customers in a people-oriented, efficient and sustainable manner. Our mission is 'banking with a human touch'. We achieve it by creating value for all our stakeholders: our customers, society, our employees and our shareholder. We aim for optimum total value rather than maximisation of a single value. Together with our brands we strive for a strong customer relationship and increasing our social impact.



SNS helps people achieve their goals and dreams by focusing on the growth of each individual. SNS believes that if everyone is allowed to grow in their own way, it will make the Netherlands stronger.

### RegioBank

RegioBank is committed to maintain the quality of life in Dutch communities by taking on the role of community builder and contributing to social and economic vitality.



ASN Bank seeks to make sustainability accessible to all Dutch people, enabling them to use their money to do the right thing for people, animals and nature all over the country.



BLG Wonen enables a society in which people can live contentedly in a manner that suits their wishes and financial situation. Now and in the future.

De Volksbank is the fourth largest retail bank operating in the Dutch market, with more than 3.2 million customers. We offer simple and transparent mortgage, savings and payment products to private individuals, self-employed persons and smaller companies. We also offer insurance and investment products.



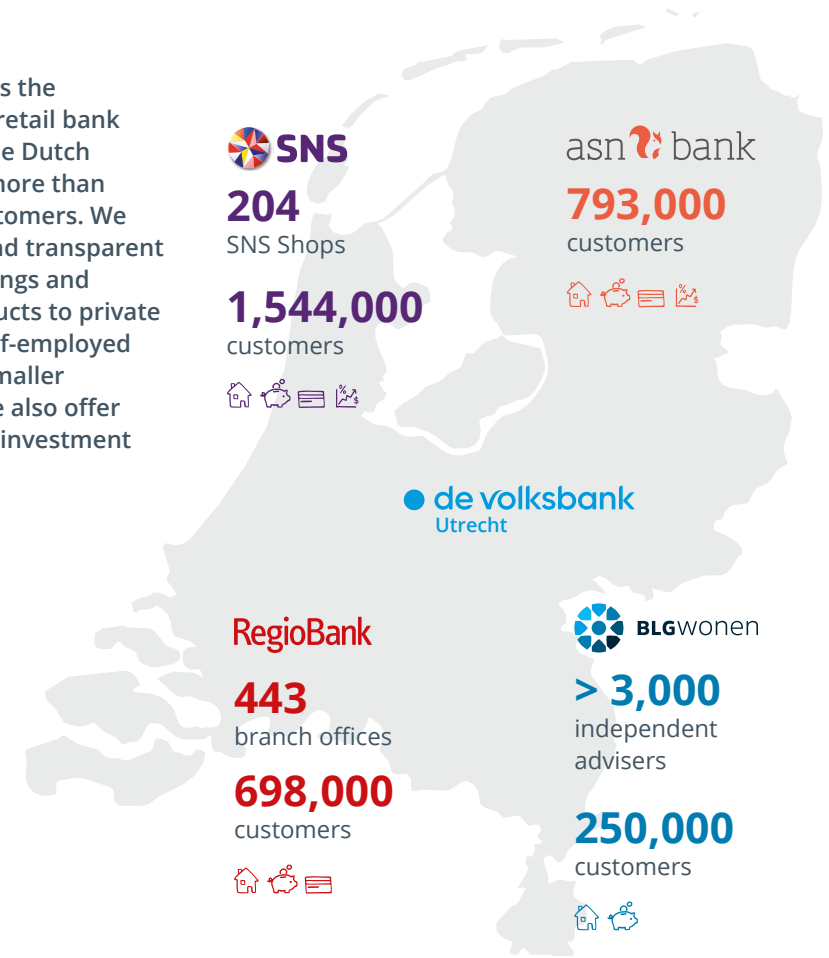
#### EMPLOYEES

**3,887**  
FTE of which  
**3,123** internal



#### CUSTOMERS

**> 3.28 m**



#### MORTGAGES

**€ 48.3bn**  
market share 5.9%

#### CURRENT ACCOUNT CUSTOMERS

**1.91m**  
market share of new current  
accounts 23%

#### SAVINGS

**€ 44.5bn**  
market share 10.4%

#### ASSETS UNDER MANAGEMENT

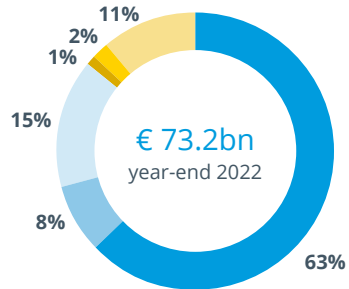
**€ 3.91bn**

#### SME LOANS

**€ 1.09bn**

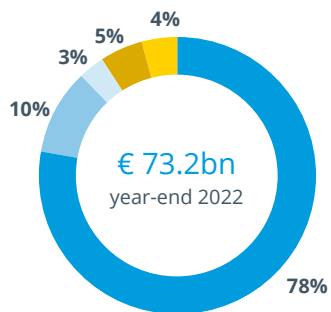
# Business model

**Total assets**



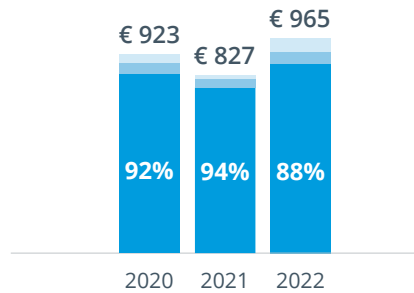
- Residential mortgages <sup>1</sup>
- Investments
- Other
- SME loans
- Other loans and advances to customers
- Cash and cash equivalents

**Total liabilities**



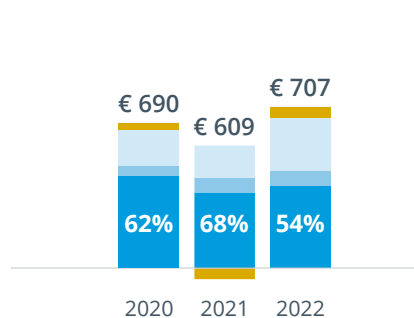
- Savings and other amounts due to customers <sup>2</sup>
- Debt certificates
- Other
- Equity
- Amounts due to banks

**Total income (in m)**



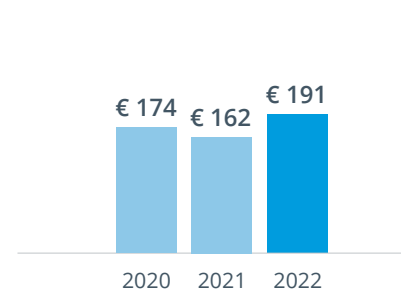
- Net interest income <sup>3</sup>
- Net fee and commission income
- Other income

**Total costs (in m)**

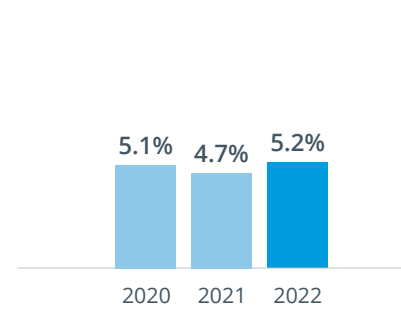


- Staff costs
- Regulatory levies
- Other operating expenses
- Impairment charges

**Net result (in m) <sup>4</sup>**



**Return on equity <sup>5</sup>**



- <sup>1</sup> Our loan portfolio is our main source of income, consisting mainly of mortgages provided by us to retail customers (94%), as well as of SME loans (2%) and other loans, such as to (local) governments and personal loans.
- <sup>2</sup> We fund our loan portfolio using retail savings and balances in current accounts that our customers hold with us and, to a lesser extent, using bonds and equity.
- <sup>3</sup> About 88% of our total income consists of net interest income and 5% of net fee and commission income, which share we aim to grow as part of our strategy in order for our income to become less sensitive to interest rates.
- <sup>4</sup> After deduction of the costs we incurred, including for our offices, IT and loan portfolio management, the net profit remains.
- <sup>5</sup> An important part of our business model is achieving healthy returns on the equity that the shareholder has made available to us.

**Starting from our shared value ambition, we aim for optimum shared value for all our stakeholders rather than maximisation of a single value for one stakeholder in everything we do. We visualise how we create - or nullify - value for our stakeholders in our Value Creation Model in our Integrated Annual Report 2022.**

[To the Integrated Annual Report 2022 >](#)

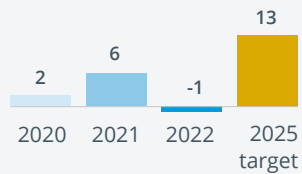


# Key figures

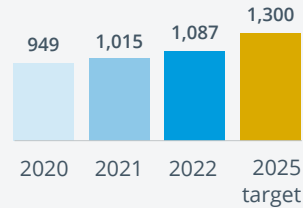
## SHARED VALUE KPIs

### Customers

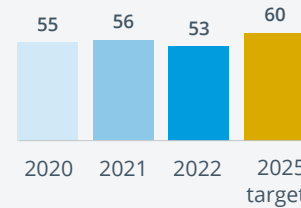
Customer-weighted average Net Promoter Score



Number of active multi-customers (in thousands)



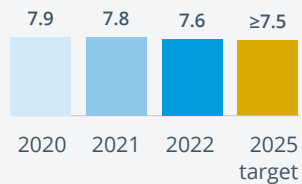
Customer-weighted average Customer relationship score



### Employees



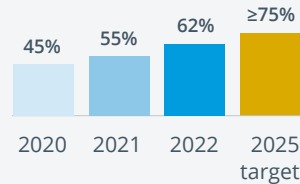
Genuine attention



### Society



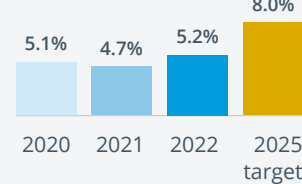
Climate-neutral balance sheet<sup>1</sup>



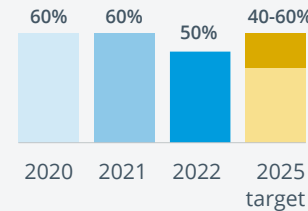
### Shareholder



Return on equity



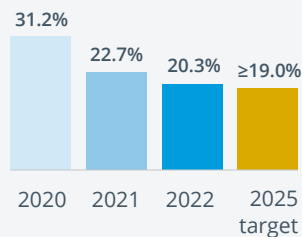
Dividend pay-out ratio



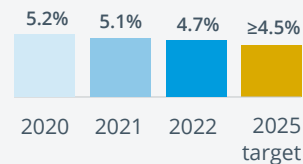
### Other objectives



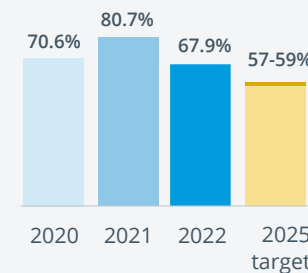
CET1 capital ratio<sup>2</sup>



Leverage ratio



Cost/income ratio<sup>3</sup>



## ESG RATINGS & BENCHMARKS

	2022	2021
Sustainalytics ESG Risk rating <sup>4</sup>	9.1/100	10.4/100
ISS ESG	B (prime)	B (prime)
MSCI	AA	AA
Transparency Benchmark <sup>5</sup>	-	6 <sup>th</sup>
Carbon Disclosure Project (CDP)	B	B
Fair Bank Guide <sup>6</sup>	-	-

## CREDIT RATINGS YEAR-END 2022

	Long-term rating	Short-term rating	Outlook
S&P	A	A1	Stable
Moody's	A2	P-1	Stable
Fitch	A-	F1	Stable

1. As from 2022, we use for the climate-neutral balance sheet proxies to calculate financed emissions instead of actual energy consumption data of business mortgages.  
 2. The CET1 capital ratio target is based on full phase-in of Basel IV standards. At year-end 2022 the pro forma Basel IV CET1 ratio stood at 20.2%.  
 3. Including regulatory levies.  
 4. The score is assigned to one of five risk categories. Negligible Risk (0-9.99), Low Risk (10-19.99), Medium Risk (20-29.99), High Risk (30-39.99) and Severe Risk (40 and higher points).  
 5. Ranking of all major Dutch companies. Ranked 6<sup>th</sup> among 500 participants. Score based on the Integrated Annual Review 2020.  
 6. Average of the scores per policy theme. The last score was issued in 2020 (9.3/10).



# 1. The world around us





The world is complex and rapidly changing. Apart from global developments like climate change, the energy crisis and the war in Ukraine, the bank and the financial services sector as a whole are affected by national and especially local developments and events. That is why it is important that we identify, monitor and respond to these circumstances. We outline a number of relevant developments that impacted our bank in 2022.



## 1. Economic developments

The stringent lockdown measures intended to curb the Omicron variant of Covid-19 were in force in the Netherlands until the end of February. Although the economy then quickly recovered almost to its former level, the Russian invasion of Ukraine prompted another economic downturn. Inflation surged, partly due to problems in supply chains, economic dislocations and supply shortages, and led to high energy and food prices. The European Central Bank (ECB) decided to take measures to bring back inflation to lower levels. The Dutch housing market reached calmer waters in 2022 after a year disrupted by transfer tax changes. The number of sales dropped, for instance, on the back of lower supply as well as high house prices. Economic uncertainty and substantial inflation do seem to have major consequences for the Dutch housing market. We also saw rising mortgage rates, but savings rates remained low. Nevertheless, people continued to save and total deposits rose further in 2022 from € 407 billion to € 421 billion.

**Our Integrated Annual Report 2022 provides more details of the economic developments.**

[See section 1.1.1. >](#)

## 2. Digitalisation and customer relationship

The digitalisation seen in recent years gained more momentum as a result of the Covid-19 pandemic, with an even greater increase in digital communication with our business and retail customers. These developments pose challenges to banks, but also offer opportunities for growth. Customers expect more and more from digital products and services. Especially for the younger generations, a high-quality digital banking environment is essential. The rapid digitalisation has caused an increase in cybercrime year after year. To protect the customers of our bank brands, we have improved our digital processes and systems and informed them about the (online) dangers – after all, they are the ‘first line of defence’. We monitor payment transactions ourselves and in cooperation with other banks to identify signals that could indicate money laundering and terrorist financing. We also keep a close eye on IT regulations. Our role as the gatekeeper of the financial system remains as important as ever. In an increasingly digital world, de Volksbank distinguishes itself by still being nearby and easily and personally accessible – not only in towns, but regionally as well – and by offering a good mix of digital convenience and personal contact at important moments in customers’ lives.

### 3. The effects of global climate change are noticeable

The effects of global climate change were clearly noticeable in 2022 as well. The Netherlands again experienced a warm and dry summer. According to European research institute Copernicus, last summer even was the warmest summer ever to be recorded in Europe. Western Europe faced the most severe heat waves. The high temperatures had drastic consequences, such as substantial damage to agriculture and nature due to drought and wild fires. Beyond Europe's borders too, extreme weather events occurred, such as the serious heat wave in India and the devastating floods resulting from downpours in Brazil and South Africa. [The third IPCC report](#) already warned us of these far-reaching consequences of climate change

earlier in 2022. The report is again alarming, with global warming progressing too rapidly and too little being done to turn the tide. Many scientists believe that the chances of the global temperature rise remaining below 1.5 degrees Celsius are getting ever smaller. Many countries have made hardly any progress, which means that the 27th United Nations climate summit (the COP) ended in disappointment. Nevertheless, we, as a bank, have tightened our climate ambition. More information about this is available in our Climate Action Plan. Apart from climate change, more and more attention is paid to the global loss of biodiversity.

**This has impact on the health of financial institutions; more information about this can be found in Section 3.2.3.**

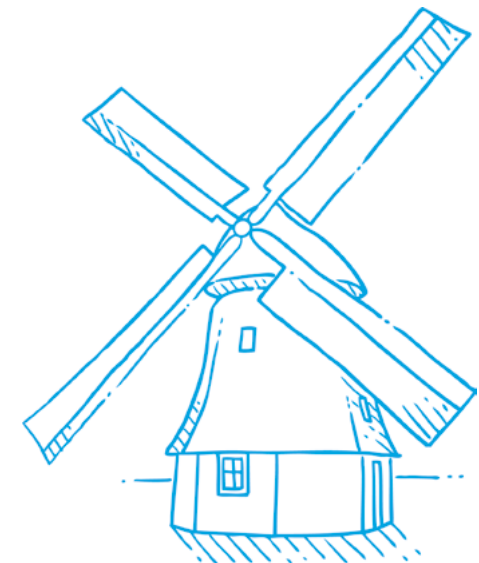
[More information >](#)

**As a bank we have tightened our climate ambition. More information about this is available in our Climate Action Plan.**

[View the Climate Action Plan >](#)

#### War in Ukraine

In 2022, we were confronted with major changes in the world around us. The lifting of the Covid-19 lockdown measures in February was immediately followed by the start of a war between Russia and Ukraine. The war violence and human suffering are appalling. Our thoughts go out to the people of Ukraine and to all who have been affected by the violence.







# 2. Our strategy



In 2022, we continued to build on our strategy 2021-2025: 'Better for each other – from promise to impact', thus taking steps to continue to differentiate ourselves in a changing world. This strategy gives substance to our mission to make a positive impact through banking with a human touch, for our customers, society, our employees and our shareholder.



## 2.1 Our mission and ambition

We have a clear mission: banking with a human touch. We fulfil this ambition by creating value for our stakeholders. In doing so, we aim for optimum total value for all our stakeholders, rather than maximisation of a single value for one stakeholder. We measure progress on this shared value ambition through specific objectives for each stakeholder group. Read more about the progress on these objectives and the way in which we monitor and report on said objectives in [Chapter 3](#).

## 2.2 Our stakeholders

We engage proactively and responsibly with our stakeholders by involving them in what we do and by working together. We distinguish four stakeholder groups: our customers, society, our employees and our shareholder. Below is a selection of the dialogues we had with them, the topics discussed, stakeholders' expectations and our response to them.

[To the stakeholder overview >](#)

## 2.3 Material topics





Once every other year we conduct a materiality assessment to identify the most material topics for our stakeholders. Through a survey we try to find out what they consider to be appropriate long-term goals for de Volksbank. In the intermediate year, we validate and evaluate the accuracy of these topics and our process. Material topics are specific topics that have a high impact on our stakeholders and/or on de Volksbank. These topics are important for the realisation of our shared value ambition, which is why they are directly related to our objectives (see [section 2.5](#)) The overview below shows our most material topics and other material topics.

The coloured icons ( [MT1](#) up to and including [MT18](#) ) are featured in this Annual Review as well as in the Integrated Annual Report 2022 in places where a topic is addressed. The most material topics ( [MT1](#) up to and including [MT18](#) ) are discussed in detail in this Annual Review. The other material topics ( [MT9](#) up to and including [MT18](#) ) are covered in more detail in the Integrated Annual Report 2022. In the latter, we go into how the materiality assessment was conducted. We have also included a detailed table indicating where to find each material topic.

