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NLFI

Report on de Volksbank for 2024

June 2025

unofficial translation

Summary

As requested by the Minister of Finance, NLFi reports annually on the situation at de Volksbank¹ and on the readiness of de Volksbank for a decision about its future.² The Minister of Finance shares this report with the House of Representatives. Part of the assessment of whether de Volksbank is ready for a decision on its future is whether it will manage to implement its strategy successfully and achieve the stable, strong financial position required for a successful privatisation.³ Furthermore, as NLFi previously explained, a successful strategy will give de Volksbank greater discretion to determine how it will develop its own profile ("banking with a human touch") in a privatisation scenario. It should be noted that the implementation of the strategy will not result in privatisation on a one-to-one basis.

In 2024, the bank decided that, to support its mission of being a sustainable and accessible bank and to ensure operational effectiveness and continuity, a number of far-reaching measures are necessary. The bank considers it necessary to simplify and improve its business model and processes in order to strengthen its commercial and operational capacity and has launched a transformation programme for this purpose. The transformation focuses, among other things, on rationalising the brand portfolio, optimising the distribution model and simplifying the organisational structure.

In January 2025, DNB imposed fines totalling €20 million on the bank in connection with shortcomings in its compliance with the Act on the Prevention of Money Laundering and Terrorist Financing (Wwft, the gatekeeper function) and identified shortcomings regarding risk management, which de Volksbank failed to comply with the Financial Supervision Act (Wft). The bank has launched two major remediation programmes for the structural repair of the problems identified by DNB.

de Volksbank launched its strategy 'better for each other – from promise to impact' in 2021. This strategy focuses on growth by strengthening relationships with the clients of the bank brands and further increasing the social impact. This strategy will come to an end this year. The bank is currently developing its strategy for the period after 2025.

The new strategy will have to support the guiding decision taken by the Minister. In this decision, he concluded that a private sale or an IPO were realistic future options.⁴ The House of Representatives subsequently passed a motion calling on the government not to privatise de Volksbank⁵. As indicated by the Minister, the guiding decision provides the bank with some certainty about its future, but it is not a final decision to sell. A final decision will only be taken by the Minister after NLFi has established, with a assessment from a commercial perspective, that the bank is ready to return to the market.

¹ On 16 December 2024, de Volksbank announced that it would bundle the banking brands ASN Bank, SNS, RegioBank, and BLG Wonen and continue under the name of ASN Bank as a single brand, scheduled for 1 July 2025.

² Link: Parliamentary document 33532, no. 61 | Overheid.nl > Official announcements

³ NLFi has stated in the 2021 progress report that, regardless of whether the bank is privatised, de Volksbank's strategy is necessary for the bank as it will contribute to de Volksbank's continuity and stability and helps strengthen its financial position. The strategy also helps to create a better starting position for privatisation.

⁴ For an overview of the letters and analysis of the Minister of Finance, see this link: [Letter to Parliament regarding the assessment of studies on future options for the Volksbank | Parliamentary document | Rijksoverheid.nl](#)

⁵ See the link to the relevant motion of the House of Representatives: Government Participation Policy | House of Representatives of the States-General

To assess whether a holding is ready for privatisation, NLFI, in accordance with what the Minister of Finance agreed with the House of Representatives, applies the same conditions for privatisation which it applied in previous years. These conditions are as follows: (i) the company in question is ready for privatisation; (ii) the financial sector is stable, and (iii) there is sufficient market interest in the intended transaction. In addition, (iv) the aim is to recoup as much of the capital expenditure as possible.

In the opinion of NLFI, the first precondition for privatisation is met if the bank's operation is sufficiently sound and stable. The transformation that has been initiated and the two remediation programmes must (largely) be completed. In addition, NLFI notes that a good track record on dividend payments is an important aspect in deciding whether the bank is ready for privatisation. In this regard, NLFI pays particular attention to improved cost control (including the transformation programme) and a firm embedding of compliance requirements (including the gatekeeper function). If the first precondition for privatisation has been met, NLFI will assess the other three preconditions.

