



NL financial investments

Unofficial translation – Dutch version prevails

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The Hague, 7 February 2019

NLFI 2019/040
Subject: NLFI focus letter

Dear Jan van Rutte,

As a shareholder of Volksbank, NLFI takes the opportunity every year to send you a focus letter concerning Volksbank. The aim of this focus letter is to ask Volksbank about specific issues. NLFI also has a number of focal points in 2019 about which it would like to inform Volksbank. NLFI will incorporate these into the ongoing dialogue NLFI is conducting as a shareholder of Volksbank and may place them on the agenda of the annual general meeting. NLFI asks Volksbank to include these points when preparing its reports. NLFI's first source of inspiration was a Eumedion objective in its focus letter for 2019. Eumedion explains in its letter that more and more listed companies provide information about the specific skills of their directors in their reports. This can be an instrument that enables companies to clarify to stakeholders involved that these skills coincide with the qualities required of the directors to shape the company's long-term strategy. Eumedion also describes that other forms of diversity among directors can be explained, such as gender, age, nationality, knowledge, professional experience and socio-cultural background. In its focus letter of 2017, NLFI emphasised the importance of a broad diversity policy at Volksbank with regard to skills, experience and knowledge, as well as gender, age, disability and socio-cultural background, within the bank's organisation. In its focus letter of 2018, NLFI emphasised the importance of the correct knowledge and expertise of Volksbank directors in order to identify the risks and opportunities of technological innovations. (The subject of technological innovations is discussed in more detail below.) In line with NLFI's focus letters of 2017 and 2018, NLFI would like to encourage Volksbank to consider how it might offer transparency to all stakeholders involved in reporting on the skills and diversity of its directors.



As noted above, in its focus letter, NLFI called for attention to be paid in 2018 to the risks and opportunities of technological change and the need for the right expertise at all levels. This is desirable in order to recognise these risks and opportunities and translate them into strategic and operational matters. Technological changes are occurring rapidly and will lead to further dynamic developments in the financial sector. In the progress report from NLFI sent to the Minister of Finance in October 2018, NLFI addressed an important factor related to this. Among other things, NLFI emphasised the importance of being able to act as a smart user in incorporating innovation into the organisation ('smart adopter'). In the previous annual report, the subject emerged as a strong point in the SWOT analysis and Volksbank provided a detailed explanation of this priority in its annual report. In the progress report, NLFI was able to establish that Volksbank had been able to implement innovative technology expeditiously. NLFI warmly encourages Volksbank to further develop its skills as a 'smart adopter' and to devote considerable attention to this matter in future reports.

We would be happy to further discuss the points mentioned in this letter with you. We hope that this letter will contribute positively to the dialogue between NLFI and Volksbank. NLFI would like to draw your attention to the fact that this letter will be published on its website.

Yours sincerely,

[signature]

Lilian Gonçalves-Ho Kang You
Board Member

[signature]

Rens Brocheler Managing
Director

CC: Ms S. van Loon, Ms E. de Ruijter-Nelissen