[To the overview >](#)

[Download Integrated Annual Report 2022 >](#)

STAKEHOLDER OVERVIEW

How we engage with	Examples of topics covered	Examples of stakeholder expectations	Examples of activities relating to these topics
 <p><b>Our customers</b> Retail, SME and (semi-)public customers:</p> <ul style="list-style-type: none"> <li>• Our Customer Service Department communicates with our customers every day via telephone, chat, our apps, email and postal mail</li> <li>• We organise events where customers join us in the discussion of topics</li> </ul>	<ul style="list-style-type: none"> <li>• Accessibility to housing</li> <li>• Money management</li> <li>• Satisfaction with our product range and customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Fair, transparent and sustainable products</li> <li>• Good and personal customer service and a complete range of products</li> <li>• Protection of privacy and personal data</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of ASN Sustainable non-life insurance in cooperation with Dutch insurer a.s.r. <a href="#">MT1</a> <a href="#">MT4</a></li> <li>• Our team 'Rust in Geldzaken' proactively approached customers if they are having financial problems <a href="#">MT2</a></li> <li>• Content platform 'Future Money Talks' went live, focussed on a better financial future for young people <a href="#">MT2</a> <a href="#">MT8</a> <a href="#">MT13</a></li> <li>• Online training for our customers and non-customers 'Safe Banking - Do You Recognise the Scammer' <a href="#">MT3</a></li> </ul>
 <p><b>Society</b> Civic engagement with i.a. advice organisations, local communities, governments and supervisory authorities</p> <ul style="list-style-type: none"> <li>• We work together with representatives of nature and environmental organisations</li> <li>• We are member of knowledge networks and engage with partners and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on people, the environment and society</li> <li>• War in Ukraine</li> <li>• Accessibility to the housing market</li> <li>• Human rights</li> <li>• Quality of life in communities</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement in and cooperation on topics such as accessibility to the housing market, entrepreneurship and quality of life in communities</li> <li>• Responsible investing and financing, taking our climate and biodiversity into account</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of the 'Social perspective on an accessible housing market' report <a href="#">MT8</a></li> <li>• Publication of our Climate Action Plan <a href="#">MT6</a></li> <li>• Start of the 'Good Clothes Fair Pay' campaign, part of a European Citizen's Initiative started by ASN Bank <a href="#">MT4</a> <a href="#">MT15</a></li> <li>• Launch of the 'Ukraine Response Team' to help Ukrainian refugees <a href="#">MT13</a></li> </ul>
 <p><b>Our employees</b> Fulltime, parttime and temporary employees</p> <ul style="list-style-type: none"> <li>• We conduct an employee survey twice a year to ask for feedback</li> <li>• The Works Council is in constant dialogue with employees and discusses topics of concern with the Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Realisation of our strategy</li> <li>• Vitality</li> <li>• Transformation to agile working</li> <li>• Personal growth &amp; development</li> <li>• Diversity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Employees expect to be given genuine attention and the opportunity for personal development</li> <li>• Employees expect to work in an open and people-oriented working environment, where they can be themselves and where they feel at home</li> </ul>	<ul style="list-style-type: none"> <li>• Conversations about our strategic progress, new collective agreement and agile transformation <a href="#">MT11</a></li> <li>• Participation in the 'Culturele Barometer' of the Dutch Central Bureau of Statistics to gain insight in cultural diversity within our organisation <a href="#">MT11</a> <a href="#">MT17</a></li> <li>• Training and awareness sessions about data privacy and security for employees <a href="#">MT3</a></li> <li>• Awareness sessions about new laws and regulations and our compliance and risk culture <a href="#">MT7</a> <a href="#">MT12</a></li> </ul>
 <p><b>Our shareholder</b> NLFI holds all the shares in de Volksbank on behalf of the Dutch State</p> <ul style="list-style-type: none"> <li>• We are in dialogue with NLFI throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>• Progress on strategy</li> <li>• Interim results</li> <li>• Our social role</li> <li>• Future of the bank</li> <li>• Appointments in the Executive Committee and Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>• The shareholder expects healthy returns from an efficient company that strictly complies with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• We keep our shareholder informed of our performance through our interim reports <a href="#">MT5</a></li> <li>• We have set a target range of 40% - 60% of net profit for dividend distribution <a href="#">MT5</a></li> </ul>



MATERIAL TOPICS

Most material topics

- MT1** Fair, transparent and sustainable products
- MT2** Customer relationship and service
- MT3** Data privacy and security
- MT4** Responsible investment and financing
- MT5** Responsible financial results
- MT6** Climate impact
- MT7** Compliance with laws and regulations
- MT8** Social engagement, cooperation and entrepreneurship

Other material topics

- MT9** Countering cyber and financial crime
- MT10** Integrity and ethics
- MT11** Genuine attention for our employees
- MT12** Responsible risk management
- MT13** Social impact
- MT14** Digitalisation and innovation
- MT15** Human rights
- MT16** Corporate governance
- MT17** Diversity and inclusion
- MT18** Biodiversity and natural resources

**Our strategy has two pillars: strengthening the customer relationship and increasing our positive social impact**

**2.4 Strategy 2021-2025: Better for each other – from promise to Impact**

Our strategy entitled ‘Better for each other – from promise to Impact’ has two pillars by which we want to distinguish ourselves: strengthening the customer relationship and increasing our positive social impact. This distinctive capability is expressed through our four brands: SNS, ASN Bank, RegioBank and BLG Wonen, each having its own growth priority. To strengthen our distinctive capability and realise the brands’ growth priorities, our strategy has five necessary change movements.

**2.4.1 How we distinguish ourselves: two pillars**

**Strong customer relationship**

De Volksbank aims to distinguish itself as the bank with the strongest customer relationship. Traditionally, we have strongly positioned our brands. All four have their own distinctive identity and a clear, social profile. The standards and values we share within these brands are recognised and felt by customers, enabling us to build strong relationships with them. And we should nurture that relationship: it is what sets us apart from other banks. Read what steps we have taken in this respect in [Section 3.1](#).

**Social impact**

De Volksbank is committed to further increase its positive social impact. By making our impact demonstrable and measurable, we can also manage it. Each brand focuses on a specific social theme: from 2022, SNS focuses on equal growth opportunities for everyone, ASN Bank on sustainability, RegioBank on quality of life in communities and BLG Wonen on decent housing. Across the board, de Volksbank aims to create positive social impact and reduce negative impact. We do this by offering socially relevant propositions and by playing a driving role for the themes we focus on. This enables us to contribute to changes at customer and system level. Read what steps we have taken in the social field in [Section 3.2](#).

### 2.4.2 Four growth priorities of our brands

For the period 2021-2025, we have set the following growth priorities for our brands: SNS will attract a younger target audience and strengthen its business model with more fee income, ASN Bank will accelerate its growth as a digital, sustainable bank, RegioBank will strengthen its local presence by broadening its range of propositions, and BLG Women will expand by enlarging its distribution reach and improving its service.

### 2.4.3 Five necessary change movements

To enhance our distinctive capability and realise the brands' growth priorities, our strategy features five change movements, i.e. significant changes to our processes and behaviour. In short, it comes down to becoming more agile and collaborating more smartly on a flexible IT infrastructure and offering our customers relevant products in the way they want. The following is a brief description of the five change movements:

- Digital and omni-channel dialogue: we achieve a greatly enhanced customer experience through omni-channel dialogue and personalised access to products and services.
- Relevant range of products, new propositions and small businesses as a new target market: we deliver more value for our customers and the bank by expanding our brands' current product range with existing and new propositions, thereby appealing to the new small businesses target group. Not just with our own products and services; we are increasingly linking reliable partners to our banking environment.
- IT-based customer bank: we implement a modular, customer-driven IT infrastructure with more automated IT processes.

- Customer focused: our organisation becomes more agile and customer-focused by transforming to a new way of working according to agile principles.
- Efficient and flexible: we increase our efficiency by making greater use of partnerships and outsourcing, and by using capital and balance sheet in a more targeted way.

To this end, we are constantly working on strengthening the organisational, employee and leadership capabilities, complying with laws and regulations and guaranteeing the continuity of systems.

**See the next page for an overview of our strategy.**

[To our strategy >](#)

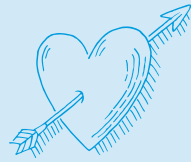


**Across the board, we aim to create positive social impact and reduce negative impact**

Strategy 2021-2025

# Better for each other – from promise to !mpact

**How we differentiate ourselves: two pillars**



**Strong customer relationship**

Personal customer approach through seamless and pleasant interactions and suitable propositions



**Social impact**

De Volksbank achieves social impact on climate and decent living by integrating these themes in its services

**Four growth priorities of the brands**



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



Accelerate the growth of ASN Bank as a digital, sustainable bank



Reinforce RegioBank's local presence by broadening its propositions



Expand BLG Wonen by increasing its distribution reach and improving its service

**Five necessary movements of change**



Digital and omni-channel dialogue



Relevant range of products, new propositions and small businesses as a new target market



IT-based customer bank



Customer focused



Efficient and flexible

**Capabilities**

Strengthening organisational, employee and leadership capabilities

**Important preconditions**

Comply with laws & regulations

Continuity



## 2.5 Objectives

The strategy for the coming years builds on our mission to achieve a positive impact through banking with a human touch: for our customers, society, our employees and our shareholder. Based on the strategic ambitions for 2021 – 2025 and expectations regarding economic developments and financial markets, we have set objectively measurable goals as Key Performance Indicators (KPIs) for each stakeholder group, and monitor these KPIs closely. The most material social topics (see Section 2.3) are reflected in the way in which we put our shared value ambition into practice.

### STRATEGIC OBJECTIVES

Stakeholder	Year-end 2025 objectives	
Customer	<ul style="list-style-type: none"> <li>Raising customer-weighted Net Promoter Score (NPS) to +13</li> <li>1.3 million active multi-customers</li> <li>Raising Customer Relationship Score (KRS) to 60</li> </ul>	MT1 MT2
Society <sup>1</sup>	Climate-neutral balance sheet of at least 75%, rising to 100% in 2030	MT4 MT6 MT8
Employees	Genuine attention for employees gets a mark of at least 7.5	MT11 MT17
Shareholder	<ul style="list-style-type: none"> <li>A Return on Equity (RoE) of 8%*</li> <li>A dividend pay-out of 40-60% of the net profit</li> </ul>	MT5 MT7

1. We have developed suitable KPIs for all four social themes. They will be communicated externally in stages.

## Other objectives

We have also set objectives for ourselves to optimise our capitalisation, balance sheet, and efficient business operations. These objectives pertain to the continuity of our business operations in particular, which is essential for all stakeholders. Translated into measurable targets and KPIs, this means that we aim for:

### OTHER OBJECTIVES

	Objectives
CET1 capital ratio	Consistently at least 19% based on full phase-in of Basel IV
Leverage ratio	Consistently at least 4.5%
Cost/income ratio <sup>1</sup>	57 – 59% by year-end 2025

1. Operating expenses, including regulatory levies divided by total income.



The strategy for the years ahead stems from our mission to bank with a human touch and thus make a positive impact

## 2.6 Options for the future

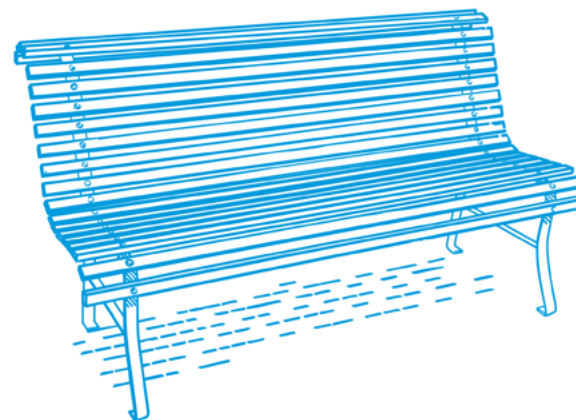
On 26 January 2022, during a general consultation on State participations, the Minister of Finance mentioned that, NLFI had indicated a period of approximately three years before any decision on the bank's future options could be taken.

On 7 July 2022, the Dutch Minister of Finance informed the House of Representatives about NLFI's most recent progress report on de Volksbank. In this report, dated 30 June 2022, NLFI stated that de Volksbank made a good start in creating a more robust organisation and strengthening its social identity since the introduction of the new strategy. NLFI remarked that further measures will be necessary to achieve a structural improvement of financial results and that market dynamics, i.e. higher inflation, higher interest rates, geo-political developments, may have an impact and may require further adjustments. The implementation of the strategy and the subsequent improvement of financial results will require several years and the

Minister of Finance noted that de Volksbank should be given time to bring this about and that it was too early for a definitive decision on the privatisation of the bank.

On 22 February 2023, the Minister of Finance, following up on the letter of 7 July 2022, wrote to the House of Representatives that, in order to avoid unnecessary delay and provide timely clarity to de Volksbank, she intends to take a directional decision about the future of de Volksbank before the end of 2023. In the decision, all options for the future and all governance models will be taken into account, as well as the eventual necessity for the State to safeguard the (potential) public interests related to de Volksbank. The House of Representatives, NLFI, de Volksbank, and where necessary the supervisory authorities, will be involved in the preparation of the directional decision. The Minister concluded that a definitive choice for a future option can only be made when NLFI concludes that de Volksbank is ready for a decision.

**On 22 February 2023, the Minister of Finance informed the House of Representatives that she intends to take a directional decision on the future of de Volksbank before the end of 2023**







# 3. Our results



Through our shared value ambition, we aim to deliver value to our customers, give sincere attention to our employees, take responsibility for society and achieve returns for our shareholder. We realise that we can only do so if we remain a healthy and sound bank.

### 3.1 Customer relationship

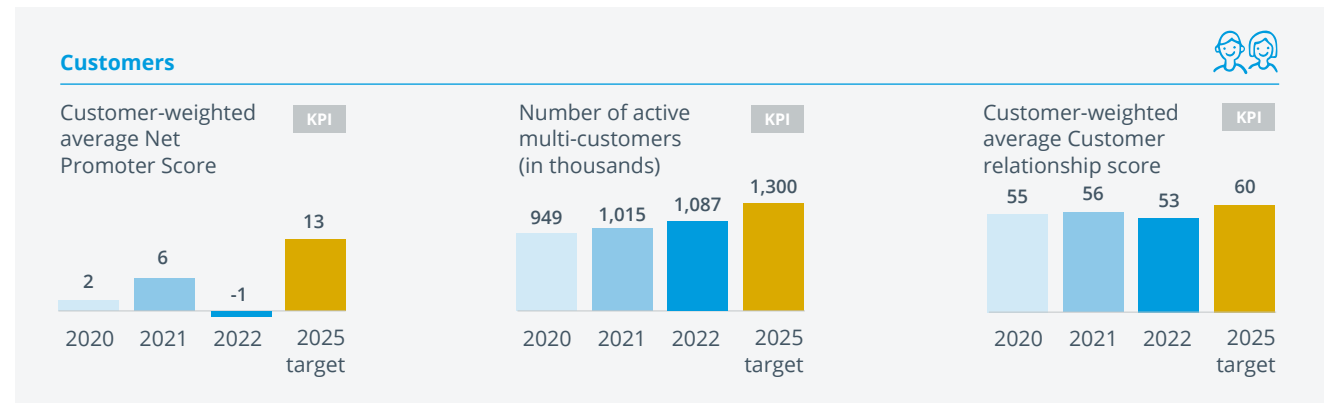
De Volksbank aims to be a bank where people feel at home. A bank that cares about easy-to-understand products, technological innovation, privacy and security – and that wholeheartedly supports society. We strive to build strong customer relationships; whatever we do must add value for them.

To measure the customer relationship we defined three specific key performance indicators (KPIs), i.e. the customer-weighted average Net Promoter Score (NPS), the number of active multi-customers and the customer-weighted average Customer Relationship Score (KRS), each with its own target. The NPS measures the likeliness that customers of de Volksbank’s brands recommend their bank to other people. The higher the score, the more satisfied and loyal our customers are. At the end of 2022, the customer-weighted average was -1, as against +6 at the end of 2021. The customer-weighted average Customer Relationship Score (KRS) is a new KPI. We developed this score ourselves, in collaboration with

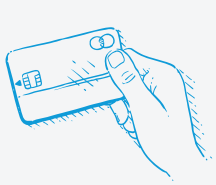
the Behavior Change Group. The KRS measures how strong the relationship is that customers experience based on their satisfaction with, trust in and brand love for their bank. The higher the score, the stronger the relationship experienced by customers on average. Over 2022, the customer-weighted average was 53 (average for 2021: 56).

The decreases are related to the introduction of the basic banking package, a package combining several day-to-day banking activities such as payments, savings and our personal services. Customers pay a fixed monthly fee for this package. The introduction of the basic banking package led many customers who only held a savings account to leave the bank. By contrast, a number of savings customers in fact decided to open a current account in response to the introduction of the package.

In 2022, the number of active multi-customers rose to 1,087,000, from 1,015,000 at the end of 2021.



## Our products



### Payments

**SNS, ASN Bank & RegioBank** offer various current accounts



### Savings

**SNS, ASN Bank, RegioBank & BLG Wonen** offer various savings accounts



### Investments

**SNS, ASN Bank & RegioBank** offer the ASN Duurzame Mix beleggingsfondsen. In addition to this, ASN Bank offers several specific investment funds



### Mortgages and housing

**Each brand** offers various mortgage products



### Business financing

**SNS & RegioBank** offer both business financing and business mortgages. **BLG Wonen** also offers the SNS business mortgage



### Insurance

**SNS** offers a range of insurance products. In addition, **ASN Bank**, in partnership with Dutch insurer a.s.r., offers ASN sustainable non-life insurance products

## 3.1.1 Our products

### Payments

#### NEW PAYMENT FEATURES – MORE MOBILE AND FASTER

SNS, ASN Bank and RegioBank offer various current accounts with useful features for adults and young people. For example, customers can send payment requests via online banking and via the app, receive bank account alerts, adjust limits, change debit card settings and submit payment orders anywhere and anytime. We will add more options to the payment request feature in 2023; one of these allows customers who need to make a payment to easily scan a QR code, enter the relevant amount and immediately transfer the money to the beneficiary.

We will also introduce new options for mobile payments. Since mid-2022, retail customers have been able to pay using Apple Pay. This mobile payment service allows customers to make payments using their iPhone or Apple Watch. The option to make contactless payments by phone has been available to Android users for some time already.

Apart from making mobile payments, people also increasingly demand rapid payments. To guarantee fast transactions, de Volksbank works with Instant Payments. When an Instant Payment is made, the money is immediately credited to the recipient's account, even if the recipient banks with another bank. Our customers have been able to receive Instant Payments since 2021. The service is set to be expanded in 2023, when customers will be given the option to receive Instant Payments from, and send them to, customers banking with other European banks.

## Savings & wealth accumulation

We believe it is important that customers put money aside for now and for later, such as a buffer for purchases in the near future or asset building to realise long-term goals. We facilitate both forms of saving by offering different types of wealth accumulation: our product range includes savings, bank savings and investment products for SME customers, young people, adults and parents seeking to support their children financially. The Buy-to-Let mortgage with a social character will be added to this range in 2023. The mortgage offers homeowners attractive conditions, provided that they, in turn, charge a realistic and fair rent based on the housing valuation system determining the maximum rent (Woning-waarderingsstelsel; WWS). This social Buy-to-Let mortgage allows us in 2023 to help business owners and retail customers build up their pension.

We guard the balance between savings and loans to ensure a healthy bank balance sheet. As a bank, we paid interest to the ECB on money that we did not use for mortgages or personal loans, for example, especially in the first half of 2022. We observed that customers continued to save despite the historically low and for some customers even negative interest rates. Combined with the challenging interest rate environment, the high total savings balance led to an increase in savings management costs. In 2021, we therefore introduced a negative interest rate on accounts with balances exceeding € 100,000. The negative rate was applied at the customer level instead of the account level from early 2022, and was cancelled altogether on 1 October 2022.

In the second half of 2022 we introduced a fee for the basic banking package, containing a current account and a savings account. After all, we aim for deeper and long-term customer relationships, and we believe that customers saving with us and arranging their day-to-day banking affairs with us is a prerequisite in this regard. By charging mono savings customers the same monthly fee as customers with both a savings and a current account, we encourage them to become multi-customers. This expectation did indeed partly become reality. Other mono savings customers closed their account, resulting in an outflow of savings deposits, which we had factored in.

The low savings rates led customers to search for alternatives to saving, for long-term wealth creation in particular. This resulted in higher inflows in our investment products, despite a volatile stock market climate. A new investment option was added to the BLG Wonen, SNS and RegioBank bank savings accrual accounts, with all our brands offering the sustainable ASN Investment Funds. In 2022 we gave investing ASN Bank customers insight into their Sus-

**The buy-to-let mortgage offers homeowners attractive conditions, provided that they, in turn, charge a realistic and fair rent**

tainable Return through ASN Online Banking and the app to further underline the sustainability of these funds, allowing them to track how their investments contribute to climate change mitigation.

## Mortgages and housing preferences

### INTEREST-ONLY

As in previous years, in 2022 we again paid particular attention to informing customers with an interest-only mortgage. We contacted over 96,000 customers to discuss the affordability of their interest-only mortgage with a view to limiting the risk of any future outstanding mortgage loan balance. This approach, which also includes an affordability assessment, has been part of our structural services since 2019. We performed the assessment for 4,651 customers in 2022, which prompted many of them to take action. They converted their mortgage into a repayment mortgage, for example, or started making additional monthly repayments. If we notice that customers may be unable to make their mortgage repayments in the future, the 'Financial Peace of Mind' team proactively contacts them to help find a solution. Customers in a more distressed situation can be immediately referred to the Financial Care department.

### ADDITIONAL FOCUS ON CUSTOMERS WITH FINANCIAL CONCERNS

In 2022, the consequences of the war in Ukraine and rising inflation led us to increase our focus on customers who have or expect financial problems. Obviously, we prefer to prevent such concerns and to alleviate them where necessary. Our 'Financial

Peace of Mind' team proactively contacted about 3,000 mortgage customers in 2022 to ask them whether they experienced financial concerns and to offer help. It goes without saying that this team also supports customers who indicate of their own accord that they have financial concerns, as we set great store by helping our customers in times of financial adversity. This is how we provide customers with maximum financial resilience which allows them to live in their home with peace of mind.

### SME financing

An increasing number of SME business owners choose our brands because our products have been developed specifically for this target group, such as a business loan for a shop owner or owner of a fitness centre seeking to extend his or her building. We are ready to help companies with an annual business turnover of no more than € 5 million and a funding need of no more than € 2 million by providing an overdraft facility or a business mortgage, thereby supporting our SME customers on a daily basis and contributing to our strategy 'Better for each other – from promise to !mpact'. Our nationwide distribution network offers SME customers a good mix of digital convenience and personal contact. Customers are served by local advisers, many of whom are also business owners. This provides added value, as they speak the same language.

RegioBank's nationwide campaign, launched in 2022, shows that SME customers, too, receive personal attention from an adviser who is familiar with the

entrepreneur's business and the local market. This means that the services provided to SME customers make a major contribution to RegioBank's mission: 'Quality of life in communities'.

SME customers are increasingly able to compile tailor-made services, as we expanded our online platform with relevant products and services of reliable partners. We will continue to do so in the years ahead.

### BUSINESS MORTGAGE

Over the past year, we committed ourselves to improving the financeability of SME businesses in the Netherlands. We made our business mortgage even more accessible by simplifying the application process and ensuring that the right knowledge and support are available in the distribution channels, and also strengthened our national coverage even further by intensifying our collaboration with a greater number of independent financial advisers. Having targeted growing self-employed persons and SME businesses since 2021, SNS gives business owners access to financing by providing SNS Business Mortgages of up to € 1 million.

In 2022, we provided over € 321 million in new business mortgages. This underpinned the growth of the portfolio of outstanding SME loans from € 830 million at year-end 2021 to nearly € 1.1 billion at year-end 2022.