Since its nationalisation, the bank has not yet been ready to make a decision on privatisation. NLFI considers it unlikely that it will reach a different conclusion in the coming year. NLFI is continuing its dialogue with de Volksbank and is continuing to challenge the bank.

1. Introduction

1.1. Framework

NLFI's task is to manage the shares in the holdings that have been assigned to it.⁶ This means, among other things, that NLFI is engaged in a dialogue with de Volksbank about the bank's strategy (including its implementation) and achievement of the targets set by de Volksbank.

NLFI also has the task of advising the Minister of Finance when the bank is ready for privatisation and on a strategy for the sale of the shares by the State. NLFI will implement this strategy after a decision by the Minister.⁷ Based on its statutory duty and the objects set out in its articles of association, NLFI helps the Minister of Finance to make a decision. NLFI provides advice on the available possibilities for privatisation from a business perspective. The Minister of Finance took a final decision on these options for de Volksbank in 2024.

De Volksbank formulates its own commercial strategic direction in the market. This was one of the agreements with the ACM for reasons relating to merger control.⁸ However, the new strategy will have to be supportive of the guiding decision taken by the Minister.

This report consists firstly of a review of progress on attaining the targets as formulated by the bank for its '21–'25 strategy. We then look forward to the coming period. The (new) strategy needs to include activities that support the bank's sales readiness in line with the guiding decision of the Minister of Finance. The focus here is on the transformation and the remediation programmes.

NLFI notes that neither implementation of the transformation that is underway, the remediation programmes, nor the new strategy will lead directly to privatisation. The options for privatisation are affected by both business-related and market-related factors.

1.2. Developments in 2024

Economy

In recent years, various developments have taken place at a global, European and national level that have affected - and still affect - the economy, financial sector and banks in various ways.

Since the financial crisis in 2008, interest rates have been low (or very low) for a long time. The monetary authorities also carried out support operations during the euro crisis in 2013 and the coronavirus pandemic (2020–2022). Monetary easing (and thus low interest rates) led to an increase in inflation. A correction took place in 2022. The ECB gradually raised interest rates in 2022 and 2023 to curb inflation.

Starting in mid-2024, the ECB has been gradually cutting interest rates again. Inflation was further curbed to an average of 3.3% in that year, the pace of price increases slowed. Interest income for

⁶ NLFI previously submitted a position paper to the House of Representatives explaining its management task: <https://www.nlfi.nl/wp-content/uploads/2020/11/Position-Paper-NLFI-9-november-2020.pdf>.

⁷ As described in more detail in the [Trust Office Foundation \(Management of Financial Institutions\) Act](#) ("Wet NLFI").

⁸ for further details of the agreements with the ACM to which the Ministry of Finance and NLFI conform, see footnote 5 to the position paper referred to above.

banks also declined (as a result of falling margins on rising consumer interest rates (e.g. on savings) and declining central bank interest rates in the second half of 2024). Moreover, in the first half of 2025, monetary authorities in Europe and the United States had to take account of an uncertain trade environment due to geopolitical developments, which could lead to a pick-up in inflation and a recession. The impact of the economic situation in the NL and future central bank interest-rate policy on income for the banks (including de Volksbank) is difficult to assess.

Strategy 2021-2025

On 12 February 2021, de Volksbank introduced the strategy 'better for each other – from promises to impact'. This strategy focuses on growth by strengthening relationships with the clients of the bank brands and further increasing the bank's social impact.

This strategy will come to an end this year. During 2024, the bank monitored its strategic objectives by using key performance indicators, or KPIs. For more information, see section 2.

During this year, the bank will further shape its strategy for the period after 2025 with new KPIs leading to a healthy, future-proof bank. This is in line with the guiding decision of the Minister of Finance. NLFI will discuss the new strategy, the transformation and the remediation programmes with the bank.