### Dilemma: do we accept or refuse high-risk mortgages?

Being a bank, we provide mortgage loans to customers. Climate change and the transition to a sustainable economy may cause factors such as subsidence of buildings, pile rot and poor insulation to reduce the value of homes. As this poses a financial risk both to customers and to us as a mortgage lender, it also presents a dilemma. On the one hand, we prefer to minimise the number of high-risk homes in our portfolio. On the other hand, we do not wish to exclude homes, since this is at odds with our ambition to make housing accessible to everyone. If we exclude high-risk homes, it may become more difficult and more expensive for people looking for a home to finance the home, which will also make it more complicated for them to introduce sustainability measures. But if we do accept high-risk homes, there is all the more reason to encourage homeowners to make their home more sustainable, for example by offering attractive loans for introducing sustainability measures. Supervisory authorities also implement specific policies to ensure sound hedging and assessment of risks. For us, this means that we are able to finance high-risk homes, provided that we maintain sufficient capital or an adequate buffer for this purpose. The result will be that it will become more expensive for customers with high-risk homes to borrow money and finance a home, as we apply measures such as different interest rates for each property value ratio, the Loan-to-Value class.



## Insurance

We invest heavily in a high-quality and complete product range in collaboration with our partners in the chain. For example, we tripled the product range for SNS corporate insurance and replaced the former product range with the Security Package (Zekerheidspakket) offered by Nationale Nederlanden (NN), as these insurance policies allow SNS to serve more sectors and legal forms. The target group was also expanded to include SME business owners in addition to self-employed persons. We intend to improve the range of insurance products for retail customers as well, and we are adding new products and services to our range. The first insurance policies for ASN Bank were introduced in 2022 in association with a.s.r. and we are working on a suitable expansion of the product range. We are convinced that these measures will help us serve our customers in an even better way and will reinforce the customer relationship.

### 3.1.2 Digitalisation and innovation

The rapid pace of digitalisation gained even more momentum as the Covid-19 pandemic unfolded, with customers expecting more and more from these digital products and services. Especially for the younger generations, a high-quality, personal and digital banking environment is essential. Needless to say, de Volksbank is committed to a simple and reliable online environment. We invest in digitalisation in line with our chosen strategy for the years ahead. This allows us to reinforce the relationship with our customers in an increasingly digital world. As much of our customer contact

is digital and we want to keep that contact easily accessible, human and personal, we prefer to offer a good mix of digital convenience and personal contact at important moments in customers' lives.

To achieve this, we took a number of useful steps this year. For instance, the process of becoming a customer of one of our brands or taking out a combination of new products is now much easier and faster thanks to improvements in our digital application processes; we now receive 84% of applications for mortgage adjustments, additional repayments, changing the bank account number used for mortgage payments, etc., through online channels. Numerous improvements were made to the online environment for advisers too, and we started using a new mortgage application system that allows us to respond more rapidly to market changes and amended laws and regulations. The new system also improves the services we provide to customers and advisers.

### 3.1.3 Data security and privacy

At de Volksbank we protect and respect the privacy of customers, employees and suppliers. We have an up-to-date privacy policy in place. We are transparent about the way in which we process personal data, as is explained in our Privacy Statement. This statement is available on our website (in Dutch only) and is amended whenever there are changes. We also inform customers as soon as a third party requests data from us and check the legitimacy of the request. If a customer requests access to the data of the data subject, we will respond in a timely and complete

manner. It is important to us that our customers remain in control of their personal data and that their privacy is guaranteed: 'your data, you decide' is our data vision. Naturally, we take the General Data Protection Regulation (GDPR) as a starting point. Every day, the Data Protection Officer and Privacy Officers of the Privacy Office are committed to protecting the privacy rights of customers and employees alike.

We also ensure that proper security measures are in place to protect our customers' data. We make our employees aware that they are part of the bank's human firewall and train them to protect data. For example, compliance and security issues are part of the induction programme for new employees. Our suppliers are required to meet our security and privacy requirements. To improve the data security, we annually carry out several security tests on various components of our infrastructure, such as penetration testing and red teaming. With the help of ethical hackers, we put both technology and people to the test, sometimes with advance notice, sometimes without.

**We ensure that proper security measures are in place to protect our customers' data**

## Our data strategy: handling data correctly

As a bank, we aim to stand out by maintaining personal and relevant contact with customers. Our strategy helps us to organise data management better still, thus creating a solid basis for knowing and helping customers to the best of our ability. It also helps us to develop new products and services for them. Good data management starts with establishing who is responsible for what in our changing organisation. In the meantime, within the framework of our data vision and the GDPR, we are gaining more insight into who our customers are and the kind of financial affairs they manage, for example via our websites and mobile apps. As a bank, we can also use data to improve our internal processes, within the boundaries of the above-mentioned frameworks. Whether to better serve customers or to draw up reports for the Executive Committee and external supervisory authorities such as the DNB and ECB. To achieve said improvements, we will continue to enhance our employees' data skills and knowledge.

## Prevention of data breaches

In the event of a data breach, personal data is unintentionally released or is no longer available. Due to the numerous interaction moments between the bank and customers, there is a chance that personal data is accidentally sent to the wrong recipient. In case of a data breach, we take action as soon as possible to limit the damage and analyse how the breach originated in order to avoid future data breaches. To this end, we have an internal Data Breach Committee, which always gives advice

when several people are involved in a data breach. In addition, in order to act adequately and as quickly as possible in the event of incidents such as a data breach, we have a communication protocol to inform those involved. In any case, we do not keep personal data longer than necessary. More information about our approach and our privacy rules is available on our [website](#) (in Dutch only).

## 3.1.4 Countering cybercrime and financial crime

The flip side of rapid digitalisation is the persistent threat of cybercrime and financial crime. Criminals are adopting more and more sophisticated methods and we have observed a shift of cybercrime from the banking environment to the customer environment, with criminals increasingly persuading customers to effect and approve transactions.



## Customer integrity

As a financial institution, we are required to have a clear picture of our customers, for instance under the Money Laundering and Terrorist Financing (Prevention) Act (Wwft). As part of the Know Your Customer principle, we check customer data and establish the identity of our customers. We are also required to continuously monitor customers and the transactions they perform during the relationship. This statutory obligation to prevent involvement in financial and economic crime, such as money laundering and terrorist financing, also extends to the identification of tax integrity risks in relation to customers.

The fight against financial crime also continues. We monitor payment transactions that could indicate money laundering and terrorist financing both of our own accord and in cooperation with other banks. Our role as the gatekeeper of the financial system remains as important as ever. Although we are also continuously improving our fraud detection systems, we are still receiving countless reports of bank helpdesk fraud, boiler room fraud, phishing and help-seeking scams via WhatsApp. We have established that identity fraud has increased and the number of dating fraud cases has doubled compared with 2021. In 2022, we saw around 155 reported fraud cases related to payment transactions on average per week, which was less than a year earlier. We optimised our monitoring and detection of phishing in 2022 and strongly reduced this type of fraud as a result.

## Resilient customers and employees

Everyone contributes to safe banking, employees and customers alike; together they form the first line of defence. We do not consider people to be the weakest link; we regard them as an essential part of our security. Seeking to ensure the digital resilience of our customers, we educate them about cybercrime and teach them how to recognise fraud and scams. For this purpose, in 2021 we launched the online training course entitled 'Safe banking – Do you recognise the scammer?' In 2022 we took the next step by making the training course available to everyone rather than just our customers. We also educate our employees, including through an e-learning course on phishing and the online training course 'Human Firewall', which many teams have now completed. This is how we make sure that we can recognise cybercrime and scams and, more importantly, that we can act quickly and effectively to create a strong security chain.

## We recognise fraud and scams and take appropriate measures

If, despite all efforts, customers nonetheless fall victim to cybercrime, we shoulder our responsibility by helping people limit the damage and by providing aftercare to restore their trust in digital banking.

De Volksbank has teamed up with other financial and non-financial organisations and public partners to ensure that fraud does not pay off. For instance, we made our case to politicians for the necessary legislation on information exchange. We are also exploring in collaboration with the Ministry of Justice

and Security and other parties in the market how we can work together in a comprehensive approach to reduce online crime even more. Furthermore, we participated in the new 'Safe Banking' campaign, launched by the Dutch Banking Association in October 2022.

## 3.2 Social impact

We contribute to society through our principle of shared value. We want to have a positive impact on society where possible, minimise our negative impact and create more sustainable business operations. We have defined several social themes to which we wish to make a contribution. De Volksbank as a whole is the driving force behind the financial health and inclusive society themes. Apart from these themes, every brand has its own specific theme: 'sustainability' for ASN Bank, 'decent housing for everyone' for BLG Wonen, 'quality of life' for RegioBank and 'equal growth opportunities for everyone' for SNS. All these themes come together in the Social Impact Framework. The themes are partly based on the Sustainable Development Goals (SDGs), the Principles for Responsible Banking (PRB) and the results of the materiality survey. As the framework is a growth model, more social KPIs may be added in the years ahead.

[To the Social Impact Framework >](#)



**The Social Impact Framework is a growth model, which means that additional social KPIs may be added in the years ahead**



## Social Impact Framework

### de volksbank better for each other

#### Our mission: Banking with a human touch

We want to make society demonstrably better through human solutions to social problems. We do this through our four bank brands and de Volksbank as a driving force.

#### Most important social KPIs

- Climate-neutral balance sheet by 2030
- Contribute to accessibility to the housing market

#### De Volksbank contributes to the following SDGs



#### Financial health

We make a difference for people who can strengthen their financial position thanks to additional financial knowledge. Through a personal approach and by being close to the customer. By supporting more and more people, we are making society financially stronger.

#### Financial education

It is important to teach children how to handle money well from an early age. Adequate financial knowledge gives them a solid basis for making the right choices and thus preventing financial problems later in life. Financial education is not a standard part of the curriculum. For that reason, our employees give guest lessons in schools and provide information on safe banking. For people of all ages.

#### Financial care

We help when things get tough financially. In doing so, we focus on preventing or reducing financial stress. We do not use debt collection agencies. Instead, we prefer to look customers in the eye ourselves to find the best solution to financial problems together.

#### Inclusive society

We are committed to equal opportunities. We make a difference for people by making our services accessible to everyone and like to be a frontrunner in the field of inclusive employment.

#### Accessible services

We set great store by offering accessible and understandable financial products and services. Our four bank brands enable us to serve different groups in society, both private individuals and SMEs. We do this online and through our RegioBank branches and SNS Shops.

#### Inclusive employer

De Volksbank is a bank where employees feel at home and can be themselves. We accept and respect each other's differences in backgrounds, age, gender, race and health. We stand for equal pay, instil trust and encourage personal growth, ambition and entrepreneurial spirit. We also offer our employees room to make social impact in their daily work and through volunteering.

### Four brands, four themes



Money creates happiness

Sustainability



We see your potential

Decent housing for everyone



The socially engaged community bank

Quality of life



PEOPLE FIRST. THEN MONEY.

Equal growth opportunities for everyone



### Sustainability

Our dream is to make sustainability accessible to everyone in society, to all of the nearly 18 million Dutch citizens. By 2030 we will be a sustainable bank, a sustainable financial services provider and a sustainable opinion leader with sustainable services, enabling all Dutch people to use their money to do the right thing.



#### Climate neutrality<sup>1</sup>

The rapid pace of global warming is driven by the emission of greenhouse gases, including CO2. We are committed to maximising our contribution to emission reduction to keep the world a habitable place for us and future generations.

**100%**

Target 2030

**62%**

2022 measurement

#### Biodiversity

Biodiversity is the variety of life and ecosystems. Although biodiversity is a necessity of life, it is declining rapidly. We aim to make a maximum contribution to biodiversity protection and improvement.

**< 0 ha**

Target 2030

**37,259 ha**

2022 measurement

#### Human rights with a focus on a living wage

We believe that everyone has the right to express their opinion and the right to housing, healthcare, education and food. As we are also committed to ensuring a living wage for workers, we are strong advocates of human rights.

**L (Leader)**

Target 2030

**D (Developing)**

2022 measurement<sup>2</sup>



### Decent housing for everyone

We dream of a society in which people can live contentedly in a manner that suits their wishes and financial situation, now and in the future.



#### Housing accessibility

We are committed to making the housing market more accessible and we help people find (and keep) a suitable home. In 2022, helping high-rent tenants find an affordable owner-occupied home was a top priority.

#### High rents

As we believe that anyone willing and able to buy a home should have the opportunity to do so, we consider the payment morality and capacity of high-rent tenants regarding rents paid in the past.

**276 mortgages**

Target 2022

**479 mortgages**

2022 measurement<sup>3</sup>



### Quality of life

We firmly believe in the importance of a community where everyone can live, work and play comfortably. We undertake community engagement initiatives in our role as a community builder. This is an ongoing commitment that we strive to fulfil together with our employees, Independent Advisers and partners. This is how we foster local engagement and cohesion, because a better society starts in the community.



#### Economic vitality

A vital community relies on a healthy local economy. We boost a region's economic prosperity by supporting business owners, helping sustainable local businesses grow and contributing to local ecosystems.

#### Social cohesion

We contribute to accessible facilities, social activities and a better physical living environment and we bring together supply and demand for volunteers with a view to enhancing the sense of community among neighbours and fighting loneliness.

**150 initiatives**

Target 2022

**148 initiatives**

2022 measurement<sup>4</sup>



### Equal growth opportunities for everyone

We believe in a society that offers every individual the same opportunities to grow, because this will empower everyone. People are meant to grow, and we are there to help them do just that by giving them genuine attention. Together, we turn their dreams and ambitions into reality and overcome the barriers they encounter on a personal or social level to create a stronger Dutch society.



#### Equal access to financial knowledge

Not everyone is financially literate, which can make people vulnerable. Financial knowledge is key to growth. We set great store by making financial knowledge accessible to every individual to create maximum equality of opportunity.

#### Fair appreciation

We encourage fair appreciation of specific groups, such as young adults, skilled workers and business owners. Rather than level of education or age, we focus on inclusion: who you are and who you want to be.

#### Pressure to achieve financial success

The tremendous pressure to perform comes at a price. We encourage the discussion of the pressure to achieve financial success and help people set realistic financial goals and to develop in a way that suits them, to improve their mental well-being.

1. A Volksbank-wide ambition. ASN Bank aims to be climate positive by 2030.
2. More information on the yearly assessment of garment companies in the ASN Investment Universe can be found in the [PLWF Annual Report 2022](#).
3. This is a temporary KPI as a stepping stone to the broader housing accessibility KPI.
4. Temporary KPI as a stepping stone to broader quality of life KPIs.

**The development of the Social Impact Framework is still ongoing. Additional social KPIs will be published in the Annual Review 2023.**

### 3.2.1 Financial health MT13

Our aim is that everyone in the Netherlands experiences financial wellbeing and can therefore live comfortably and enjoyably. As a bank we can have direct social impact by helping customers and non-customers alike with their financial health and financial inclusion. For instance, at the end of 2021 we signed the Commitment to Financial Health and Inclusion, which is part of the Principles for Responsible Banking. By signing, we promised to dedicate our people, products, services and relationships to promoting universal, financial inclusion.

#### Financial education

It is important to teach children how to handle money well from an early age. Adequate financial knowledge gives them a solid basis for making the right choices and thus preventing financial problems later in life. Financial education is not a standard part of the curriculum. For that reason, de Volksbank launched Eurowijs ('Eurowise') in 2013 to make free teaching materials available. Ever since the launch, our employees have given guest lessons in schools, partly using the Bank voor de Klas ('Banks in the classroom') method of the Dutch Banking Association. Our brands also provide information on safe banking, both to people personally and in online or offline workshops for people of all ages. In 2022, we reached 250,500 pupils with Eurowijs teaching materials, compared with 213,449 pupils in 2021. Our employees reached 7,875 pupils with their guest lessons.

#### Financial care

Helping customers who have financial concerns, our 'Financial Peace of Mind' team implements our ambition to assist customers in a personal way when they make decisions about their sustainable financial future. In 2022, we helped 70 people who had financial concerns.

### 3.2.2 Inclusive society MT8 MT13

We show our social commitment in many ways: we encourage volunteering, we work on the quality of life in communities, and we want to play a role in the accessibility of the housing market. With all our branch offices in villages and towns, we are easily accessible and have a good local presence.

#### Accessible services

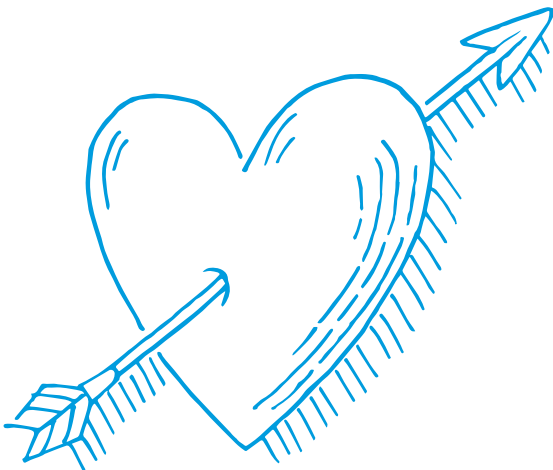
We strive for open and sincere contact with our customers, regardless of the moment or channel. Our four brands each have their own way of communicating with their customers, complementing each other perfectly. ASN Bank works with an internet-only model and keeps in close contact with its customers, mainly digitally. The ASN Mortgage is also offered via SNS Shops. BLG Wonen works together with independent advisers across the country and through them also offers business mortgages, the SNS Bedrijfshypotheek. SNS and RegioBank, in turn, have a strong local presence through independent advisers, with RegioBank specifically targeting villages and small towns with

**Adequate financial knowledge gives children a solid foundation to make the right choices and thus avoid money problems later in life**





up to 20,000 inhabitants. While SNS works partly with franchisees and partly with its own shops, RegioBank exclusively applies a franchise formula. In conclusion, through our brands, we have national coverage, which means that there will always be a branch nearby where customers may go to personally ask for advice. This is how we promote financial health and inclusion for people of all ages, now and in the future. Our customers clearly appreciate this: in the 2022 survey by the Dutch Consumers' Association, RegioBank emerged as the best bank in the Netherlands for the sixth year in a row. SNS and ASN Bank, too, finished in the top 3. We set high requirements on the availability of payment services such as debit card payments, cash withdrawals, iDEAL and online and mobile banking. In 2022, the availability of these services for SNS, ASN Bank and RegioBank was more than 99.77%.



### Inclusive employer practices

De Volksbank is a bank where employees feel at home and can be themselves. We advocate diversity, inclusion and equal remuneration. You will read more about this in [Section 3.3](#). We also advocate volunteering. We do this together with NLvoorelkaar, the largest volunteering platform in the Netherlands that brings together the supply and demand for help. To encourage employees to dedicate some of their time to helping others, we bring volunteer work to their attention in various ways. For instance, at the end of 2022 we collaborated with NLvoorelkaar and set up a temporary Volunteer Plaza at Utrecht Central Station. As we believe that volunteer work is useful and important, we give our employees the opportunity to spend a limited number of working hours on volunteer work. The website contains more information on our cooperation with NLvoorelkaar.

In addition to the hours spent through the NLvoorelkaar platform, in 2022 13,752 hours were spent on volunteer work through our own platform (2021: 6,633 hours), representing a social value of € 274,700 (2021: € 132,650).

**De Volksbank is a bank  
where employees feel  
at home and can be  
themselves**

asn  bank**Money creates  
happiness****ASN Bank in brief**

ASN Bank has been operating as a sustainable bank for no less than sixty years. Starting out as a savings bank that invested trade union funds in a socially responsible way, ASN Bank currently serves more than 793,000 customers who pay, save or invest through the bank or who take out a mortgage or insurance there, and advocates sustainability in a broad sense with an emphasis on biodiversity, climate and human rights. ASN Bank's mission to promote a sustainable and just society has much potential for the future. Its dream is to make sustainable choices accessible to everyone in the Netherlands. Seeking to create the greatest possible impact, the bank intensively cooperates with other financial institutions and partners from different sections of society. ASN Bank strives to grow to 1 million satisfied customers by 2025 to allow all Dutch people to use their money to do the right thing for people, animals and nature all over the country.

**Progress made on the growth priority**

The number of ASN Bank customers declined by 5% to 793,000 at year-end 2022 (2021: 835,000), mainly due to the introduction of the 'basic banking package' on 1 October. The number of investment accounts at ASN Bank grew to more than 110,000

at year-end 2022 (2021: 103,000) despite the volatile investment market. ASN Bank aims to grow its sustainable loans in order to contribute to its objective of being climate positive by 2030 and having a net positive impact on biodiversity. In 2022, ASN Bank expanded its sustainable loans by 20% to € 861 million.

**ASN Bank's social impact ambition:  
sustainability**

To ASN Bank, sustainability means that the needs of the current generation are met without compromising the needs of future generations (Brundtland report). In this respect, the bank focuses on three pillars: climate, biodiversity and human rights.

- *Climate*: the current global economy is strongly dependent on fossil fuels and natural resources. Activities such as the burning of fossil fuels and extraction of natural resources lead to climate change, which impairs the quality of life on Earth. To keep the planet a habitable place, it is paramount that we make a radical switch to a climate-neutral economy and that net global greenhouse gas emissions are zero by 2050. ASN Bank contributes to this goal by being climate positive with all its investments and loans by 2030 at the latest.
- *Biodiversity* is the variety of life and ecosystems on Earth, which provides us with economic, social and cultural value. The global loss of biodiversity is a major problem and poses risks in terms of our food supply, water regulation and climate adaptation. ASN Bank wants to have a net positive

impact on biodiversity no later than 2030 with all its investments and loans.

- *Human rights*: every individual is entitled to education, food and a home. In many countries, people's wages are insufficient to live on and meet their basic needs. As this problem is especially urgent in the garment industry, ASN Bank requires the garment companies in which the ASN Investment Funds invest to pay their employees a living wage by 2030.

**Social results in 2022****CLIMATE**

- *Measuring*: ASN Bank wants to give customers the greatest possible insight into the positive impact the bank is making with its direct and indirect investments. Taking new steps to achieve this goal in 2022, ASN Bank developed an internal tool to measure the impact of project loans on the climate and biodiversity and make better investment choices on that basis, and it established the climate impact of investments in the ASN biodiversity fund for the first time. This year, ASN Bank introduced the possibility for investors to track how their personal investment portfolios contribute to climate change mitigation. Just like financial returns, the sustainable return can now be viewed in the app and through ASN Online Banking.
- *Driving*: we increase our impact by collaborating with partners from different sections of society. In 2022, ASN Bank joined the 'Built by nature' partnership to accelerate the transition to wood construction in Europe together with frontrunners from various sectors, which allows ASN Bank to



Above: 'Make nature count' report

Left: At ASN Impact we talked to investors about the sustainable economy of the future

## HUMAN RIGHTS

- *Measuring:* each year, ASN Bank publishes a report establishing how much progress the garment companies in ASN Bank's investment universe have made with introducing a living wage. ASN Bank assigns them a score for their policies and implementation in practice, based on a living wage assessment for the garment companies in the ASN Investment Portfolio and personal interviews. The 2022 measurement shows that these garment companies are making progress: ten out of the fifteen companies were assigned a higher score than last year; five companies were assigned the same score as last year.
- *Driving:* as ASN Bank believes that legislation is a prerequisite for enforcing a living wage in the garment industry, the bank is advocating European legislation requiring companies to pay textile workers a living wage. To achieve this, ASN Bank initiated a European Citizens' Initiative called 'Good Clothes, Fair Pay'. In July 2022, a European campaign was launched to collect one million signatures. More information is available on the website of [Good Clothes, Fair Pay](#).

further disseminate its methodology for measuring construction stored carbon. The Partnership for Carbon Accounting Financials (PCAF), set up by ASN Bank in 2015, also reached another milestone by welcoming its 200th participant.

## BIODIVERSITY

- *Measuring:* ASN Bank has measured the biodiversity footprint of its investments and loans since 2019. This year, the bank examined how project loans can have a positive impact on nature protection and restoration. ASN Bank will follow up on this in 2023.
- *Driving:* in the run-up to CBD COP15, ASN Bank published the '[Make nature count](#)' report to demonstrate that concrete investments in nature yield more economic value. The report

was presented at the biodiversity summit in Montreal and handed to Minister Van der Wal. The Partnership for Biodiversity Accounting Financials (PBAF), an ASN Bank initiative, grew to 47 members. This year, PBAF also published a new standard for financial institutions to measure the impact of loans and investments on nature.

- *Product:* in collaboration with a.s.r., ASN Bank added sustainable home insurance, home contents insurance and liability insurance to its product range. Customers have the option to have damage repaired or replaced by used or refurbished materials. The insurance premium is invested in sustainable companies, governments and projects.





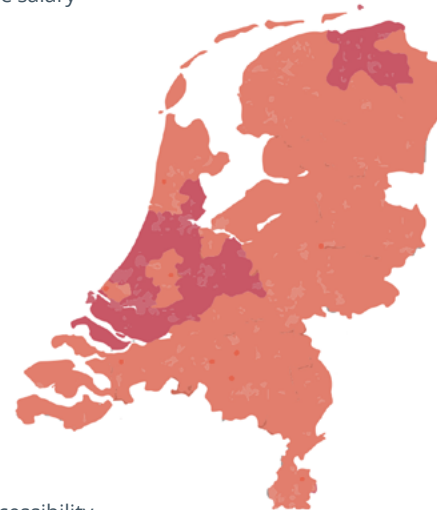
## We see your potential

### BLG Wonen in brief

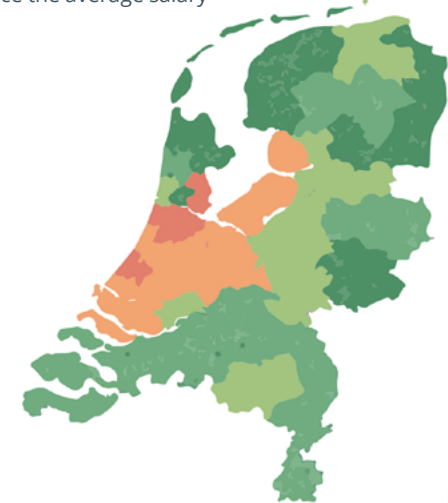
BLG Wonen has been committed to a more accessible housing market for nearly seventy years. Founded in 1954 to give Limburg miners the chance to buy a house, nowadays BLG Wonen serves all groups of Dutch society. With a total mortgage portfolio of € 25.5 billion at year-end 2022, BLG Wonen makes housing accessible. It does so together with about 3,000 independent advisers, who are provided with reliable and personal services and digital convenience. Existing customers who have a hard time either financially or otherwise are offered assistance where possible. After a customer has died, for instance, employees of the Bereavement Service Desk help people settle financial affairs. And whenever payment problems are imminent, BLG Wonen supports its customers by providing information and tips. BLG Wonen believes that one of the basic conditions for happiness and well-being is owning a home. A society in which everyone has decent housing is therefore essential. That is why BLG Wonen is taking its role as a driver by drawing the attention of politicians and the public to the challenges in the housing market and by working on solutions to improve accessibility to housing.

### HOUSING ACCESSIBILITY

Housing accessibility for people earning up to twice the average salary



Housing accessibility for people earning more than twice the average salary



The Housing Accessibility Monitor is a BLG Wonen initiative and was developed in cooperation with PwC an Companen. For more information, see [www.blg.nl/woontoegankelijkheid](http://www.blg.nl/woontoegankelijkheid)

### Progress made on the growth priority

BLG Wonen is expanding its distribution network even more and has reinforced the relationship with supply chains and service providers by increasing its capacity in this area and by adding more focus. The bank organised several events and is preparing a power of attorney for service providers. In 2022, the mortgage portfolio once again grew substantially and advisers again appreciated the relationship with BLG Wonen by assigning a score of 8.2. The final pillar of our strategy is to have a social impact on the

housing theme; more information is provided below.

### BLG Wonen's social impact ambition: decent housing for everyone

The right to housing is embedded in the Constitution. Being a social bank, BLG Wonen is committed to developing specific (mortgage) solutions together with other parties for people who presently find it difficult to buy a home. BLG Wonen's Housing Accessibility Monitor proves that this is absolutely necessary. Total housing accessibility in the Netherlands is currently 30%. This means that just three in ten people looking to

buy a home actually find a suitable home within one year in the housing segment they prefer and that they can afford. The insights obtained from the Housing Accessibility Monitor were considered when the details of the social main objective of Housing were worked out. With this objective, BLG Wonen reinforces the efforts made by de Volksbank and its bank brands in the area of housing accessibility. You will find more information on [page 39](#).

## Social results in 2022

### COOPERATION FOR GREATER IMPACT

As collaboration is essential for making an impact, in 2022 BLG Wonen again spoke with stakeholders about housing issues and solutions. This year, the bank organised the fourth Housing Debate for policymakers and other decision makers in the financial services sector and the housing market. Innovators in the housing market were given a platform to present their creative initiatives, share knowledge and provide insight into solutions. During the Housing Debate, BLG Wonen announced the launch of the Buy-to-Let Mortgage to encourage good landlord practices and combat excessive rents. The mortgage has a number of social features: homeowners are offered attractive conditions, provided that they, in turn, charge a realistic and fair rent based on the housing valuation system determining the maximum rent (Woningwaarderingstelsel; WWS). The Buy-to-Let Mortgage follows on from previous BLG Wonen initiatives. In early 2022, BLG Wonen introduced a follow-up to the previous High-Rent pilot project in collaboration with NHG, the Dutch National

Homeowners Association (Vereniging Eigen Huis) and other lenders. The purpose of the product is to make the housing market more accessible to high-rent tenants; the rent they paid in the past is included in the assessment of their mortgage application. BLG Wonen is proud that it was able to provide 479 high-rent tenants with a mortgage – and therefore with their own home – in 2022, both as part of the pilot project and outside the pilot project. In 2022, the joint High-Rent pilot project was named the winner of the Golden Lotus Award in the category ‘Most innovative mortgage product’.

### FOSTERING THE PUBLIC DIALOGUE

BLG Wonen is taking its role as a driver by drawing the attention of politicians and the public to challenges or by calling attention to opportunities that are not used, for example by sharing insights obtained from the Housing Accessibility

Monitor. One of these insights is the possibility to create half a million extra homes by subdividing homes. We see opportunities in rural areas in particular, where subdivision may create room for first-time buyers who wish to buy in the region where they were born and may give elderly people the option to stay in their trusted environment and/or make their home more sustainable – a win-win scenario. Renowned media such as RTL Nieuws, BNR, Trouw, NRC and De Telegraaf covered these insights shared by BLG Wonen, which testifies to the importance of placing these topics on the agenda time and again. Several municipal councils have now embraced the idea. Thanks to all its efforts, more and more people regard BLG Wonen as an organisation that truly sets great store by housing accessibility and that is committed to achieving ‘decent housing for everyone’.

## BLG Wonen organised the Housing Debate for the fourth time



Housing Debate 2022

## Decent Housing

### The social impact of housing

An important part of our strategy 'Better for each other – from promise to Impact' is de Volksbank's ambition to stand out with its social impact. Unlike, and more so than, other banks, we integrate the Decent Housing theme in our services as part of this ambition. In 2022, we translated this theme into three KPIs, which we will fine-tune in 2023:

- Making housing accessible to households earning up to twice the average income.
- Sustainable recovery based on financial care during major life events.
- Construction of new residential units.

### Making housing accessible to households earning up to twice the average income

BLG Wonen analyses the Dutch housing market with its Housing Accessibility Monitor, which defines 'housing accessibility' as the probability that someone looking for a house will find a home of their own within a year, expressed as a percentage. The probability of finding a suitable home varies tremendously among the different income groups. Access to housing for households earning up to twice the average income (€ 76,000) is just 18%. The probability that a person earning an average income will find a home of their own is therefore small, while the percentage rapidly rises for income groups earning more than twice the average income. It is our ambition to make the housing market fairer and more accessible, including for average-income households. An initial analysis reveals that the joint

income of approximately 70% of all households taking out a new mortgage with de Volksbank's brands was no more than twice the average income. This is just 50% in the market. Starting in 2023, we will actively monitor the inflow in our portfolio in terms of income groups and we will phrase a corresponding objective that will help us to continue to make housing accessible to lower-income groups. It goes without saying that we will strike a proper balance between lending to these groups and lending to other income groups, as we want to be there for everyone in the Netherlands who would like to buy a home.



**Going forward, de Volksbank is committed to increasing the housing supply, especially affordable homes**

### Sustainable recovery based on financial care

Some of our customers require additional financial care if they are, temporarily, unable to make their mortgage payments. This inability is often preceded by a major life event: death, incapacity for work or divorce may cause someone in a healthy financial situation to end up in a worrying financial situation. We are ready to help our customers at times when they can hardly make their mortgage payments for any reason. Eight service promises aimed at financial care guide the support we provide to customers with payment problems. Our goal is to achieve sustainable recovery based on the principle that customers should not run into new payment problems for the next 365 days. As from 2023, we will measure the percentage of customers who have left our financial care and achieved sustainable recovery.

### Construction of new residential units

The pressure on the housing market is partly caused by a supply and demand mismatch, as the number of people looking for a home greatly exceeds the number of homes available. In the future, de Volksbank aims to increase the housing supply with a focus on affordable homes, for example by encouraging the subdivision of homes or funding initiatives that add new and affordable supply. We will turn these plans into concrete action items in 2023.



## RegioBank

### The socially engaged community bank

#### RegioBank in brief

RegioBank has been the bank nearby for over one hundred years. Its customers get the best of two worlds: an Independent Adviser who knows and the local community, where they can simply drop by to ask a question or receive advice, and all the benefits that online banking has to offer. Regardless of whether customers want to make mobile payments or start their own business, RegioBank will offer them a suitable solution – locally and digitally.

RegioBank actively promotes the quality of life in the region and communities where people can live, work and play comfortably, communities where local residents meet one another, look after one another and do things together. RegioBank believes in the power of the region and understands that local businesses are key in this. The Independent Advisers are business owners themselves and can draw on their own expertise to help other business owners move forward. Customers appreciate this; it was for good reason that, for the sixth year in a row, RegioBank received the highest appreciation scores in a 2022 survey conducted by the Dutch Consumers' Association, and research agency MarketResponse named the bank the most customer-friendly bank in the Netherlands for the fifth time.

Launching the most extensive campaign so far, which featured RegioBank's first TV performance, in 2022 the bank took the first step towards expanding its target group to include financially stronger households in the region. As the Independent Advisers involved at a local level have a crucial role to play here, RegioBank is strengthening the collaboration with its advisers to foster a sound customer relationship in concert with them.

#### Progress made on the growth priority

RegioBank is solidifying its local presence by broadening its propositions. To stand out, in 2021 the bank redesigned its brand promise and customer promises in order to carve out a clearer position for itself on the 'quality of life' theme. This is when the bank came up with 'the socially engaged community bank', targeting a new 'focus group', the New Conservatives. In September 2022, the bank targeted this group on a large scale for the first time by launching a TV and radio campaign that was supplemented with various online campaigns. RegioBank will continue to pursue this strategy and reinforce its position as a socially engaged community bank in 2023.

**RegioBank is committed  
to promoting the quality  
of life in small towns  
and villages**

#### RegioBank's social impact ambition: quality of life in communities

The quality of life in many Dutch villages and communities has been under pressure for years, with essential facilities that previously safeguarded the vitality of non-urbanised areas gradually disappearing or on the brink of disappearing. The quality of life in smaller towns and villages with fewer facilities is clearly lagging behind larger towns and cities, where the availability of public transport, education and healthcare services is not declining. A survey conducted by Atlas Research and commissioned by RegioBank into the quality of life in smaller towns and villages has demonstrated this. That is why RegioBank is committed to promoting the quality of life in communities and regions in towns and villages. After all, a better society starts in the community.

RegioBank improves the quality of life in towns and villages by focusing on three pillars:

1. Economic vitality. RegioBank refers to this pillar as 'Working'.
2. Social cohesion. RegioBank refers to this pillar as 'Living'.
3. Housing'. This pillar will be worked out in the next few years.

## Social results in 2022

RegioBank's Independent Advisers are not just present in the region; they also actively improve the quality of life in their communities. RegioBank also does its bit by sharing data on the quality of life in the region and calling on politicians to place the issue on the agenda.

### NATIONAL VILLAGE SUMMIT

RegioBank's dense network of 443 Independent Advisers throughout the Netherlands allows it to see the power of the region like no one else can. The bank seeks to support local efforts by contributing to the political and social debate. Urban areas can benefit from the lessons learnt in rural areas when it comes to quality of life, cohesion and local ecosystems. As the Randstad conurbation generally does not pay much attention to rural areas, the latter often suffer from a lack of investments. RegioBank makes a contribution by retaining its operations in smaller communities, helping the baker's, the butcher's, cultural facilities and public amenities to stay in business, too. In 2022, RegioBank once again organised the National Village Summit, at which directors, politicians, academics, customers and Independent Advisers discussed economic and social developments in the region. Once again, RegioBank pleaded for a Minister of Regional Affairs to safeguard the various interests of the regions and ensure a more equal division of investments.



National Village Summit 2022

**Once again, RegioBank pleaded for a Minister of Regional Affairs to safeguard the various interests of the regions and ensure a more equal division of investments**





Greengrocer Oosterik won the first 'Most Socially Engaged Business Owner of the Year Award'

### **BUSINESS OWNERS ARE KEY IN LIVEABLE REGIONS**

RegioBank aims to promote the quality of life in smaller municipalities by providing incentives to business owners who go the extra mile for their community, known as 'socially engaged community business owners'. In 2022, RegioBank experimented with the Socially Engaged Community Test to make business owners aware of the role they play in the community, to provide them with concrete tips and to award them a socially engaged community certificate as a reward for their efforts. On the Day of the Entrepreneur, the Independent Adviser in Tubbergen presented the first Most Socially Engaged Community Business Owner Award to greengrocer's Groentehal Oosterik as the 2022 winner. Everyone

in the community knows this special fruit and vegetable shop, which is expressly committed to improving the community by sponsoring local clubs and collaborating with people with a distance to the labour market.

### **IN LIVEABLE COMMUNITIES, PEOPLE LOOK AFTER ONE ANOTHER**

RegioBank supports social initiatives that boost local engagement and encourage long-term relationships. It does so using donations made to the VoordeBuurt Fonds, a fund that was founded in collaboration with Oranje Fonds, a Dutch Foundation that provides clubs and foundations with funds to promote participation in society. In 2022, € 595,000 were

paid out from this fund. Independent Advisers also helped initiators raise € 310,000 through crowdfunding on the RegioBank-sponsored Samen voor de buurt platform, which creates connection and contributes to liveability in the community. A total of 148 initiatives were put into practice, including the refurbishment of community centres, the purchase of companion cycles and the construction of playgrounds. In 2022, the option to recruit volunteers through NLvoorelkaar was added to the existing programmes. The first volunteers have registered and RegioBank is hoping that it will be able to assign volunteers to many more initiatives in 2023, together with its advisers.

Finally, in 2022 Independent Advisers organised an overwhelming number of 1,121 workshops and classes to provide financial education to both children and adults. Children who have learnt to handle money at an early age are less likely to experience financial problems as they get older. The advisers tutored children in a total of 565 classes. Based on an average class of 23 children, this totals approximately 13,000 children. Advisers can choose one of three different teaching methods for their classes: Held met je Geld, developed by RegioBank, Eurowijs of de Volksbank, and Bank voor de Klas of the Dutch Banking Association. The advisers organised a total of 556 workshops for adults.





## PEOPLE FIRST. THEN MONEY.

### SNS in brief

SNS repositioned itself in early 2022 with its promise 'People first, then money'. Having placed people in the centre for over 200 years, SNS distinguishes itself by personal contact and genuine attention for customers. Where other banks centralise all customer contact, at SNS customers can easily contact their own personal and local adviser – by phone, chat or video call or at one of the 204 shops found all across the Netherlands – at moments that are important to them.

Guided by its mission 'Focus on the growth of every individual', SNS helps its 1.5 million customers reach their goals and make their dreams come true. SNS collaborates with customers to find out what they need, what stands in their way and what solutions are possible. This is how SNS actively promotes equal opportunities for everyone, to help all people grow to their full potential. The bank uses the Personal Growth Barometer as a representative sample to monitor the progress it has made with accomplishing this mission. The 2022 results show that attention ('SNS is a bank that sees me, that is interested in me and that helps me move forward')

contributes directly to customers' personal growth ('SNS has helped me achieve personal growth in money matters, my work and/or my living situation').

Customers appreciate this personal and human approach. In 2022, SNS climbed from fourth to second place in the 'Most customer-friendly bank in the Netherlands' election based on MarketResponse's independent survey.

### Progress made on the growth priority

Having several strategic priorities, SNS partly shifted its focus to a younger target audience while retaining its current customers. In 2022, SNS conducted campaigns, drafted the 'People first, then money' brand manifesto and introduced growth coaching and asset growth with the aim of attracting a younger target audience. It also launched the 'Future Money Talks' content platform, which specifically targets young people.

**Mindful of the growth of every individual, SNS helps its 1.5 million customers achieve their goals and dreams**

SNS seeks to achieve further digitalisation to give customers a personal and human omnichannel experience through the digital channels, too. The advisers' core processes are structured more efficiently to free up more time for consultations with customers.

SNS has also strengthened its business model by broadening its range of products and services and has intensified its focus on personal and paid advice, partly in association with partners. For example, the SNS Valuation Service is a collaboration with Fitrex, and the pilot project SNS Civil-Law Notary Service is a collaboration with the nationwide network of Nationale Notaris. SNS offers the SNS Business Mortgage and business loans to help growing self-employed persons and SME businesses turn their dreams and growth ambitions into reality. For this purpose, in April 2022 the bank launched the radio campaign 'There's no such thing as a small business owner'. In 2022, SNS also organised several other initiatives, assisting both customers and non-customers in filling in their tax returns, and introducing the national Financial Growth Talk pilot project and the new housing proposition SNS *Kansvergroeters* to make the housing market more accessible to young people.

### SNS's social impact ambition: equal growth opportunities for everyone

Changing its social impact course in 2022, SNS phrased a new ambition to have a social impact and abandoned its focus on financial resilience. SNS's new ambition – equal growth opportunities

for everyone – is in line with its repositioning and the present-day obstacles encountered by the target group. SNS creates this impact by focusing on three pillars: encouraging equal access to financial knowledge, increasing fair and just appreciation, and reducing the pressure to have financial success. SNS believes that if every person is able to grow in their own unique way, the Netherlands will become a stronger country. Financial knowledge is key in this process. A survey (Intrum, 2019) has shown that four in ten Dutch citizens have insufficient basic financial knowledge. SNS aims to improve this situation by making financial knowledge understandable and accessible for everyone, not only through its day-to-day services, but also by expressly making its voice heard in the public domain.