Transformation

De Volksbank has concluded that a number of far-reaching measures are necessary for the successful pursuit of a future-proof, strong bank with a distinctive social profile. The transformation programme aims to strengthen the bank's position as a forward-thinking and entrepreneurial institution, attentive to the needs of both individuals and society. The bank considers it necessary to simplify and improve its business model and processes in order to strengthen its commercial and operational capacity.

At the presentation of the semiannual figures in August 2024, the bank announced that it would simplify and improve its business model and processes in order to strengthen its commercial and operational performance. The transformation focuses, among other things, on rationalising the brand portfolio, optimising the distribution model and simplifying the organisational structure. Simplifying and thus streamlining its organisational structure and processes should enable the bank to better serve its 3 million customers, improve its data quality, models, and IT systems, ensure ongoing compliance with growing regulatory requirements, and achieve cost reductions.

The bank has decided to move, in phases, to a single retail brand called ASN. Implementation will begin in mid-2025 and is expected to be completed within 3 years. The choice of one strong brand means that the optimisation of the existing SNS shops and RegioBank branches is a logical next step. This will lead to a decrease in the number of branches, from more than 600 to 320-360. The principle here is the retention of a nationwide network.

In the new set-up, customers of the current ASN Bank will soon also be given access to a local branch for personal financial advice, in combination with the current online offering for day-to-day banking services. De Volksbank is opting for a franchise model in order to efficiently implement a nationwide branch network. This combination of digital banking and a nationwide local branch network ensures that de Volksbank's customer proposition remains distinctive.

The transformation also leads to a reduction in the number of jobs. De Volksbank expects to achieve annual permanent cost savings of approximately €70 million with this reduction in staff. Between 700 and 750 full-time jobs are expected to go on 1 July 2025 (out of a total of around 4,500 jobs at the end of June 2024). The bank is aware that this has consequences for employees and will support them through personalised job-to-job programmes. The entire transformation will continue after 2025, which means further simplification may be needed in the coming years.

Remediation programmes

The bank announced in the summer of 2024 that DNB had initiated two penalty procedures. As explained by NLFI in its previous progress report, de Volksbank (like many other banks in the Netherlands) has also been confronted with shortcomings in its compliance with the Wwft and has received an instruction from DNB. This resulted in a fine of €5 million in January 2025. This administrative fine was thus imposed by DNB because the bank did not adequately monitor its customers for money laundering and therefore failed to detect the risks in a timely manner, in any case during the period from 1 July 2020 to 26 April 2023.

Furthermore, DNB imposed a fine of €15 million for shortcomings in risk management. DNB imposed this administrative fine because de Volksbank had not complied with a key core obligation in the Financial Supervision Act (Wft) to safeguard a controlled operation during the period under review from 2018 to 2023.⁹ NLFI has expressed its concern and dissatisfaction that this had to be identified by the supervisory authority. Risk management is at the heart of the bank. The shortcomings identified by DNB also underline the need for the transformation described above.

The bank has informed NLFI that it gives the highest priority to addressing the problems identified by DNB. The bank has launched two remediation programmes consisting of the Anti-Financial Crime Remediation Programme (AFC) and the Risk Management Remediation Programme.¹⁰ NLFI is monitoring the progress of both these programmes.

Governance

The bank largely operated under new management in 2024. On a proposal from the SB, NLFI appointed a new CEO, Roland Boekhout, and a new CRO, Saskia Hoskens, in the spring of 2024. In addition, the bank has created the position of Chief Financial Crime Officer (CFCO) to reinforce the importance of observance of the Wwft and the improvements that were needed. In March 2025,

⁹ Link: [Fines totalling €20 million for de Volksbank | De Nederlandsche Bank](#)

¹⁰ As the bank stated in its annual report for 2024 (available via this link: [Annual Report 2024 | De Volksbank](#)): “On 9 August 2024, de Volksbank announced that DNB had the intention to impose two administrative fines. These fines were imposed by DNB at the end of January 2025 and follow from extensive investigations conducted by DNB. It goes without saying that de Volksbank is fully cooperating with these investigations. During the investigations, the bank already initiated remediation measures, also as part of ongoing ECB supervision. DNB took this into consideration in setting the fines. The first fine amounts to €5 million and relates to the shortcomings in compliance with laws and regulations with respect to combating money laundering and terrorism financing (Wwft). The second fine amounts to €15 million and concerns shortcomings in risk management as a result of which the bank does not meet the requirement of maintaining a sound business operation pursuant to the Wft. We have recognised a provision totalling €20 million for both fines. De Volksbank did not object to the fines and the payments were made at the end of February 2025.”

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NLFI appointed Gwendolyn van Tunen (CFCO) and Isold Heemstra (Chief Customer Officer) as members of the Executive Board of de Volksbank on a proposal from the SB.

The renewed Executive Board (Exbo) has started the transformation and remediation programmes outlined above with vigour.

Future of de Volksbank

The bank's transformation and the transition to a new strategic period after 2025 have already been explained.

In addition, the Minister of Finance has made a guiding decision. The House of Representatives subsequently passed a motion calling on the Cabinet not to privatise de Volksbank.¹¹ The guiding decision did not concern a final decision to privatise the bank, but sets out the parameters that NLFI and de Volksbank need to consider, according to the Minister of Finance in his letter to the House of Representatives¹². The Minister's guiding decision is based on the assumption of a privatisation through a private sale or an IPO.

To increase the chance that these options will succeed, the Minister stated in his appreciation of the 'NLFI advice on future options for de Volksbank': *" I have asked NLFI and de Volksbank to work in parallel on preparing the options of a private sale and an IPO, so that once the guiding decision is made, both sales processes can start immediately. This preparation process has no disadvantages and/or irreversible consequences should a different decision be taken at a later date. As you know, NLFI prepares an annual progress report on the state of affairs at de Volksbank and the bank's readiness for a decision on its future. I requested NLFI to take account of the results of the final guiding decision in its progress reports starting next year."*¹³

Furthermore, restoring the bank's sound operation is crucial under any ownership structure. To assess whether a holding is ready for privatisation, in accordance with the agreement between the Minister of Finance and the House of Representatives NLFI will consider whether the same conditions for privatisation it has applied in previous years have been met. These conditions are as follows: (i) the company in question is ready for privatisation; (ii) the financial sector is stable, and (iii) there is sufficient market interest in the intended transaction. In addition, (iv) the aim is to recoup as much of the capital expenditure as possible.¹⁴

In the opinion of NLFI, the first precondition is met if the bank operates in a sufficiently sound and stable manner. The transformation that has been initiated and the two remediation programmes must (at least largely) have been completed. In addition, another important aspect is a solid track record of dividend payments. Only then will NLFI review the other three preconditions for privatisation.

¹¹ See footnote 4.

¹² See footnote 3.

¹³ See in particular the letter from the Minister of 1 October 2024, via the link:

<https://www.rijksoverheid.nl/documenten/brieven/2024/10/01/bijlage-6-kamerbrief-appreciatie-nlfi-advies-toekomstopties-de-volksbank>

¹⁴ See an explanation via this link: [Parliamentary Papers, House of Representatives, session year 2010-2011, 28165, no. 117.](#)

2. Situation

2.1. Reporting period

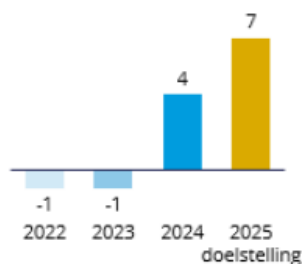
NLFI discusses the financial statements and the annual report, including the disclosure of the situation at de Volksbank, at the annual General Meeting of Shareholders. In addition, NLFI discusses progress on implementing the strategy and the quarterly figures with the bank on at least a quarterly basis. Furthermore, NLFI has interim consultations with the bank on various topics, including in particular the way in which the bank addresses the shortcomings identified by DNB in respect of compliance with the Wwft and the Wft.