As SNS has noticed that specific groups of people feel underappreciated, the bank encourages fair appreciation of groups such as young adults, skilled workers and business owners. The bank has also observed increasing pressure to achieve financial success, especially among young adults. More and more people experience the pressure to perform as a heavy burden. The bank promotes awareness of the pressure to achieve financial success and encourages the discussion of this issue to improve mental well-being. In 2023, SNS will define concrete objectives on these themes and will set to work on initiatives in this regard.



On 20 September 2022, the SNS Youth Council discussed growth opportunities.

### Social results in 2022

Driven by its new impact ambition, in 2022 SNS introduced several social impact initiatives. One of these is the SNS Youth Council, in which SNS speaks with young adults once every three months to discuss social issues such as the wage gap, housing, equal growth opportunities and obstacles they encounter. This way, SNS wants to learn about issues affecting this group and how SNS can help. Together with CNV Jongeren, an independent trade union for young workers, the bank organised a 'CNV Jongeren Housing Café' in the SNS Shop in Utrecht, where experts such as an estate agent, a civil-law notary and an SNS financial adviser discussed the housing market with young adults. In November, SNS also

organised the first Growth Opportunities Debate. Civil society organisations, political parties and SNS colleagues joined the discussion in Utrecht, but it was particularly the young adults themselves that were given the opportunity to contribute to the debate.

To encourage equal access to financial knowledge and increase financial skills, customers who nearly reached the age of 18 were invited to a conversation in the SNS Shop in 2022 as well. Legally speaking, young people are financially independent when they turn 18. To prepare them for this, advisers discussed the financial changes they faced.

In late 2022, SNS called attention to the fact that incomprehensible financial language creates financial inequality. An SNS survey reveals that one in five young adults (18 to 35 years of age) have made mistakes because they misunderstood a financial term. No fewer than 28% of them believe that there is no equal access to financial information in the Netherlands. SNS meets that need by providing comprehensible information on its website. SNS has also opened a reporting centre where people can report any incomprehensible language that SNS has used.

SNS wants to be there for its customers, especially in this day and age when people experience growing financial concerns. Its personal advisers who are available in more than 200 shops from Monday to Saturday make the bank the perfect place to drop by to ask for help. In 2022, when price rises, inflation and high energy bills preoccupied everyone in the Netherlands, SNS added to this by making a human voice heard in the turbulent period surrounding the day of the King's speech and introducing the 'What's Keeping You Awake Line' (Wakkerlijijn). Customers could contact the customer contact employees by telephone for 24 hours, including at night. SNS did this to make a statement, showing that the bank is there for its customers especially in challenging times and telling them not to let financial worries weigh on their minds and to get in touch.

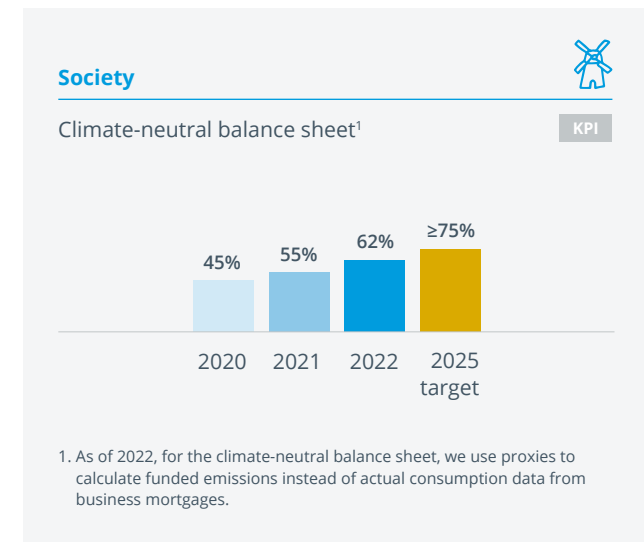
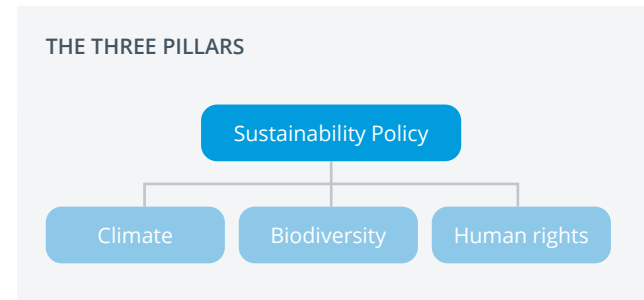
### 3.2.3 Implementation of our sustainability policy MT4

Our Sustainability Expertise Centre (SEC) is responsible for de Volksbank's sustainability policy and its application to all activities and processes. Using investment criteria, the SEC translates policy into practice within the bank. We apply this comprehensive policy to all our loans, financing and investments, so also to the government bonds or green bonds in which we invest. For example, we do not invest in sectors like the arms industry or the fossil materials industry, but we do invest in projects, countries, organisations and companies that use their policies and business processes to contribute to a better climate, human rights and biodiversity.

Our sustainability policy is underpinned by three pillars: climate, biodiversity and human rights. The underlying principles are based on important and globally recognised reports, treaties and conventions, which we have laid down in 'pillar policy papers'. We also use thematic and sector policy papers and translate them into policies for specific departments. All these policies come together in the House of Policies Sustainability. More information about our sustainability policy, including its implementation and monitoring, is available in the Integrated Annual Report 2022.

**More information on our sustainability policy, including its implementation and monitoring, can be found in our Integrated Annual Report 2022.**

[To the Integrated Annual Report >](#)



### Pillar 1: Climate MT6

Back in 2015, we set ourselves the goal of having a climate-neutral bank balance sheet by 2030, with an interim target of at least 75% climate neutrality by 2025. We have been measuring and reporting on the steps we take towards a climate-neutral balance sheet since 2015. Our balance sheet is climate neutral when all our loans and investments cause as much emissions as we avoid, or even take out



of the air. When we say 'emissions', we refer to CO<sub>2</sub> equivalents, or CO<sub>2</sub>e emissions.

At the end of 2022 we were 62% climate neutral, an improvement of 7 percentage points compared to 2021 (we were 55% climate neutral at the end of 2021). This climate neutrality was calculated based on the Partnership for Carbon Accounting Financials (PCAF) methodology. The improvement is driven by:

1. additional project financing (366 kton of CO<sub>2</sub>e emissions avoided in 2022);
2. the purchase of green bonds (463 kton of CO<sub>2</sub>e emissions avoided in 2022);
3. the reduction in CO<sub>2</sub>e emissions of our mortgage portfolio (1,055 kton of CO<sub>2</sub>e emissions, compared to 1,123 kton of CO<sub>2</sub>e emissions in 2021).

Read more about our CO<sub>2</sub>e emissions and the PCAF methodology in the [Integrated Annual Report 2022](#).

### Science Based Targets

De Volksbank is the first bank in the Netherlands to apply approved Science Based Targets (SBTs). The SBTs complement our goal of achieving a climate-neutral balance sheet; they indicate the pace at which and the extent to which we need to reduce the CO<sub>2</sub>e emissions of our own business operations and the financed CO<sub>2</sub>e emissions of our main portfolios. These ambitious targets help us phase out our emissions in compliance with the temperature rise of no more than 1.5 degrees Celsius agreed in the Paris Agreement. We collaborated with Guidehouse to define targets for our buildings and fleet, as well

as for our mortgage portfolio, investment portfolio and renewable energy portfolio. We will work out the details of the targets in 2023.

### Net zero target

Avoiding a temperature rise above 1.5 degrees Celsius means that we need to ensure that no greenhouse gases are emitted on a net basis by 2050, i.e. the aggregated greenhouse gas emissions of all countries must be lower than or equal to the greenhouse gases removed from the atmosphere. In 2022, we shared our ambition to have a net zero balance sheet by 2050. In 2023, we will explore ways to translate our current objective of achieving a climate-neutral balance sheet by 2030 into this new ambition.

We also intend to reduce our financed CO<sub>2</sub> emissions when working towards our new net zero target. For this purpose, we focus on avoiding emissions by investing in renewable forms of energy, such as wind and solar farms. However, the objective now is to reduce more than just our own emissions; we also aim to take more greenhouse gases out of the air on a net basis by 2050.

Our net zero target comes with four objectives:

1. We reduce the existing emissions of our loans based on our SBTs. We will continue to monitor progress by means of a CO<sub>2</sub>e report in line with the PCAF methodology. We aim to achieve the goals by encouraging sustainable housing solutions, thereby reducing the CO<sub>2</sub>e emissions of our mortgage portfolio.

2. We continue to finance renewable forms of energy to boost the energy transition, as renewable energy is an essential component of a zero-carbon economy. We monitor progress on this aspect by measuring the emissions avoided.
3. We continue to explore ways to finance negative emissions. Negative emissions means that CO<sub>2</sub>e emissions in the atmosphere are absorbed and stored for a long period of time, preferably using natural solutions such as the expansion of forests and peat bogs and the use of timber in construction. Having said that, we are aware that the options are currently limited, which is why we are looking for available projects and the corresponding financing options.
4. We continue to place the climate issue on the agenda – both in our own sector and elsewhere – and seek to collaborate with other parties in that respect.

On 22 December 2022 we published our Climate Action Plan, a plan that extensively describes our objectives and our current and future activities intended to combat climate change. The action plan is available on our [website](#).

### Our climate-neutral business operations

Compared to all the assets on our balance sheet, our offices and mobility account for only 1% of total CO<sub>2</sub>e emissions. As we ourselves need to take the first step towards putting the sustainability ambition into practice, we seek to achieve green business operations. We want to continue saving energy so that we have to compensate less and less CO<sub>2</sub>e

emissions to maintain 100% climate-neutral business operations. Our target for 2024 is to produce 13% less CO<sub>2</sub>e than in 2019, including by leasing electric cars only (year-end 2022: 84%).

The average energy efficiency rating of our mortgage portfolio is 3.6. This average is based on information about the final and provisional energy efficiency ratings available, which we receive from the Netherlands Enterprise Agency (public data). A higher grade energy efficiency rating does not mean that the energy consumption, and thus CO<sub>2</sub>e emissions, is automatically reduced. For this reason, we measure and report on the footprint of our

mortgage portfolio in CO<sub>2</sub>e based on anonymised energy consumption data of our customers, which we receive from three grid operators. More information about the impact of our own business operations is available in our [Integrated Annual Report 2022](#).

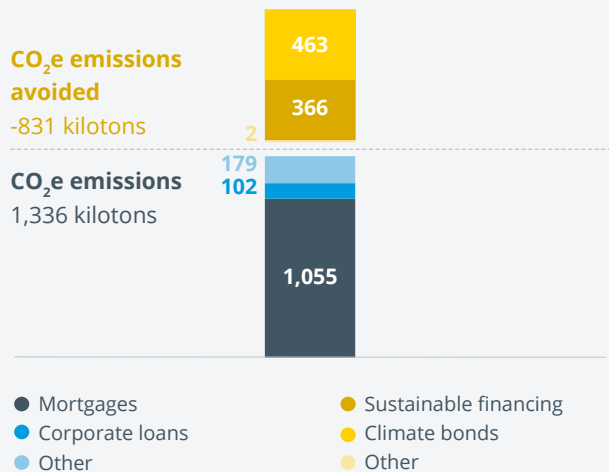
### Green bonds

De Volksbank sees the issuance of green bonds as an effective tool to make a positive contribution to the climate and achieving the Sustainable Development Goals of the United Nations and the European Union. We aim to further diversify our investor base through our green financing strategy by focusing on

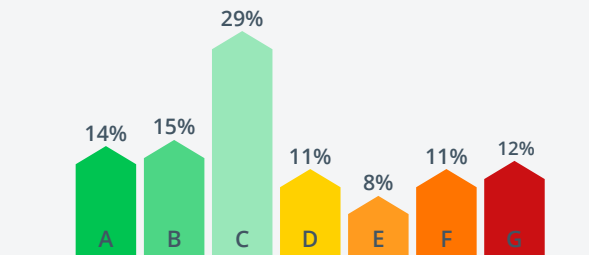
socially responsible and highly dedicated sustainable investors and by strengthening the relationship with existing investors.

In 2021, we reviewed our Green Bond Framework and aligned it with our new strategy and the EU Taxonomy. The Green Residential Buildings category was positively assessed for compliance with this taxonomy. For more information about the Green Bond Framework and the corresponding publications, and about the EU Taxonomy, see our website and the [Integrated Annual Report 2022](#), respectively.

#### CLIMATE-NEUTRAL BALANCE SHEET



#### ENERGY EFFICIENCY RATINGS IN OUR MORTGAGE PORTFOLIO OF FINANCED HOMES<sup>1</sup>

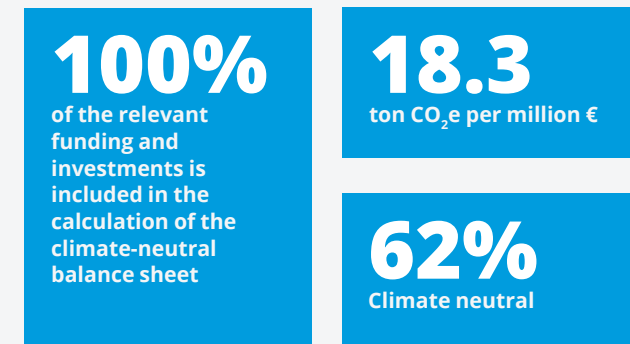


1. Rounder percentages based on the RVO database at year-end 2021. Of the homes, 40% have a final energy efficiency rating, 57% has a preliminary energy efficiency rating and 2% has an expired definitive energy efficiency rating.

#### TOTAL SCOPE 1 & 2 GROSS CO<sub>2</sub>e EMISSIONS (IN KILOTONS)

2022	2021
1,973	1,463

#### FINANCED EMISSIONS AND AVOIDED EMISSIONS



In 2022, de Volksbank issued € 500 million in Green Senior Non-Preferred (SNP) bonds and € 300 million in green Additional Tier 1 bonds. Taking into account the two Green Senior Unsecured Private bonds that matured in 2022, the total amount outstanding at year-end 2022 was € 2.8 billion.

### Sustainable housing

We help our customers make their homes more energy efficient. We do this in various ways, for example through our advisers, as 90% of them are certified sustainable housing advisers. A suitable loan, such as a mortgage with a sustainability account or a personal loan, may also help. In 2022, we also ran four extensive campaigns to offer customers specific sustainability measures, helping them to prepare their homes for a heat pump, to insulate their homes more effectively (552 requests for a quotation), to install green roofs (nearly 300

requests for a quotation) and to install solar panels (more than 1,100 requests for a quotation). The campaigns mainly targeted homeowners, excluding homes that are part of a homeowners' association. Seeking to also help tenants make their homes more sustainable, we shared sustainability tips for draught-free homes. Many homeowners' associations are eligible to receive financial aid from Nationaal Warmtefonds, which is funded by ASN Groenprojectenfonds. We were able to run these campaigns thanks to the collaboration with our partners: Milieu Centraal, Het Groene Locket, Natuur & Milieu and our Home Improvement platform.

In 2022, we participated in the campaign 'All lights are green' launched by the Dutch Banking Association. The aim of the campaign is to show consumers and companies how banks can contribute ideas towards increasing the sustainability of homes or commercial buildings and the funding of the sustainability measures. Finally, de Volksbank is the proud main sponsor of team VIRTUe, a team of students from Eindhoven who have designed a sustainable and innovative 'house of the future'.

### Pillar 2: Biodiversity MT18

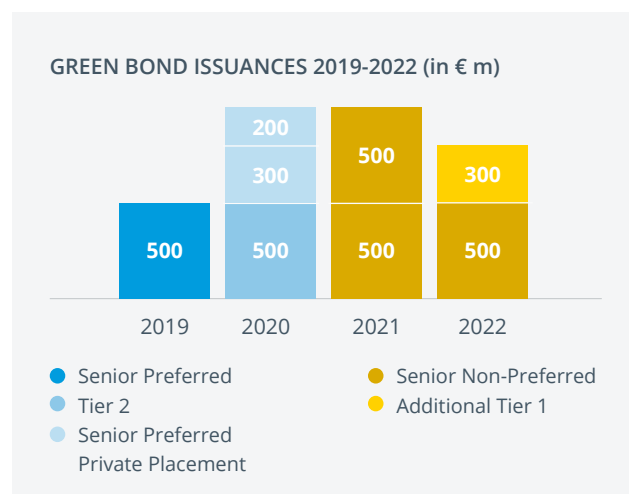
Climate change is one of the main threats to nature and biodiversity. At the same time, we need biodiversity to combat climate change, as forests, peat bogs, soils and oceans are key in the absorption of carbon. Biodiversity is also indispensable to mankind as it provides us with food, clean water and clean air.

Our offices have a relatively small impact on biodiversity compared to the impact of our investments in and loans to projects, countries and companies. Our aim is to prevent further loss of biodiversity as much as possible and contribute to biodiversity restoration. That is why we want our investments and loans to have an impact on biodiversity that is more positive than negative by 2030, i.e. a net positive impact. Starting this year, we will prepare internal reports on de Volksbank's net positive objective. We are also a member of, and have committed ourselves to, various initiatives, such as the Partnership for Biodiversity Accounting Financials and the Finance for Biodiversity Pledge, and several initiatives at the national, European and international levels. More information about this is available in our [Integrated Annual Report 2022](#).

In November 2021, ASN Bank introduced the ASN Biodiversity Fund, the first fund in Europe to invest in projects that contribute to biodiversity restoration and protection and to provide access to retail customers. The fund focuses on four sectors: forestry, agriculture/forest agriculture, seas and fisheries, and ecotourism.

### Pillar 3: Human rights MT15

As human rights are a key component of our sustainability policy, we examine where our investments pose human rights risks and take action to mitigate these risks.







## The Good Clothes Fair Pay initiative aims to enforce legislation to ensure a living wage in the garment industry legislation

### EUROPEAN CITIZENS' INITIATIVE

July 2022 saw the launch of [Good Clothes Fair Pay](#), a campaign that is part of a European Citizens' Initiative initiated by ASN Bank in 2021 in cooperation with the Fair Wear Foundation and Fashion Revolution. The aim is to collect one million signatures in one year's time to compel legislation on living wages in the global garment, textile and footwear industry. The proposal was registered with the European Commission in the second quarter of 2022.

### UYGHUR FORCED LABOUR IN SOLAR PANEL PRODUCTION

In 2021, alarming reports appeared about serious human rights violations in the Chinese region of Xinjiang. Almost all large solar panel manufacturers, which also sell their products in the Netherlands, work with suppliers from that region. That makes the solar energy sector vulnerable to forced labour. Needless to say that de Volksbank wants to avoid in every way that it (co-)finances solar panels, or components and raw materials required for production, that are manufactured by forced labour.

As ASN Bank and ASN Bank Impact Investors finance projects and companies operating in the area of renewable energy and we also offer solar panels through the online Home Improvement platform, we investigated potential abuse. The investigation resulted in a list of suppliers that we have approved for the platform where our customers purchase the solar panels we finance. The partners involved in the platform also work exclusively with suppliers of solar panels we have approved. We continued the investigation in 2022.

[To the SDG table >](#)

## 3.3 Genuine attention for employees

### Genuine attention for employees

We can only put our mission of 'Banking with a human touch' into practice if we are also a human employer. We add this human touch by providing employees with a meaningful and challenging working environment in which people pay genuine attention to one another. This will also allow us to attract and retain committed and engaged employees who can work towards our strategic goals.

Twice a year, we ask employees to indicate how they experience genuine attention, by asking them questions on the following topics:

- Making a meaningful contribution to the mission and strategy;
- Trust in each other;
- An open and people-oriented working environment;
- Facilitative leadership;
- Room for developing professionalism and personal growth.

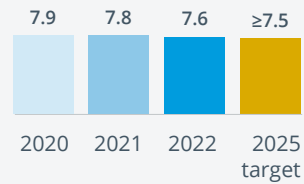
The survey reveals that employees generally experience genuine attention, are enthusiastic about their work and are highly committed to the organisation. Employees are proud of the ability to make a meaningful contribution to our mission through their work. It does, however, take time, energy and attention to get used to the new agile organisational structure and the corresponding way of working that was introduced in 2022.

## Employees



Genuine Attention

KPI



Commitment & Engagement

	Target 2025	2022	2021	2020
Commitment	8.0	7.8	7.9	8.4
Engagement	8.0	7.4	7.4	7.6

The above figures are average figures on a 1-10 scale.

## Vitality

As all employees must be able to work safely and energetically, we try to provide the best possible working conditions. We also involve our employees in the process, for example through round-table discussions with the occupational health and safety service that allow them to contribute ideas for improving working conditions within the bank.

In 2022, nearly one third of all employees did the health check we offer every three years. This preventive medical examination consists of a questionnaire, a physical examination and a meeting with a vitality adviser to discuss the results, giving employees insight into the steps they can take to feel as vital as possible.

Absenteeism over the past year was 5.1% on average (2021: 4.2%), mainly caused by Covid-19.

After two years of largely working from home, from March 2022 onwards employees were increasingly able to meet one another and work together in the office. We started working based on the following principles:

- **Teamwork:** the purpose of a team is to cooperate with a focus on results. Team members jointly determine where they work and when they will meet. Activity-oriented work that is not bound by time or place is the standard.
- **Autonomy:** de Volksbank does not impose restrictions and does not determine the number of days employees work in the office or at home, i.e. there are no fixed days of working in the office or from home.
- **Vitality:** employees take care of their own mental and physical well-being – as well as other employees' well-being. The structure of a working day matches the employee's vitality and is discussed with colleagues where necessary.