2.2. De Volksbank's disclosure of the status of its strategy

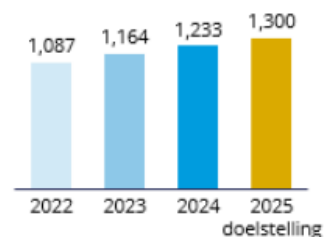
For the period 2021-2025, the bank has established a number of key performance indicators, or KPIs, that it strives to achieve and uses to measure whether it is successful in implementing its strategy. The following table and notes, which are taken from the 2024 annual report, describe the situation at de Volksbank. This concerns the last year in which these KPIs are used. New KPIs will be developed for the period after 2025.

Klanten

Klantgewogen gemiddelde
Net Promoter Score

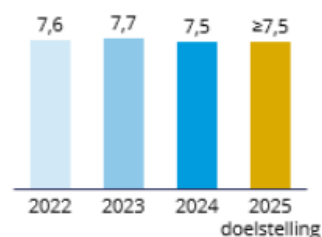


Actieve multiklanten
(in duizenden)



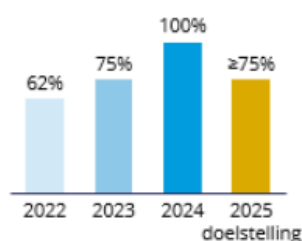
Medewerkers

Oprechte aandacht



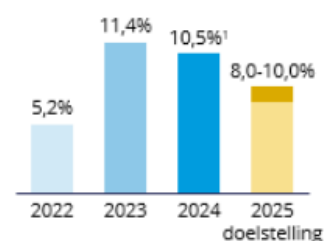
Maatschappij

Klimaatneutrale balans

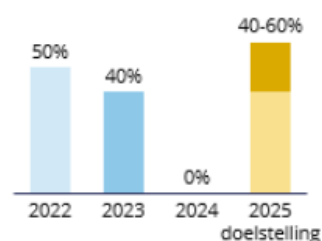


Aandeelhouder

Rendement op eigen vermogen

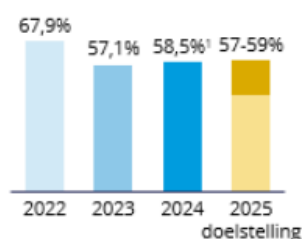


Dividend pay-out ratio

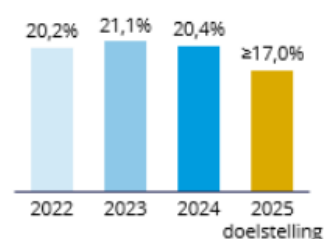


Overige doelstellingen

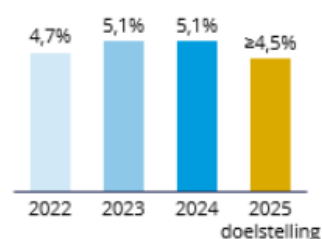
Efficiency ratio



Tier-1 kernkapitaalratio
Basel IV fully loaded



Leverage ratio



- 1) The 10.5% return on equity (ROE) excludes one-off items of €375 million before tax (€283 million after tax) related to restructuring costs for improving and streamlining the commercial distribution network, a restructuring provision related to the planned reduction of 700-750 FTEs in 2025, a provision for data remediation within the AFC domain, a provision for legal settlements, and a provision for imposed administrative fines. The reported ROE is 3.2% and the reported C/I is 87.2%.

De Volksbank's disclosure is provided in the box below.

Strong customer relationships

De Volksbank measures the progress of its customer relations using two KPIs: the Net Promoter Score (NPS) and the number of active multi-product customers. The customer-weighted average NPS rose from -1 in 2023 to +4 in 2024. The target was adjusted in the second quarter of 2024 from +13 to +7 at the end of 2024 due to changing market conditions and expectations since the preparation of the Strategic Plan in 2020. The number of active multi-customers rose to 1.233 million in 2024, compared to 1.164 million at year-end 2023. The target is 1.3 million active multi-channel customers by the end of 2025. For the third consecutive year, RegioBank, ASN Bank and

SNS were named the top 3 most customer-friendly banks in the Netherlands in 2024 by research agency MarketResponse.

Social impact

De Volksbank focuses on creating a positive social impact through banking products and services for customers. De Volksbank measures social impact primarily on the KPI for climate-neutral balance. This ratio rose from 75% in 2023 to 100% in 2024. de Volksbank has thus achieved its long-term goal of a 100% climate-neutral balance sheet by 2030. A 'climate neutral balance sheet' means that loans and investments result in as many avoided or removed CO₂-equivalent (CO₂e) emissions as they cause. The improvement in the KPI for a climate-neutral balance sheet in 2024 is mainly due to the decrease in natural gas consumption among the bank's mortgage customers, as a result of higher energy prices and higher average temperatures in the Netherlands in recent years. An update on the data for energy consumption by our mortgage customers was prepared in 2024. In addition to these external factors, de Volksbank financed additional renewable energy projects in 2024 and purchased more green bonds with a strong focus on renewable energy projects. The progress on social impact is underlined by the fact that the bank was included in Sustainalytics' list of ESG Top-Rated Companies in 2024.

Genuine attention for employees

The KPI defined for employees is 'sincere attention'. De Volksbank wants to enable its employees to make a meaningful contribution to the bank's mission and strategy. The bank does this by devoting 'sincere attention' to employees' autonomy and professional and personal growth. In de Volksbank's employee survey, employees indicate the extent to which they feel sincere attention is paid to them, based on five different themes. The target for this KPI is at least 7.5 by 2025. The score of 7.5 in 2024 (compared to 7.7 in 2023) is in line with this target. This investigation took place in October. The announcement that de Volksbank's transformation would lead to a reduction in FTEs was not yet known at that time.

Shareholder return

De Volksbank wants to be a healthy and stable bank with low-risk activities, generating a decent return for its shareholder. In 2024, de Volksbank achieved a return on equity (ROE), excluding one-off items, of 10.5%, compared to 11.4% in 2023. The reported ROE was 3.2%. This result includes non-recurring costs that largely relate to the transformation programme, the anti-financial crime (AFC) remediation programme and the settlement of legal proceedings from the period before 2010. The remediation programmes for AFC and for risk management stem from the two administrative fines imposed by DNB at the end of January 2025 totalling €20 million. These two fines were imposed due to shortcomings under the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) and shortcomings in risk management in relation to the Financial Supervision (Supervision) Act (Wft). In the second quarter of 2024, de Volksbank adjusted its medium to long-term ROE target from 8% to a range of 8-10% due to changes in market conditions and expectations since the preparation of the Strategic Plan in 2020.

Other targets

In addition to the targets set out above, de Volksbank has also set targets for efficiency and its capitalisation. The efficiency ratio is the ratio of total operating expenses, including regulatory levies, to total revenue. In 2024, the efficiency ratio increased to 87.2%, compared to 57.1% in 2023. This deterioration was mainly driven by non-recurring costs, as stated under 'shareholder return'. Without these non-recurring costs, the efficiency ratio for 2024 is 58.5%, which falls within the target range of the KPI. Based on the balance sheet at 31 December

2024, the bank estimates that, once the Basel IV rules have been fully phased in, the CET1 capital ratio will be 20.4%, compared with 21.1% at the end of 2023. This is above the bank's own target of 17%. The leverage ratio remained unchanged on 2023 at 5.1% in 2024, above the minimum target of 4.5%.

2.3. NLF's conclusions regarding the reporting period

Conclusions regarding the 2021-2025 strategy

The bank states that its 'shared values' strategy aims to create optimal total value for customers, society, employees and the shareholder.