## Dilemma: the freedom of hybrid working without diminishing the sense of connection

Employees are given the freedom to work in an activity-oriented way that is not bound by time or place. In consultation with their team, they determine how they wish to structure their work. De Volksbank does not impose rules and supports employees in their hybrid way of working. The choices made in time and place differ for each team. On average, employees go to the office a little more than one day every week, which is not as frequent as before the pandemic. We do not impose a minimum number of office days on our employees, but we do intend to be alert to any signs of a diminished sense of connection among employees themselves or their sense of connection with the organisation. After all, employees do not meet as frequently as before, which holds particularly true for colleagues outside of their own team. To solve this dilemma, we opted to explicitly ask teams to pay attention to social cohesion and to provide occasions for colleagues to learn from one another while respecting the freedom that hybrid working has to offer. Teams can use a collaboration poster – a tool for team members to determine the playing field – for this purpose, as not all teams work in the same way. Together, the team members discuss what form best suits the team and its activities (a hybrid, remote or traditional way of working), or they may decide to use a combination of these forms. This discussion also includes arrangements on availability, what means of communication are used for what purpose, and how the team members intend to stay physically and mentally fit. These team arrangements are regularly evaluated.

These principles are in line with our agile way of working.

### Learning and personal development

Setting great store by employee development, de Volksbank pays for necessary training courses and team development activities, which employees can attend during working hours. All employees, including part-time employees, are also assigned their own personal development budget of € 750 (which can be accumulated to a maximum of € 2,250), which they can use for their own sustainable employability.

In 2022, the investment in employee training and development amounted to € 6.1 million (2021: € 7.1 million), or € 1,943 per employee (2021: € 2,246). We do not record the number of hours that employees spend on training and development. We encourage employees to use the learning and development platform to book study programmes and training courses and to acquire new knowledge and skills in an accessible way and generally free of charge. For instance, during de Volksbank Academy's Summer School and Winter School, employees received weekly tips to learn about a wide range of issues such as customer focus and personal effectiveness. Over 2,500 employees availed themselves of this opportunity.

De Volksbank is currently transitioning towards a learning organisation, i.e. an organisation in which developing skills takes centre stage. Employee development takes place not just outside of working hours, but especially during work.

Teams identify their development needs and address them in a targeted way.

### New agile organisation

On 1 March 2022, de Volksbank started working according to agile principles to become more agile and more customer-oriented. The transformation to an agile organisation takes about two to three years. All employees are subject to one uniform way of working, the 'de Volksbank Collaboration Model', which consists of a scrum way of working as well as a lean way of working. Independent teams make up the heart of the organisation, which is structured into hubs and centres of expertise. The centres of expertise are responsible for policies, frameworks and standards (the 'how'); they ensure that employees with the right knowledge and skills are available to the Hubs. The Hubs implement the strategic objectives (the 'what'). The transformation and the agile way of working call for different staff behaviour. Some of our employees started working in one of the new teams with effect from 1 March 2022. Redundant employees were assisted in their search for a new job at de Volksbank or elsewhere.

### Undesirable behaviour

We want to cooperate with one another in a respectful way, i.e. openly and equally, with a human touch, ensuring that we truly see and appreciate others, regardless of their nationality, culture, religion, gender, age and health – in other words, without discrimination, harassment or any form of prejudicial treatment. We are doing everything in our power to avoid transgressive behaviour. Using

support tools for employees and managers, such as the code of conduct, workshops and dilemma sessions, we foster a culture in which it is perfectly normal for employees to hold others to account for their behaviour. As undesirable behaviour regrettably still may occur, in 2022 we provided staff with additional information on persons they can contact if they do not feel safe. In addition to a manager or a colleague, they may also contact an external confidant. If the transgressive behaviour results in a complaint, the employee concerned may contact the Undesirable Manners Committee.

### Terms of employment

A new collective labour agreement was agreed with the trade union in 2022; it has a term of two years and an effective date of 1 January 2023. Employees were given the opportunity to provide input for this collective labour agreement through employee meetings and on other occasions. In addition to salary increases, the focus is mainly on arrangements that further define de Volksbank's social and inclusive character. This agreement is applicable to 99% of our employees; it does not apply to senior management, as senior management is subject to a separate remuneration policy.

**We stimulate a culture in which it is normal to talk about each other's behaviour**

### 3.3.1 Diversity and inclusion: feeling at home at de Volksbank

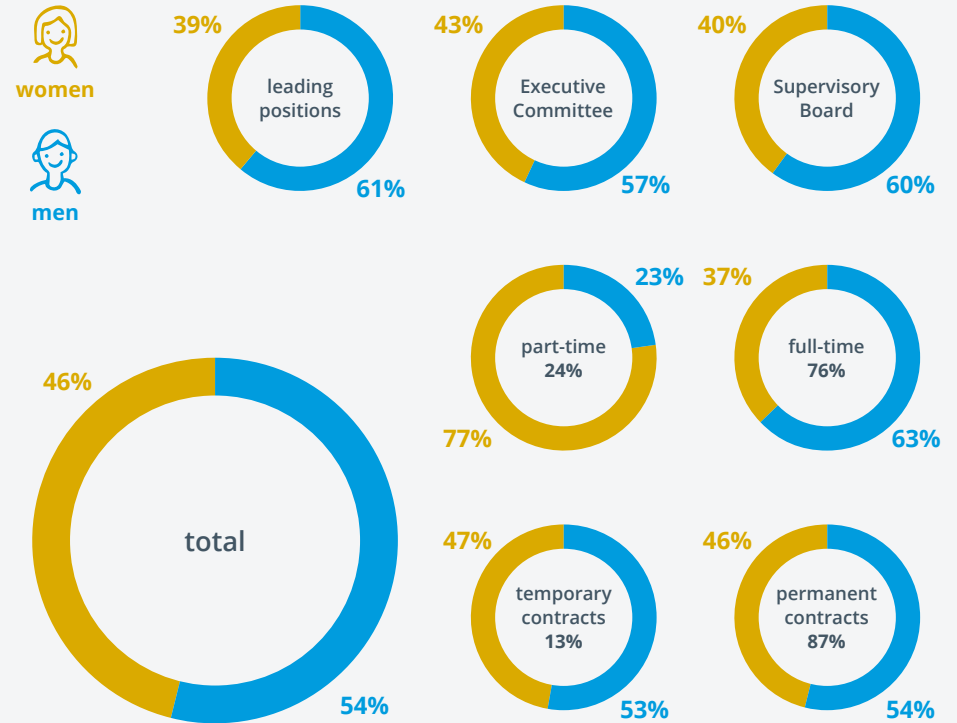
Our goal is for everyone to feel at home at de Volksbank. That is why it is paramount that we offer employees a diverse and inclusive working environment, and more diversity also brings different insights, qualities and backgrounds into the mix. Aiming to enhance diversity and inclusion, we have set up an objective recruitment and selection process, we apply a people-oriented leadership style and we are improving the gender balance. Our employee survey into inclusion revealed that 82% of our employees feel at home at de Volksbank (2021: 85%). Our target is more than 80%.

During the year, we regularly call attention to diversity and inclusion (D&I) by sharing stories, offering e-learning courses, organising dialogue sessions about dilemmas and facilitating team discussions about diversity and how colleagues treat one another. We also created the D&I Community to share knowledge and experiences within de Volksbank. At the end of 2022, employees were able to join the debate on a more progressive D&I policy during round-table discussions.

#### Diversity in gender

In the Fair Bank Guide's practical study 'Gender', de Volksbank surpasses all other banks when it comes to gender equality, although the report does state that a balanced representation of women in senior management is an aspect to be addressed. A major catching-up effort was made during 2022: 40% of the Supervisory Board members and 43% of the Executive Committee (ExCo) members are women. The challenge now is to ensure that at least 40% of all management

MEN-WOMEN RATIO END OF 2022 (BASED ON NUMBER OF EMPLOYEES)



#### STAFFING

	2022	2021
Internal FTEs (year-end)	3,123	3,178
External FTEs (year-end)	764	783
Inflow	13.6%	11.9%
Outflow (employee turnover)	14.1%	11.6%

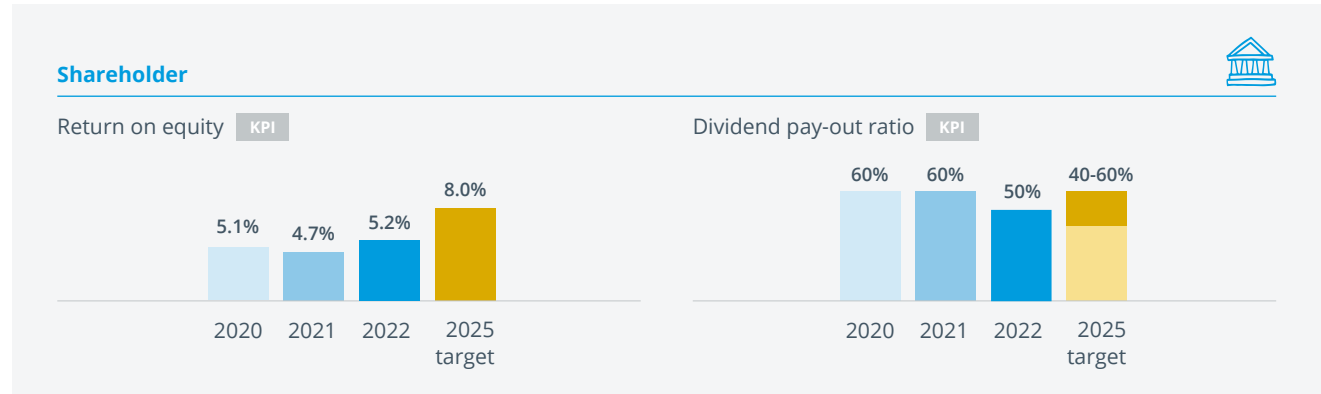


positions are held by women. We are well on our way to reaching this target, as the figure was 39% at year-end 2022 (2021: 36%). To reach the 2022 target of 37%, we agreed on rules for vacancies and appointments. De Volksbank employs 54% men and 46% women.

De Volksbank pays men and women the same remuneration in equal situations; our goal is for the wage gap, adjusted for pay grade and age, to range between -0.5% and 0.5%. This gender pay gap was very slight in 2021: 0.04% in favour of men. The gender pay gap was not examined in 2022; it will be examined again in 2023.

### Diversity in cultural background, work ability and skills

Cultural diversity is one of the aspects of the broad spectrum of diversity that we value as a bank. In 2022, de Volksbank participated in the Cultural Barometer of Statistics Netherlands. The results showed that our workforce is a good representation of the working population in the Netherlands and the financial services sector and that our employees who have customer contact properly reflect the group of current and potential customers. We also initiated the Work Ability Desk in 2022 with the aim of enhancing the work ability of people who struggle to find a job in the labour market. The Work Ability Desk facilitates, coordinates and supports everyone within de Volksbank who addresses this issue. In 2022, de Volksbank employed seven new colleagues with a distance to the labour market. Furthermore, in



2022 the teams set to work on identifying the skills, knowledge and experience needed to reach their team goals. Both individual team members and the teams as a whole can improve themselves on the basis of the insight gained.

Several colleagues of de Volksbank are part of the Agora Network's cross-mentoring programme as a mentor or mentee. In this network, several organisations have pooled resources to create a more diverse and inclusive culture and to promote the inflow, advancement and retention of multicultural talent.

### 3.4 Return for the shareholder

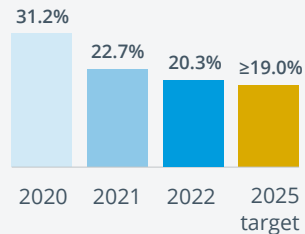
De Volksbank aims to be a sound and stable bank with low-risk activities and a corresponding return for the shareholder. For the Return on Equity (RoE), we have set ourselves a target of 8% in 2025. As communicated earlier, we are making substantial investments to implement the strategy '2021-2025' with the intention to achieve an RoE of 8% by the end of 2025.

In 2022 (see also 3.6 Financial and commercial results), the RoE stood at 5.2%, below the target of 8% but higher than the figure of 4.7% achieved in 2021. The increase was driven by higher net profit.

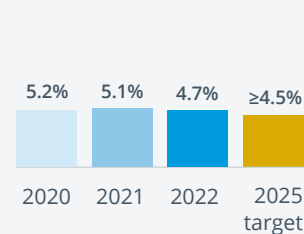
We intend to pay out a dividend of € 90 million on the 2022 result, corresponding to a pay-out ratio of 50%. This is within the 40%-60% target range.

### Other objectives

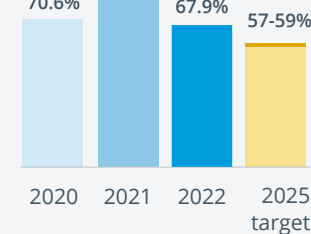
CET1 capital ratio<sup>1</sup> KPI



Leverage ratio KPI



Cost/income ratio<sup>2</sup> KPI



1. The CET1 capital ratio target is based on full phase-in of Basel IV standards. We estimate that the Basel IV fully loaded ratio as at 31 December 2022 will be 0.1 percentage point lower compared with the reported 20.3%.
2. Including regulatory levels.

## 3.5 Other objectives

Our CET1 capital ratio showed a decrease to 20.3%, compared to 22.7% at the end of 2021. The decrease was primarily caused by an increase in risk-weighted assets due to increased exposure to other financial institutions to optimise returns on excess liquidity.

Based on the balance sheet as at 31 December 2022, we estimate that the Basel IV fully loaded CET1 capital ratio will be 20.2%, compared to 22.5% at year-end 2021. This is still well above our minimum target of 19%.

In order to strengthen and diversify our capital position, we issued € 500 million of senior non-preferred (SNP) notes in April 2022, followed by the issuance of € 300 million of green Additional Tier 1 notes in June. Despite this last issuance, the leverage ratio decreased from 5.1% to 4.7% as the temporary relief measure from the ECB lapsed with effect from April 2022.

The cost/income ratio expresses the ratio between total operating expenses, including regulatory levies, and total income. The target range for the cost/income ratio in 2025 is 57-59%. We expect this ratio to meet the 2025 target range of 57-59% as the implementation of strategic initiatives is intended to gradually improve both income and operating expense levels. Furthermore, due to the changed interest rate environment, the prospect of a positive development of total income has improved.

In 2022, the cost/income ratio improved to 67.9%, compared to 80.7% in 2021. The improvement was the result of higher total income and virtually stable operating expenses (see also 3.6 Financial and commercial results).

## 3.6 Financial and commercial results

Net profit rose by € 29 million to € 191 million, as a result of higher total income and lower operating expenses. This was partly offset by a swing in impairments.

Total income increased by 17% to € 965 million. Net interest income rose 10% to € 851 million. As a result of rising interest rates, the interest on liquidities deposited with financial institutions, such as the ECB, went up, showing a swing from interest paid to interest received. In addition, interest income on our investment portfolio increased, while expenses to hedge our interest rate risk decreased. These elements were partly offset by lower income from mortgages, higher wholesale funding expenses and reduced loss of interest income due to mortgage prepayments.

Net fee and commission income was up 31% to € 51 million, mainly driven by higher mortgage advisory fees and fees for the basic banking package. Other income was exceptionally high at € 63 million, € 50 million higher than in 2021. This increase was mainly driven by a € 46 million gain on swaptions, used to hedge our bank's long-term interest income against sharply rising market interest rates.

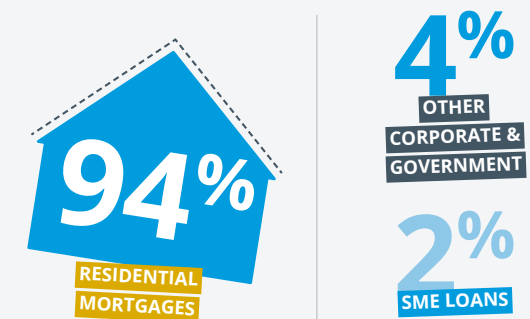
Total operating expenses decreased by 2% to € 655 million, corresponding with a cost/income ratio of 67.9% (2021: 80.7%). This decline was mainly driven by lower regulatory levies and lower staff expenses. In both 2021 and 2022, operating expenses included a positive incidental item. In 2021 there had been a € 22 million revaluation of a previous contribution related to the insolvency of DSB. In 2022 we released part of the 'agile' restructuring provision formed in 2020. This release, in the amount of € 23 million, was driven by changing assumptions, such as fewer redundancies as a result of re-employing more staff for regulatory and compliance-related topics in relation to customer integrity.

Total impairment charges rose to € 52 million, a swing of € 110 million compared to the € 58 million reversal in 2021. The higher impairments were mainly driven by deteriorated macroeconomic parameters used in our loan loss provisioning models. Of the impairment charge, € 23 million related to a small number of corporate loans. The actual incurred losses of residential mortgages and SME loans remained at a very low level, evidencing the high underlying credit quality.

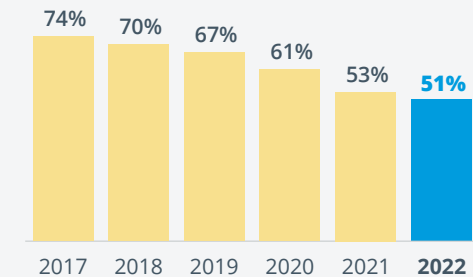
#### INCOME STATEMENT

Financial results (in € m)	2022	2021	Change
Total income	965	827	+17%
Total operating expenses	655	667	-2%
Impairment charges of financial assets	52	-58	-
Total expenses	707	609	+16%
<b>Result before taxation</b>	<b>258</b>	<b>218</b>	<b>+18%</b>
Taxation	67	56	+20%
<b>Net result</b>	<b>191</b>	<b>162</b>	<b>+18%</b>
Incidental items	17	17	
<b>Adjusted net result</b>	<b>174</b>	<b>145</b>	<b>+20%</b>
Return on Equity	5.2%	4.7%	

#### LOANS AND ADVANCES TO CUSTOMERS



#### Average Loan-to-Value of residential mortgages



**We aim to be a sound and stable bank with low-risk activities and a corresponding return for our shareholder**

Our residential mortgage portfolio showed an increase in 2022, from € 47.2 billion to € 48.3 billion (excluding IFRS value adjustments). New mortgage production amounted to € 7.4 billion, compared to € 8.1 billion in 2021. Repayments were also lower, from € 7.0 billion to € 6.3 billion. Our market share of new residential mortgage production decreased to 5.4%, from 5.8% in 2021. SME loans grew by € 255 million to € 1.1 billion.

Retail savings decreased by € 1.1 billion to € 44.5 billion, impacted by an outflow of mono savings customers following the introduction of a fixed fee for the basic banking package. As a result, our market share retail savings decreased to 10.4% (2021: 11.3%). Assets under management decreased by € 0.8 billion to € 3.9 billion, driven by falling stock markets.

## Outlook

We expect net interest income in 2023 to continue to improve, benefitting from the changing interest rate environment. We expect interest income on mortgages and other assets to improve gradually and hedging costs to decline, partially offset by an increase in funding costs. Net fee and commission income is expected to increase, reflecting the progress of our growth initiatives. Other results on financial instruments are expected to return to a lower level as the financial year 2022 was positively impacted by a gain on swaptions used for hedging purposes. In all, we expect total income to be higher compared to the 2022 level.

We also expect operating expenses to be higher, mainly driven by IT security investments and projects related to banking regulations and customer compliance supporting our aspiration to be a more robust and resilient organisation.

The impact of geopolitical developments, such as the war in Ukraine, and of the macroeconomic forecasts on our customers and their financial resilience, is highly uncertain. Consequently, this may impact our loan loss provisioning levels. We expect to increase these levels in line with our outlook for moderate loan growth.

Considering the factors described above, we expect net profit for 2023 to be above that of 2022.

## The year 2022 was largely dominated by the Covid-19 pandemic and the Russia-Ukraine war



## 3.7 Responsible risk management MT12

Just like all other activities of de Volksbank, our risk management is equally based on our mission of 'Banking with a human touch' and on our shared value ambition. We distinguish between risks that provide opportunities and risks that we should avoid, and determine our risk appetite on this basis.

### Risk profile

De Volksbank focuses mainly on Dutch retail customers. The balance sheet is primarily made up of residential mortgages (year-end 2022: 63% of the balance sheet total) and funds that customers have entrusted to us (year-end 2022: 78% of the balance sheet total). We accept the risk profile that matches a business model of low-risk activities and limited product and geographical diversification. We form appropriate provisions for any credit losses we may reasonably expect. We also maintain an ample capital position to absorb unexpected losses.

### Strategic, financial, non-financial and sustainability risks

In our risk management we distinguish between:

- strategic risks (related to the strategy, the business model and sustainability);
- financial risks (mainly consisting of credit risk, but also including market risk, interest rate risk and liquidity risk);
- non-financial risks (operational risk, compliance risk, legal risk, model risk, and reporting and data management risk).



We monitor each of these risks and take measures to mitigate them where necessary and to the extent possible. We also started identifying sustainability risks in more detail. For instance, in 2022 we analysed the results of the ESG risk assessment, which was conducted for the first time in 2021. We also took part in the climate risk stress test coordinated by the ECB, in which 104 financial institutions participated. Our scores on both the ESG risk assessment and the climate risk stress test are above the average scores of the peer group.

The year 2022 was once again largely dominated by the Covid-19 pandemic and the Russia-Ukraine war. The war set the Dutch economy, which had not fully recovered from the Covid-19 pandemic, on a course of slower growth and prompted rising inflation.