Customer relations

De Volksbank measures progress on customer relations using two KPIs: the Net Promoter Score (NPS) and the number of active customers with multiple products. The NPS improved from -1 (2023) to +4 (2024). The bank clarifies that this was due to an increase in the number of customers with multiple products (higher weight) and a decrease in the number of single-product customers (lower weight). The bank still has some way to go to achieve the NPS target of a +7 score in 2025.

The bank also uses a KPI regarding the number of active customers with multiple products. These are customers who, in addition to holding an active current account, purchase at least one product from another product group at the bank; such as mortgage products, savings products, insurance products, or investment products. The bank also aims to diversify its income in such a way that more fee and commission income is realised, thereby reducing its dependence on interest income. NLF notes that although the number of active multi-customers has increased, the percentage of fee and commission income in relation to total income over the years has remained stable at around 5-6%.

Social impact

One of the bank's objectives contained in the KPIs is a 'climate-neutral balance sheet'. Based on the PCAF methodology, a target of at least 75% was formulated by the end of 2025. However, a score of 100% was achieved in 2024. This result was due to reduced gas consumption (as a result of higher gas prices and energy-saving measures) and higher investment in green finance (such as 'green bonds' and renewable energy projects).

New sustainability requirements in banking supervision are forcing the bank to refine its methodology. Expectation is that the KPI for CO2 emissions will be adapted to these new sustainability requirements.

Focus on employees

The bank measures its employee satisfaction with a 'sincere attention to employees' KPI. This score has been stable for years, at higher or equal to 7.5. Whether and how the transformation programme affects employee satisfaction remains to be seen.

Shareholder return

The relevant KPIs here are existing core and other capital, dividend pay-out ratio, leverage ratio, realised return and realised efficiency. The bank is well capitalised with a CET1 (core capital) ratio of over 20%. This is comfortably higher than its internal target of 17%.

The bank did not distribute a dividend for 2024. Because the bank is fully in public hands, the bank cannot raise new risk-bearing capital on the capital market. As a prudent measure, it has decided to retain its profit in order to better cope with potential commercial and regulatory developments. NLF1 notes that a good track record on dividend payments is an important aspect in deciding whether the bank is ready for privatisation.

The leverage ratio is a measure of the extent of a bank's total exposure relative to equity. This ratio is one of the indicators used to assess the resilience of a bank. With a ratio above 5%, the bank has a limited risk profile.

The KPI 'return on equity' shows a marked decrease to just 3.2% in 2024. This is partly the result of a large provision (charged to the 2024 income statement) for, among other things, costs associated with the transformation and remediation programmes.

The bank's efficiency ratio has declined to 58.5%. This excludes the provision made (the efficiency ratio including this provision is 87.2%). This ratio indicates the costs incurred for each euro earned. In the opinion of NLF1, there has been no structural improvement in the efficiency ratio and the cost level remains too high. Despite the bank's efforts to reduce its exposure to earnings from interest-rate movements in its 2021–2025 strategy, interest income remains by far the most important source of revenue for the bank.

Other conclusions

The strategy of a business operating in a dynamic and competitive environment cannot be static. There are many circumstances that affect the business operation of a commercial bank. Geopolitical tensions, rapid technological developments and changing economic conditions all have an impact. In addition, matters such as inflation and interest rates have various effects. The bank uses scenarios to assess the implications of current circumstances for its income and to respond to them in its business operations.

Developments at a regulatory level also have a major impact. The gatekeeping role of the banks is a subject of much attention in both the Netherlands and in Europe.¹⁵ The regulator De Nederlandsche Bank (DNB) has established that several Dutch banks have not done enough to implement the Wwft correctly. It has become clear that banks are struggling with the implementation of the relevant regulations. Nor did this escape the attention of the legislator, resulting in a new anti-money laundering approach being proposed in the first half of 2025¹⁶.