As a bank, we are also operating in an environment that is changing at an increasingly rapid pace due to new technologies and new competitors. Our new strategy is our response to these developments. The transformation to an agile way of working and investments in our IT platform should prevent a situation with insufficiently agile and available data and IT systems. Meanwhile, risks related to data and IT systems continue to grow. As the labour market has become increasingly tight since 2021, finding suitable new employees is a challenge. This may put pressure on our ability to implement changes adequately and in time.

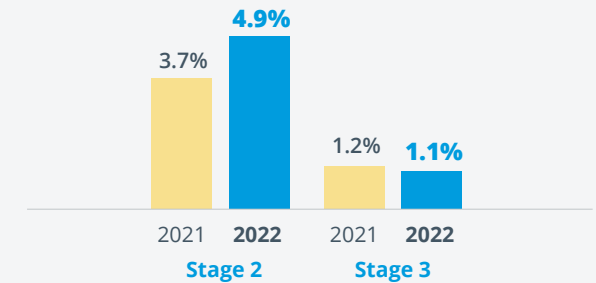
### Risk governance

Our risk management governance is structured according to the three lines of defence model. In this model, the first line of defence, (the business), is responsible for setting up and executing its own processes. This is where the risks are identified, assessed, reported and measured against the risk appetite that has been determined. The second line (Risk) supports the business, sets the frameworks, gives advice and monitors whether the business actually takes its responsibility. In addition, the second line (Compliance) continuously monitors whether de Volksbank complies with laws and regulations as well as its own policies on integrity. Finally, the third line (the Audit Function) independently assesses the first and second lines' performance.

### Risk culture

Culture is a decisive factor in risk management and risk awareness. As we want the entire organisation to propagate our risk culture, this is a major point of focus in the first, second and third lines of our business operations. The Executive Committee (ExCo) and our employees are aware of their role, of their serving as an example and of their responsibilities. The Supervisory Board, too, is key to securing the right risk culture. De Volksbank's ExCo approves the risk policy. The presence of the members in all of the bank's risk committees testifies to their commitment to risk management. For a comprehensive description of the various risks and how we deal with them, see Section 4 of the [Integrated Annual Report 2022](#).

STAGE 2 AND STAGE 3 LOANS expressed as a % of the total loans and advances



### CREDIT RISK INDICATORS

Total loans and advances to customers	2022	2021
Stage 3 (in € m)	549	607
Stage 3 ratio	1.1%	1.2%
Stage 3 coverage ratio	12.8%	6.6%
<b>Residential mortgages</b>		
Stage 3 (in € m)	453	531
Stage 3 ratio	0.9%	1.1%
Stage 3 coverage ratio	6.4%	3.2%
In arrears	0.7%	0.7%
NHG guaranteed	24%	25%
Weighted average indexed LtV	51%	53%

## Credit risk

Credit risk poses by far the greatest risk of all financial risks. We define credit risk as the risk of a customer being unable to meet the contractual obligations arising from the loan agreement, resulting in a potential financial loss for the bank. Accounting for a share of 94%, residential mortgages make up the largest part of our loans.

## Additional provisions

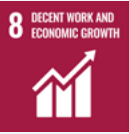




Responding to the extraordinary economic uncertainty ensuing from the Covid-19 pandemic and the subsequent lockdowns, in mid-2020 de Volksbank introduced two management overlays to make provision for residential mortgages and SME loans: a management overlay for Covid-19 and a general management overlay. All Dutch Covid-19 restrictions were lifted at the end of March. As back testing did not give cause to maintain the Covid-19 management overlay, it was released. We also released the general management overlay, which had been formed to absorb a drop in house prices.

**Accounting for  
a share of 94%,  
residential mortgages  
make up the largest  
part of our loans**

The Covid-19 pandemic left scars in several supply chains, prompting a supply and demand imbalance and rising inflation. The war between Russia and Ukraine reinforced the increase mainly because of higher energy prices, which affected nearly every company. Inflation may put financial pressure on households, especially if they have used all or virtually all of their borrowing capacity and have few options, if any, to lower their mortgage payments. We formed a € 24 million management overlay to cover this risk for recently provided residential mortgages. To mitigate the risk of falling house prices for interest-only mortgages in particular, we formed a € 4 million management overlay based on the growth in the house price index of our macroeconomic forecast. Stage triggers for interest-only mortgages are adjusted, for which an overlay of € 8 million is created. Together with € 11 million for model limits, this makes up the common management overlay of € 47 million for residential mortgages. We formed a € 4 million general management overlay for SME customers who may be impacted by inflation, higher gas and energy prices and the Russia-Ukraine war combined with gloomier cashflow forecasts (caused by less favourable macroeconomic conditions). We evaluate the management overlay components at least once every quarter.

Model improvements translated into an increase in the stage 3 coverage ratio (provision for stage 3 loans as a percentage of total stage 3 loans) from 6.6% to 12.8%. Higher house prices also caused a further improvement of the average Loan-to-Value of our mortgages to 51%, from 53% in 2021. Retail mortgages in arrears decreased from € 552 million to € 333 million. This is exclusive of customers with whom we have agreed payment arrangements as a result of the Covid-19 pandemic.



SDG	Our positive influence	Our negative influence or a risk thereof
 <p><b>Targets:</b> 8.3, 8.5, 8.8, 8.10</p>	<ul style="list-style-type: none"> <li>We contribute to economic growth. We facilitate payment transactions, transform financial risks and maturities for market parties and individuals and offer financial services in a socially responsible way.</li> <li>By giving genuine attention to professionalism, autonomy and personal growth of employees, they can develop themselves and make a meaningful contribution to our mission. We want everyone to feel at home at de Volksbank and aim for equal opportunities and equal pay for all our employees</li> </ul>	<ul style="list-style-type: none"> <li>At present, we are not (quite yet) meeting our own diversity target of having at least 40% female managers by 2025. At year-end 2022, 39% of our managers was female.</li> <li>In 2022, we transitioned to a new agile organisational structure. As a result, a number of jobs were lost at de Volksbank and a number of positions changed drastically.</li> <li>By acting carelessly, we could damage customers' and society's trust, for example in the event of data loss and/or breach of privacy.</li> </ul>
 <p><b>Targets:</b> 11.1, 11.3</p>	<ul style="list-style-type: none"> <li>We are committed to making our mortgage portfolio more sustainable so as to contribute to climate-proof homes and communities. Since 2019, for example, we have been offering customers favourable conditions with the ASN Mortgage to encourage them to make their homes more sustainable by investing in energy-saving facilities. In addition, customers who have a home with energy efficiency rating A or better are eligible for an interest rate discount on their ASN Mortgage. And, through our Home Improvement platform and various campaigns, we encourage the use of measures to make homes sustainable.</li> </ul>	<ul style="list-style-type: none"> <li>Through RegioBank we are committed to quality of life in communities. We do this by means of branch offices in regional areas and by promoting entrepreneurship in small communities. For instance, in 2022 the first election of the 'Most Sustainable Community Business Owner of the Year' was held to spotlight business owners who promote the interests of their communities.</li> <li>We are committed to making the housing market more accessible, for instance for high-rent tenants.</li> </ul>
 <p><b>Targets:</b> 13.2, 13.3</p>	<ul style="list-style-type: none"> <li>As we do not want to have a negative impact on the climate, we aim for a climate-neutral balance sheet by 2030 and a net zero balance sheet by 2050.</li> <li>We regularly inform our customers about the possibilities of making their homes more sustainable.</li> <li>In 2022, we issued € 800 million in green bonds.</li> </ul>	<ul style="list-style-type: none"> <li>We exclude polluting industries and activities from our investment universe.</li> <li>We are the first bank in the Netherlands to apply approved Science Based Targets (SBTs) to meet the goals of the Paris Climate Agreement.</li> </ul>
 <p><b>Targets:</b> 15.1, 15.A, 15.B</p>	<ul style="list-style-type: none"> <li>In November 2021, ASN Impact Investors launched a fund that primarily focuses on the recovery and protection of biodiversity: the ASN Biodiversity Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Our objective is to have a net positive effect on biodiversity as a result of all our loans and investments by 2030..</li> </ul>
 <p><b>Targets:</b> 17.14, 17.16, 17.17</p>	<ul style="list-style-type: none"> <li>De Volksbank and its four bank brands regularly enter into partnerships such as the Partnership Carbon Accounting Financials, Platform Living Wage Financials and Partnership Biodiversity Accounting Financials.</li> </ul>	<ul style="list-style-type: none"> <li>We signed the Principles for Responsible Banking (PRB) and the national Climate Commitment.</li> </ul>



# 4. Corporate governance





We want to organise the bank in a structured and honest way that fits our vision. We act in compliance with established standards and values.

#### 4.1 Looking back and ahead with the Chairman of the Supervisory Board

The end of the European Covid 19-related lockdown measures, the start of the Russia-Ukraine war and the subsequent sharp increase in energy prices, inflation and interest rates meant that in 2022 everyone had to operate in a very uncertain and quickly changing economic and geopolitical environment. The same was true for de Volksbank. Following years of low and even negative interest rates, coupled with steadily increasing house prices, the year 2022 marked a fundamental change: interest rates rose sharply and the housing market in the Netherlands started to cool down.

In the second year of the implementation of our strategy for 2021-2025, this meant that, based on the updated macroeconomic projections for the coming years, the financial outlook for our bank changed significantly. On the one hand, rising interest rates are by and large positive for the total income of de Volksbank, on the other hand, higher inflation and stalling economic growth will also have an upward impact on operating expenses and expected loan loss provisioning. The Supervisory Board has been kept up to date about revised financial projections for the coming years and is appreciative that the financial objectives for 2025, in terms of Return on Equity, cost-income ratio and solvency, have remained unchanged and are still within reach. The Supervisory Board approved the Operational Plan for 2023-2026 on 1 December.

De Volksbank has set itself the goal of becoming the bank with the strongest customer relationship in the Netherlands, with a substantial and measurable positive impact on society. If we are to make this happen, a number of changes are necessary.

First and foremost, the bank's operations need to be robust. To this end, we have chosen to build an agile organisation. A change programme entitled Klantificeren graag! was launched in 2021, and in March 2022 virtually all parts of the bank adopted the agile way of working. The Supervisory Board was closely involved in the progress of the implementation throughout the year and saw to it that the programme was executed within the parameters of responsible risk management, while considering the interests of employees. In the course of the year, the Works Council and the Supervisory Board had regular meetings.

The choice for an agile way of working calls for different behaviour and different leadership. To better support the change programme, a new senior management structure was set up, consisting of an Executive Committee, with effect from 16 May 2022. The Executive Committee consists of four statutory members i.e. the CEO, CFO, CRO and CCO, and three non-statutory members, i.e. the Chief Information Officer (CIO), the Chief Transformation Officer (CTO) and the Chief People & Organisation Officer (CPOO). The recruitment process for the vacancies for the CFO, CIO, CTO and CPOO positions was an explicit





point of focus for the Supervisory Board in 2022. By 1 October 2022, all vacancies were filled.

The Executive Committee is supported by a group of senior managers, 'de Volksbank Leadership Team', appointed after development assessments were conducted in 2021. In 2022, the Supervisory Board freed up considerable time to meet members of senior management, with the aim to improve and intensify cooperation with different management levels.

History has shown that a solid foundation contributes to proper management dynamics. Guided by external advice, the Supervisory Board implemented a programme aimed at redefining the relationship between the Executive Committee and the Supervisory Board. In line with this, and in addition to its regular supervisory duties, in 2022 the Supervisory Board supervised the development of execution power and leadership within the new agile organisation and of the IT roadmap as cornerstones of the customer bank.

Other important preconditions to implement our strategy are a strict compliance with laws and regulations and the continuity of operations. Necessary improvements in data quality, a programme to improve customer integrity, fighting financial crime, and the strengthening of our IT foundation remained high on the agenda. Also in 2023, these topics will remain key priorities and strong continued additional investments will be

required. The Supervisory Board will stay closely involved in these topics.

In 2022, de Volksbank posted encouraging results on its shared value ambitions for society, employees and the shareholder. Net profit showed a significant increase, underpinned by rising net interest income and fee income and slightly declining operating expenses. As in 2021, the positive impact of incidental and non-recurring items was substantial. The picture for the customer was more diverse: the number of active multi-customers increased in line with our ambition, but customer satisfaction rates declined, impacted by the introduction of a fixed monthly fee for a basic banking package.

The strategy for 2021-2025 addresses the challenges the bank faces with its traditional revenue model, making choices aimed at a growth of fee income and expansion of SME lending. Both fee income and SME lending increased substantially in 2022, but a rebound in interest income prevented a higher relative importance of these income categories.

An important challenge for the years ahead is finding and implementing concrete measures to improve our customer relationship and positive impact on society. In 2022, the brands of de Volksbank, i.e. SNS, ASN Bank, RegioBank and BLG Wonen, took many initiatives to reach out to their customers, digitally and through their network of shops and branches, on topics ranging from financial resilience to sustainable investing. The Supervisory Board

appreciates these initiatives and has challenged the Executive Committee in a positive and critical way to do more on this subject.

On 7 July 2022, the Dutch Minister of Finance informed the House of Representatives about NLFi's most recent progress report on de Volksbank. In this report, dated 30 June 2022, NLFi stated that de Volksbank made a good start in creating a more robust organisation and strengthening its social identity since the introduction of the new strategy. NLFi noted that full implementation of the strategy will require several years and the Minister of Finance agreed that de Volksbank should be given time to bring this about.

On 22 February 2023, the Minister of Finance, following up on the letter of 7 July 2022, wrote to the House of Representatives that, in order to avoid unnecessary delay and provide clarity to de Volksbank, she intends to take a directional decision about the future of de Volksbank before the end of 2023. In the decision, all options for the future and all governance models will be taken into account. We agree with the Minister that this is the right moment and, in preparation for this decision, de Volksbank will make more concrete plans for the positioning of its social identity, including its stance on the feasibility of different ownership and governance options. De Volksbank will submit these to NLFi before the summer. The Supervisory Board is closely involved in this process.

As for many other companies, the tension on the labour market is a major attention point for de Volksbank. Applicable laws on remuneration in certain key positions make this even more complicated. Maintaining and strengthening our position as an attractive employer will remain key in 2023 and beyond.

In 2022, there were no personnel changes in the Supervisory Board. On 21 April 2022, the terms of office of Jos van Lange and Aloys Kregting expired and both were reappointed. On 31 October 2022, Jos van Lange was appointed Vice Chair of the Supervisory Board.

The Supervisory Board wishes to express its gratitude for the tremendous dedication and commitment shown by management and employees. Putting our mission of 'Banking with a human touch' and our promise 'Better for each other' in practice entirely depends on their daily efforts.

On behalf of the Supervisory Board  
of de Volksbank,

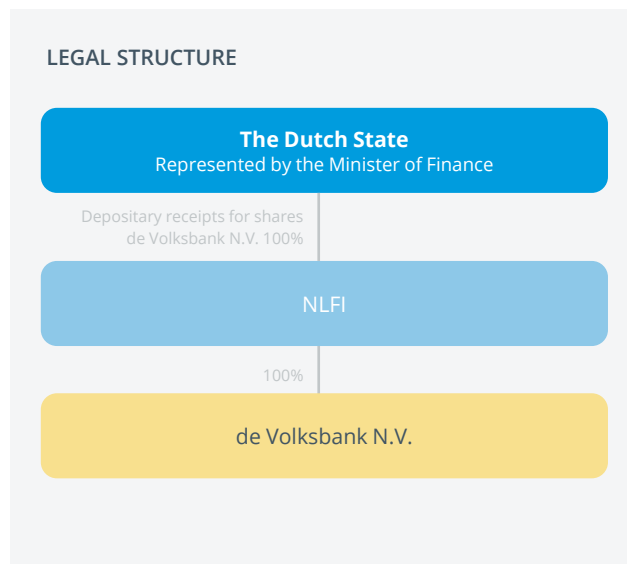
**Gerard van Olphen,**  
*Chair*

**In 2022, de Volksbank  
posted encouraging  
results on its shared value  
ambitions for society,  
employees and the  
shareholder**



## 4.2 Legal structure and shareholder

Stichting administratiekantoor beheer financiële instellingen (NL financial investments; NLFI) directly holds 100% of de Volksbank's share capital on behalf of the Dutch State. NLFI was established by the Minister of Finance and its statutory duty is to exercise the shareholder rights on behalf of the Dutch State in a number of financial institutions in a businesslike, non-political manner and to separate the interests in a transparent manner. The overview below is a simplified representation of the legal structure as at 31 December 2022. More information is available in our [Integrated Annual Report 2022](#) and on our [website](#).



## 4.3 Governance MT16

De Volksbank has a two-tier system, which means that the bank is managed by an Executive Board (statutory Board) and a Supervisory Board. Although NLFI owns de Volksbank's shares and we are not listed, we voluntarily apply the Dutch Corporate Governance Code and observe the Banking Code introduced by the Dutch Banking Association (NVB) in 2015. More information on how we apply the two codes is available on our [website](#). More detailed information on the topics below is available in Section 3 Governance of our [Integrated Annual Report 2022](#).



## Changes in the senior management structure

Following on from the strategic plan 'Better for each other – from promise to Impact' that we introduced on 12 February 2021, de Volksbank formed an Executive Committee (ExCo) in the second quarter of 2022. The ExCo adds focus and balance to the management of the changing organisation. The formation of the new ExCo was necessary for a successful implementation of our strategy. The ExCo consists of four statutory members, which we refer to as the Executive Board (ExBo) going forward, and three non-statutory members:

- Chief Transformation Officer (CTO)
- Chief Information Officer (CIO)
- Chief People & Organisation Officer (CPOO)

As a result of this ExCo structure, the position of Chief Operations Officer was cancelled as a formal position on the ExBo. The overview on the next page is a simplified representation of the senior management structure.



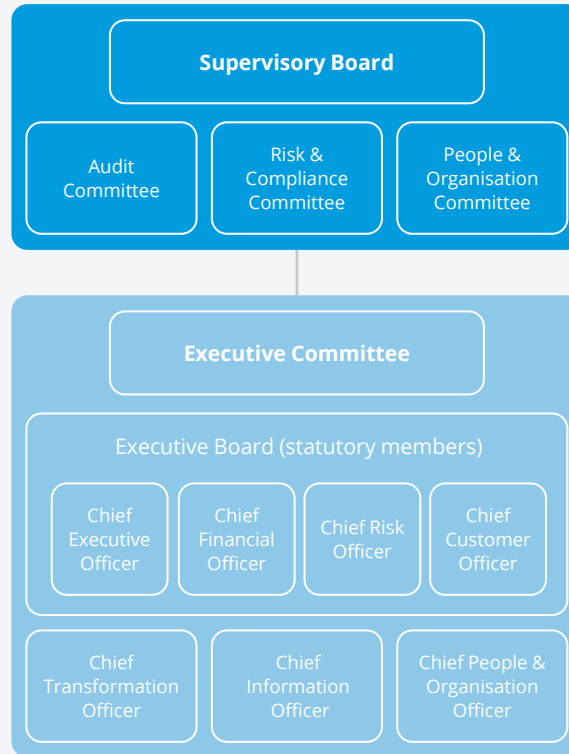
### Sustainability governance

The ExCo is responsible for achieving our shared value ambition and for creating value in the long term. Within the ExBo, the Chief Risk Officer (CRO) is responsible for sustainability. The Supervisory Board advises the ExCo and assesses to what extent our social, strategic objectives have been achieved in practice. De Volksbank also has a Social Impact Committee (SIC), which is chaired by the CRO and the Vice Chair is ASN Bank’s Hub Lead. The SIC monitors the implementation of our sustainability policy and our policies on the themes of Decent Housing, Financial Resilience and Quality of life in communities. The SIC also assesses and advises on the bank’s sustainability risk and on internal and external reporting on social issues, including this Annual Review.

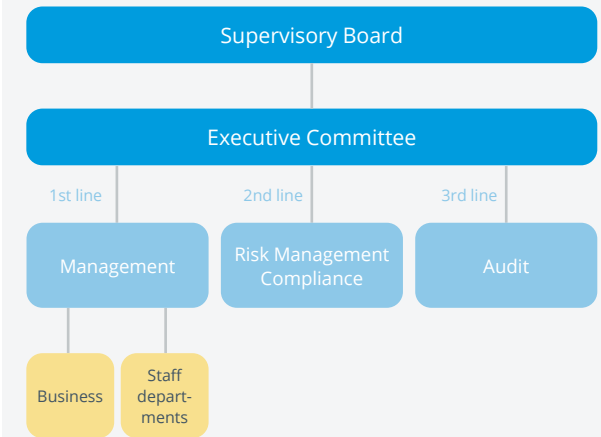
### Risk governance

The ExCo bears ultimate responsibility for risk management and acts as the umbrella ‘bank risk committee’ within the risk management organisation. It is supported by formal risk committees, with each committee comprising representatives from the first (management) and second line who support and monitor the business. The Supervisory Board is charged with the supervision of the ExCo and receives advice on this from the Audit Committee (AC), the Risk & Compliance Committee (R&CC) and the People & Organisation Committee (P&OC).

SENIOR MANAGEMENT STRUCTURE AS FROM THE SECOND QUARTER OF 2022



THREE LINES OF DEFENCE



### 4.4 Executive Board, Executive Committee and Supervisory Board Appointment of the Executive Board

The Supervisory Board draws up a generic profile for the ExBo in consultation with the ExBo. This profile specifies the required knowledge, suitability, expertise, integrity and availability of the ExBo and its members. The profile also sets out relevant aspects of diversity, such as nationality, age, gender, education and professional experience. De Volksbank’s Diversity & Inclusion Policy also applies to the ExBo. The generic profile has been approved by NLF and is published on our website. NLF appoints, suspends and dismisses members of the ExBo. The Supervisory Board must approve any decision to appoint, suspend or dismiss a member of the ExBo in advance.