In addition, DNB also identified shortcomings in compliance with the Dutch Financial Supervision Act in the area of risk management. NLF1 expressed its dissatisfaction to de Volksbank in this regard. In NLF1's view, compliance with the Wwft and Wft requirements is still the top priority for the bank. The

¹⁵See, for example: [Why are banks an important gatekeeper? \(nfb.nl\)](https://nfb.nl/en/why-are-banks-an-important-gatekeeper/).

¹⁶ See [Kamerbrief over uitwerking regeerprogramma ten aanzien van anti-witwasbeleid](#)

bank has made a significant provision for costs to be incurred in relation to the transformation and the two remediation programmes (charged to the profit for 2024).

In addition, the prudential supervision of banks has been stepped up in recent years and continues to be updated.¹⁷ The Capital Requirements Regulation (CRR) 3 and Capital Requirements Directive (CRD) VI, referred to jointly as Basel IV, came into effect on 1 January 2025. Under this legislation, a great deal of attention will have to be paid to model and data requirements, including for the purpose of calculating capital requirements. De Volksbank is engaged in an ongoing dialogue with the ECB on this matter.

At a European level, banking supervision has also been expanded to include sustainability requirements. De Volksbank has always strived to fulfil a leading role in sustainability. However, the bank will also have to make adjustments to comply with these new regulatory requirements.

¹⁷ See e.g. de Volksbank annual report for 2023 (Link: Annual Report 2023 | De Volksbank), p. 89: “Internal credit risk models provide a better understanding of the quality of different segments of the loan portfolio compared to the use of the Standardised Approach and enable a better determination of risks and risk-weighted assets. Meeting the standards set by the supervisory authorities for the use of these models requires improvements in de Volksbank’s data quality and the IT foundation. To bring about these improvements must remain a priority in the years ahead.” See also page 106: “Data management and data quality improvement is an important part of our strategic plan. We have taken an important step by launching a strategic programme to set up a robust data processing infrastructure for our reporting processes. We are also implementing a programme to improve control over critical data elements.”

3. In conclusion

On 12 February 2021, de Volksbank introduced its strategy “better together – from promise to impact.” This strategy focuses on growth by strengthening relationships with the clients of the bank brands and further increasing the bank’s social impact. The strategy will come to an end this year. The bank is currently further developing its strategy for the period after 2025. As explained above, the focus is on the transformation and the two remediation programmes.

The new strategy will also have to be supportive of the guiding decision taken by the Minister. The Minister of Finance has concluded that private sales or an IPO are realistic future options. The guiding decision gives the bank a basis for its future, but it is not a final decision to sell. A final decision will only be taken by the Minister after NLFI has established, with an assessment from a commercial perspective, that the bank is ready to return to the market.

De Volksbank’s future success will largely be determined by the effectiveness of the chosen strategy and the extent to which that strategy is achieved. The focus on rapid implementation of the transformation and remediation programmes has to be the highest priority for de Volksbank in the coming years.

To assess whether a holding is ready for privatisation, in accordance with the agreement between the Minister of Finance and the House of Representatives NLFI will consider whether the same conditions for privatisation it has applied in previous years have been met. These conditions are as follows: (i) the company in question is ready for privatisation; (ii) the financial sector is stable, and (iii) there is sufficient market interest in the intended transaction. In addition, (iv) the aim is to recoup as much of the capital expenditure as possible.

In the opinion of NLFI, the first precondition for privatisation is met if the bank’s operation is sufficiently sound and stable. The transformation that has been initiated and the two remediation programmes must (at least largely) have been completed. In addition, NLFI notes that a good track record on dividend payments is an important aspect in deciding whether the bank is ready for privatisation. In this regard, NLFI pays particular attention to improved cost control (including the transformation programme) and a firm embedding of compliance requirements (including the gatekeeper function). If the first precondition for privatisation has been met, NLFI will assess the other three preconditions.

Since its nationalisation, the bank has not yet been prepared to make a decision on privatisation. NLFI considers it unlikely that it will reach a different conclusion in the coming year. NLFI is continuing its dialogue with de Volksbank and is continuing to challenge the bank.