### Composition of the Executive Committee

The ExCo was established on 16 May 2022, consisting of four statutory directors – the ExBo – and three non-statutory directors. In this team, Martijn Gribnau, CEO, held the role of acting CFO until 1 August 2022; on that date, André Haag joined the team as the new CFO. Furthermore, Marjolein de Jongh and Michel Ruijterman joined on 15 May 2022 and Jacqueline Touw joined the ExCo on 1 October 2022. These three members focus on the importance and the large number of changes in technology, IT and HR, respectively.

Background information on the members is included in the Integrated Annual Report 2022

[To the Integrated Annual Report >](#)

#### SUPERVISORY BOARD

As at 31 december 2022		Appointed until
CEO	Martijn Gribnau	GMS <sup>1</sup> 2024
CFO	André Haag	GMS 2026
CRO	Jeroen Dijkstra	GMS 2024
CCO	Marinka van der Meer	GMS 2026
CTO	Marjolein de Jongh	15 May 2026
CIO	Michel Ruijterman	15 May 2026
CPOO	Jacqueline Touw	1 October 2026

1. GMS = General Meeting of Shareholders

### Functioning of the Executive Board and Executive Committee

As of 16 May 2022, new regulations are in force for the changed top structure. The Articles of Association of de Volksbank contain a description of the main duties and rules for the proper functioning of the ExBo. The Regulations of the ExBo and ExCo and the Memorandum of Understanding (MoU) agreed by

NLFI and de Volksbank set out the most important tasks and powers for the proper functioning of the ExCo. In order to fulfil our mission and ambition, the ExCo continuously and explicitly weighs up the different interests. In principle, the full ExCo meets every week. The ExBo takes decisions by a majority of the votes cast and the ExCo takes decisions by a majority of the votes cast by ExBo within this forum.



From left to right: Marinka van der Meer, Michel Ruijterman, Martijn Gribnau, Jacqueline Touw, André Haag, Jeroen Dijkstra and Marjolein de Jongh.

## Appointment of the Supervisory Board

The Supervisory Board consists of at least three members who jointly have sufficient expertise to properly perform the duties. The Supervisory Board draws up a generic profile specifying the required knowledge, suitability, expertise, integrity and availability of the Supervisory Board and its members. In addition, the profile sets out the relevant aspects of diversity. De Volksbank's Diversity and Inclusion Policy also applies to the Supervisory Board. The generic profile for the Supervisory Board is approved by NLF and published on our website. When a new member is to be appointed, the Supervisory Board will recommend a candidate to the General Meeting of Shareholders with due regard to this profile. The Supervisory Board's generic profile was changed with effect from 1 November 2021 and still applies.

## Composition of the Supervisory Board

In 2022, there were a few changes in the composition of the Supervisory Board. The terms of office of Jos van Lange and Aloys Kregting were extended until the GMS of 2026. Jos van Lange was also appointed Vice Chair with effect from 31 October 2022.

**Background information on the members of the Supervisory Board is included in the Integrated Annual Report 2022..**

[To the Integrated Annual Report >](#)

The generic profile for our ExCo and Supervisory Board contains diversity and inclusion elements

### SUPERVISORY BOARD

As at 31 december 2022	Appointed until
Gerard van Olphen (Chair)	GMS <sup>1</sup> 2025
Jos van Lange (Vice Chair)	GMS 2026
Jeanine Helthuis	GMS 2025
Petra van Hoeken	GMS 2025
Aloys Kregting	GMS 2026

1. GMS = General Meeting of Shareholders



From left to right: Gerard van Olphen, Aloys Kregting, Jeanine Helthuis, Petra van Hoeken and Jos van Lange.

## 4.5 Integrity and ethics

### Ethics office

Our mission of ‘Banking with a human touch’ includes an ethical consideration of the various forms of decision-making, for which purpose we set up an Ethics Office. We weigh the options on the basis of a vision document containing our standards and values governing the use of data and artificial intelligence. The Ethics Office also explores whether the tools and technology developed for artificial intelligence can have other applications as well.

Furthermore, the Ethics Office plays an important role in raising awareness of ethical risks and as a facilitator for our Ethical Sounding Board. The sounding board is a diverse group of colleagues who are able to shed light on ethical dilemmas within de Volksbank and propose potential mitigating measures. The Ethics Office is also involved in other ethical issues, such as those ensuing from a new product launch, and helps tighten a wide range of policies governing ethical conduct, i.e. integrity.

Since a demonstrable positive correlation exists between an ethical tone at the top and ethical conduct of employees within an organisation, the Ethics Office is developing an ‘Ethical Leadership’ programme together with HR. As part of this process, the Ethics Office started establishing an Ethics Committee in 2022. The Ethics Office was formally placed with the Compliance Center of Expertise in 2022.

### Remuneration policy

In the remuneration policy and the actual remuneration, too, we take account of our four stakeholder groups. De Volksbank employees receive equal remuneration in equal situations. Differences in gender or ethnic background, for example, do not affect remuneration or appreciation. We do not apply any remuneration incentives that might give priority to short-term individual interests over long-term collective objectives. This means that we do not pay variable remuneration linked to performance agreements, as we do not consider this to be in keeping with the social character of our bank. The ExCo also receives a fixed remuneration only. The highest earner earns seven times the median salary within the bank; the policy stipulates this as no more than ten times as much. More information about our Remuneration Policy is available in the [Integrated Annual Report 2022](#).

### Tax policy

Health, safety, education and other public expenditure are paid for from tax revenues, and we are well aware of that. Being a social bank, we gladly pay our share. Naturally, we observe all relevant tax laws and regulations, in which respect we check especially whether we comply with their underlying intentions. This means that we have opted not to aim for the lowest possible tax rate or an artificially reduced tax rate. Our bank brands do not provide direct tax advice to customers. Moreover, we do not want to facilitate tax-aggressive structures for our customers and we do not offer loans or invest in companies involved in tax scandals.

TAXES PAID				
	2022		2021	
Corporation tax	€ 67m	26% <sup>1</sup>	€ 56m	25.8% <sup>1</sup>
Payroll tax/ social security contributions	€ 103m		€ 98m	
Non-recoverable VAT	€ 47m		€ 51m	
Bank tax	€ 0		€ 0	

1. The percentage stated is the effective tax rate. The nominal corporation tax rate was 25.8% for 2022 and 25% for 2021.

That is why de Volksbank does not cooperate in transactions of which tax savings are the main objective. In fact, we check very carefully whether a transaction or position is robust and has sufficient substance. We accounted for € 67 million in corporation tax on the result for 2022. The effective tax rate was 26.0% (2021: 25.8%), slightly higher than the nominal rate of 25.8%. Apart from this income tax, de Volksbank is also subject to a number of other taxes. More information is available in our [Integrated Annual Report 2022](#).



## Principles for Responsible Banking and other international guidelines

Our mission 'Banking with a human touch' means that we act ethically and in compliance with established standards and values. To put this into practice, we have committed ourselves to external initiatives and guidelines that are in line with this conduct, such as the United Nations Principles for Responsible Banking (PRB). The PRB is an international initiative to increase sustainability of the banking sector by implementing six principles. These principles include an analysis of our negative and positive impact on society and the environment, and the formulation of ambitious targets and indicators. The PRB is consistent with our [Social Impact Framework](#), which shows how we have a measurable impact on society. A detailed explanation is included in the [Integrated Annual Report 2022](#).

In addition to the PRB principles, the implementation of our shared value ambition is also underpinned by international guidelines, including the ten principles of the UN Global Compact, the International Labour Organization (ILO) and OECD standards and the United Nations Sustainable Development Goals. Our policy on specific topics such as climate, human rights and biodiversity is equally based on international guidelines, research and agreements, such as the Paris Agreement. A complete overview of all our commitments is available in the [Integrated Annual Report 2022](#).

## Anti-corruption

Corruption creates unfair competition in the daily course of business, disrupts public trust and compromises de Volksbank's integrity. As involvement in corruption or bribery is at odds with our shared value ambition and our mission of 'Banking with a human touch', we do not tolerate this from our own employees or customers nor from our partners. We have drafted a policy for each of these groups and have taken measures to combat corruption in these groups. The measures are described in our Anti-corruption Policy and include screening and the bankers' oath for employees. These measures apply to policies including our Customer Acceptance Policy, Procurement Policy, Outsourcing Policy and Screening Policy when recruiting new employees.

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**More information is available in the Integrated Annual Report 2022.**

[Integrated Annual Report >](#)

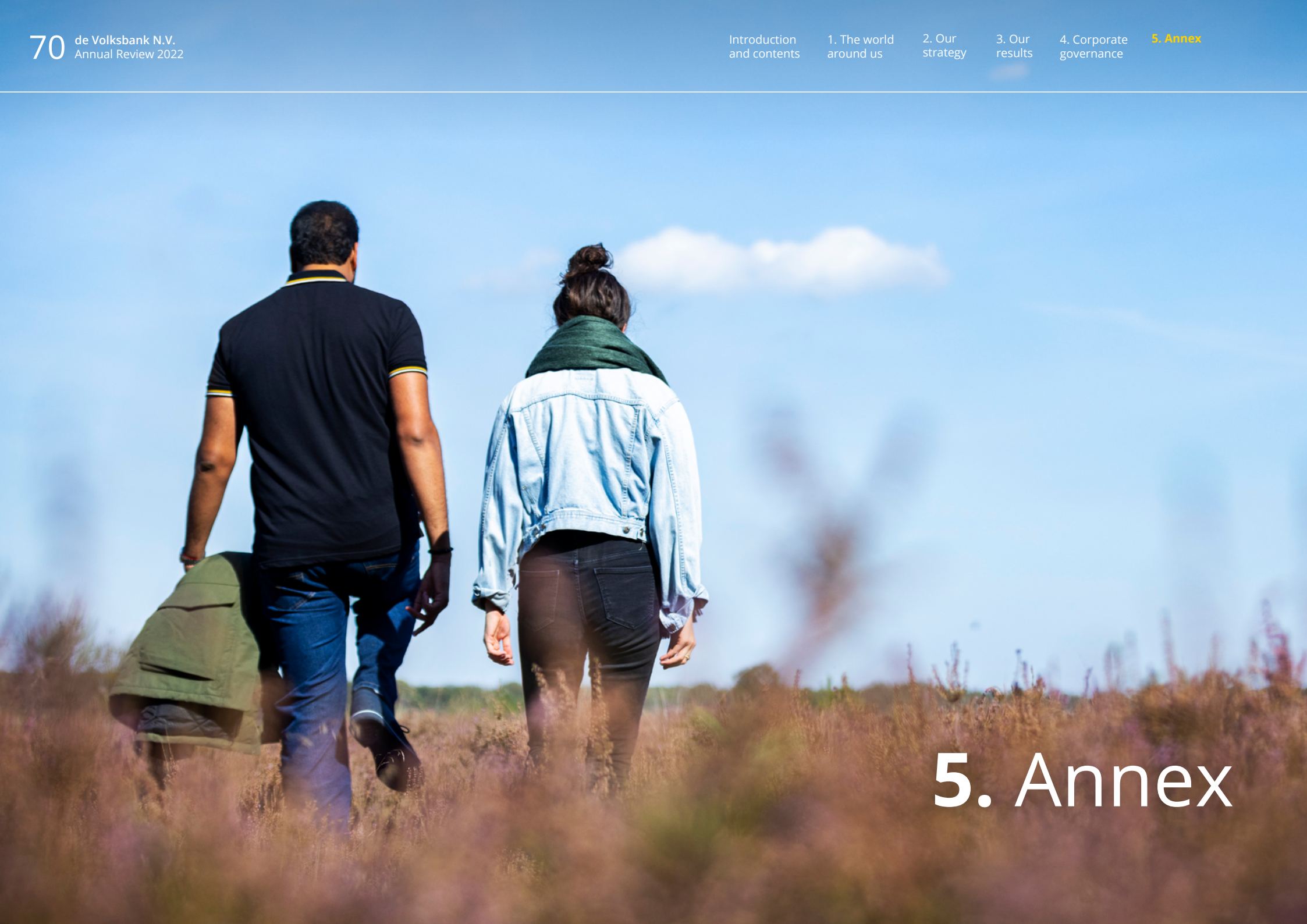
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**Several policy papers are also available on our website.**

[Our website >](#)

Although we currently do not have specific KPIs for corruption, we do require all our employees to sign the code of conduct every year. Employees generally also complete an annual mandatory training course on the code of conduct. This year was an exception, as the code of conduct was rewritten and a new training course is being developed. We also offer internal e-learning courses on ethical dilemmas and regularly call attention to ethical issues and how to deal with them.

In 2022, we conducted a survey on the 'ethical organisation' to obtain a better understanding of our organisational culture. The purpose of the measurement was to gain insight into our employees' working environment and how the organisational culture helps employees to act ethically. The survey revealed that employees were particularly positive about the 'commitment' topic, which pertains to the motivation to reach team targets in an ethical way, the intrinsic motivation to comply with the rules of conduct, and respectful treatment of colleagues in the team. Employees were least positive about the topics 'enforcement' and 'transparency', believing that unethical behaviour, regardless of who displayed it, is not subjected to the same measures in every instance and that it is not always visible who is doing what. A follow-up measurement is scheduled for 2023, which will give us an even better picture of what our employees need to act ethically.



# 5. Annex

The core of our reporting approach is based on the pillars of transparency, relevance and reliability. Therefore, we not only report on our successes, but also address our dilemmas, improvement opportunities and negative impact.

## 5.1 Our reporting approach

This Annual Review 2022 has been compiled by a multidisciplinary team. The Social Impact Committee assessed the contents and progress of the non-financial information. The ExCo and Supervisory Board of de Volksbank ultimately approved the full Annual Review. In our Annual Review, we describe how the further implementation of our strategy progressed and how we created value for our customers, society, our employees and our shareholder. Where relevant, we refer to our website or additional reports for more background information:

- Integrated Annual Report 2022, providing details on our financial statements, our risk management, environmental, social and corporate governance (ESG) aspects and the principles and standards to which we have committed ourselves.
- Pillar 3 Report 2022, containing the mandatory reporting on capital requirements and risk management ensuing from the European Capital Requirements Regulation (CRR).

We highly value your opinion on this Annual Review and our business operations. We therefore invite you to ask questions, provide feedback and share tips. If you do, please let us know via [verantwoord.ondernemen@devolksbank.nl](mailto:verantwoord.ondernemen@devolksbank.nl)

### Disclaimer

Forward-looking statements reflect our plans and expectations at the time of publication. Words such as 'ambition', 'plans' and 'expectation' are intended to clearly indicate such statements. Information about the future is based on goals and informed estimates. Nevertheless, new insights and external factors may negate this information or lead to materially different outcomes. We do not intend to publicly update this information during the year. However, we may change and/or delete this forward-looking information in future publications, such as the interim results.



## Definitions

KPI	Definition
<a href="#">Active multi-customers</a>	The KPI Active multi-customer is measured every month using our internal data systems. An active multi-customer is a customer with a current account and at least one product from another product group. Both retail and corporate customers can be considered an active multi-customer. An active current account is a current account on which the customer initiated at least ten transactions for three months in a row. For customers under the age of 18, five transactions for three months in a row is enough.
<a href="#">Net Promoter Score (NPS)</a>	We measure the customer-weighted Net Promoter Score (NPS), a customer-loyalty metric, for all its brands on a quarterly basis. The calculation for the weighted average NPS for de Volksbank only considers the total number of retail customers per brand; corporate customers are excluded. The weighted average is based on the number of customers at the end of the middle month of each quarter, aligning the NPS's measurement method that reflects the average for the relevant quarter of retail customers only.
<a href="#">Customer-weighted average KRS</a>	The customer-weighted average KRS is based on customer satisfaction, trust and brand love regarding their bank. It is calculated for all banking brands (SNS, ASN Bank, RegioBank) and is measured on a quarterly basis. The calculation for the customer-weighted average KRS for de Volksbank only considers the total number of retail customers per brand; corporate customers are excluded. The weighted average is based on the number of customers at the end of the middle month of each quarter, aligning the customer-weighted average KRS's measurement method that reflects the average for the relevant quarter of retail customers only.
<a href="#">Climate-neutral balance sheet</a>	Our balance sheet is climate neutral when we avoid, reduce or eliminate as much CO <sub>2</sub> e-emissions as we emit. From 2021 onwards, our climate-neutral balance sheet is calculated using the PCAF methodology. More information about the PCAF methodology is available in our <a href="#">Integrated Annual Report 2022</a> .
<a href="#">Genuine attention</a>	The KPI genuine attention is measured twice a year as part of the employee survey, which is conducted by a third party among all of de Volksbank's employees. In the survey, employees are asked whether they feel they are given genuine attention, using five themes, i.e. mission & strategy, trust, open & people oriented, facilitating leadership and professionalism & personal growth.

See the [Integrated Annual Report 2022](#) for a more detailed description, the methodology, the limitations and certain choices we made in relation to the measurement methods for our strategic KPIs.



## 5.2 Consolidated financial statements

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Before result appropriation and in € millions	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	8,011	10,305
Derivatives	3,302	591
Investments	5,591	5,638
Loans and advances to banks	6,884	4,527
Loans and advances to customers	48,966	50,570
Tangible and intangible assets	85	93
Tax assets	67	39
Other assets	249	318
<b>Total assets</b>	<b>73,155</b>	<b>72,081</b>
<b>EQUITY AND LIABILITIES</b>		
Derivatives	924	1,013
Amounts due to banks	2,805	1,059
Savings	44,501	45,681
Other amounts due to customers	12,649	12,447
Debt certificates	7,544	7,402
Subordinated debts	500	500
Provisions	66	102
Tax liabilities	6	9
Other liabilities	452	382
<b>Total other liabilities</b>	<b>69,447</b>	<b>68,595</b>
Share capital	381	381
Other reserves	2,838	2,943
Net profit for the period	191	162
AT1 capital securities	298	-
<b>Shareholders' equity</b>	<b>3,708</b>	<b>3,486</b>
<b>Total equity and liabilities</b>	<b>73,155</b>	<b>72,081</b>

### CONSOLIDATED INCOME STATEMENT

in € millions	2022	2021
<b>INCOME</b>		
Interest income	1,128	1,043
Interest expense	277	268
<b>Net interest income</b>	<b>851</b>	<b>775</b>
Fee and commission income	154	137
Fee and commission expenses	103	98
<b>Net fee and commission income</b>	<b>51</b>	<b>39</b>
Investment income	-8	3
Other result on financial instruments	70	10
Other operating income	1	-
<b>Total income</b>	<b>965</b>	<b>827</b>
<b>EXPENSES</b>		
Staff costs	383	414
Depreciation and amortisation of tangible and intangible assets	22	20
Other operating expenses	250	233
<b>Total operating expenses</b>	<b>655</b>	<b>667</b>
Impairment charges of financial assets	52	-58
<b>Total expenses</b>	<b>707</b>	<b>609</b>
<b>Result before taxation</b>	<b>258</b>	<b>218</b>
Taxation	67	56
<b>Net result for the period</b>	<b>191</b>	<b>162</b>

## 5.3 Abbreviations

**AC** Audit Committee of the Supervisory Board of de Volksbank

**AI** Artificial Intelligence

**CCO** Chief Customer Officer

**CDP** Carbon Disclosure Project

**CEO** Chief Executive Officer

**CFO** Chief Financial Officer

**CIO** Chief Information Officer

**COO** Chief Operations Officer

**CPOO** Chief People & Organisation Officer

**CRO** Chief Risk Officer

**CRR** Capital Requirements Regulation

**CTO** Chief Transformation Officer

**DNB** De Nederlandsche Bank

**ECB** European Central Bank

**ESG** Environmental, Social & Governance

**EU** European Union

**ExBo** Executive Board

**ExCo** Executive Committee

**FTE** Full-Time Employee

**GDPR** General Data Protection Regulation

**GMS** General Meeting of Shareholders

**GRI** Global Reporting Initiative

**HOP** House of Policies

**ILO** International Labour Organization

**IT** Information Technology

**KPI** Key Performance Indicator

**KRS** Customer Relationship Score

**MoU** Memorandum of Understanding

**NGO** Non-Governmental Organisation

**NLFI** NL Financial Investments

**NPS** Net Promoter Score

**NSR** Dutch Debt Relief Route

**NVB** Dutch Banking Association

**OECD** Organisation for Economic Co-operation and Development

**PBAF** Partnership for Biodiversity Accounting Financials

**PCAF** Partnership Carbon Accounting Financials

**PLWF** Platform Living Wage Financials

**PRB** Principles for Responsible Banking

**P&OC** People & Organisation Committee of the Supervisory Board of de Volksbank

**R&CC** Risk & Compliance Committee of the Supervisory Board of de Volksbank

**SEC** Sustainability Expertise Centre

**SDG** Sustainable Development Goal

**SIC** Social Impact Committee

**SME** Small and medium-sized enterprises

**UN** United Nations

**Wft** Financial Supervision Act

## Publication details

### Art direction, design and infographics

Wijstudio

### Photography

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### Text, editing & coordination

This Annual Review was compiled by a team of de Volksbank employees from Corporate Communications, Strategy, Integrated External Reporting, Investor Relations, Financial Markets, Marketing, Risk, Human Resources and the Sustainability Expertise Centre

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