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Update transformation de Volksbank

Investor Presentation
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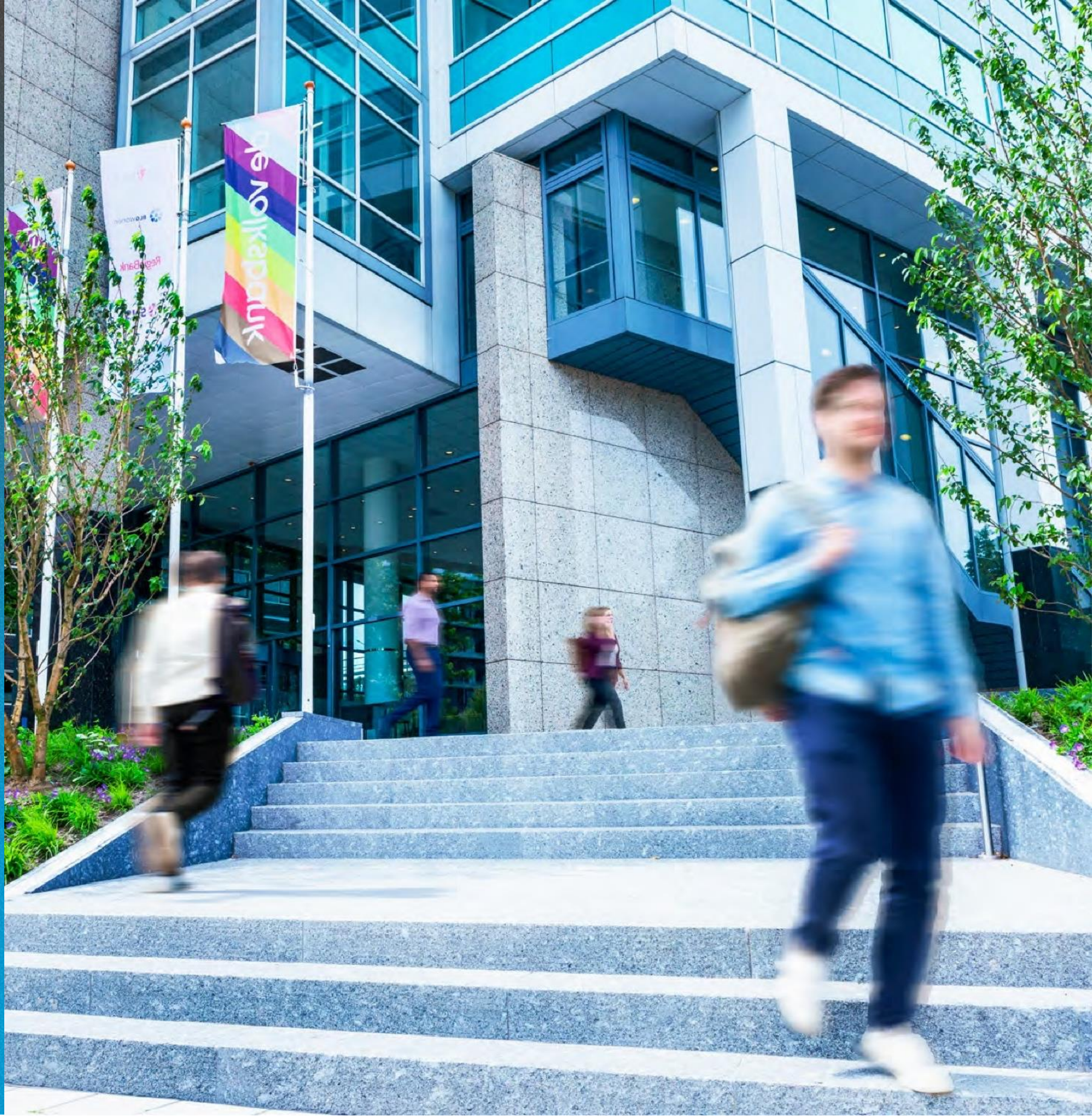
01.
Update transformation



Update transformation

On 19 November 2024 de Volksbank has presented the framework within which the transformation will take place in the coming period. The transformation focuses on the rationalisation of the brand portfolio, the optimisation of the distribution model and the simplification of the organisational structure

Today, an update is given on:

1. The intention to take a substantial provision over 2024
2. The optimisation of the distribution model: branch reduction, while maintaining a nationwide network

The transformation is independent of any future ownership structure and is necessary to make the bank more commercially decisive and operationally stronger for a financially sound business

02.
Provision

De Volksbank intends to take a substantial provision over 2024

De Volksbank intends to take a provision of between € 340 million and € 360 million pre-tax over 2024

This provision is largely related to:

- the recently announced transformation program: the simplification of our organisation structure, resulting in an expected reduction in the number of jobs by 700 – 750 FTEs, and the optimisation our distribution model, leading to a reduction in the number of branches

- our anti-financial crime (AFC) remediation program: covers future costs of the execution of our comprehensive remediation plan

After this intended provision, de Volksbank still expects to realise a positive net result over 2024

The intention is to take this provision over 2024. We will further specify these provisions with the presentation of our 2024 annual results, scheduled for 14 February 2025

03.
Optimisation distribution model

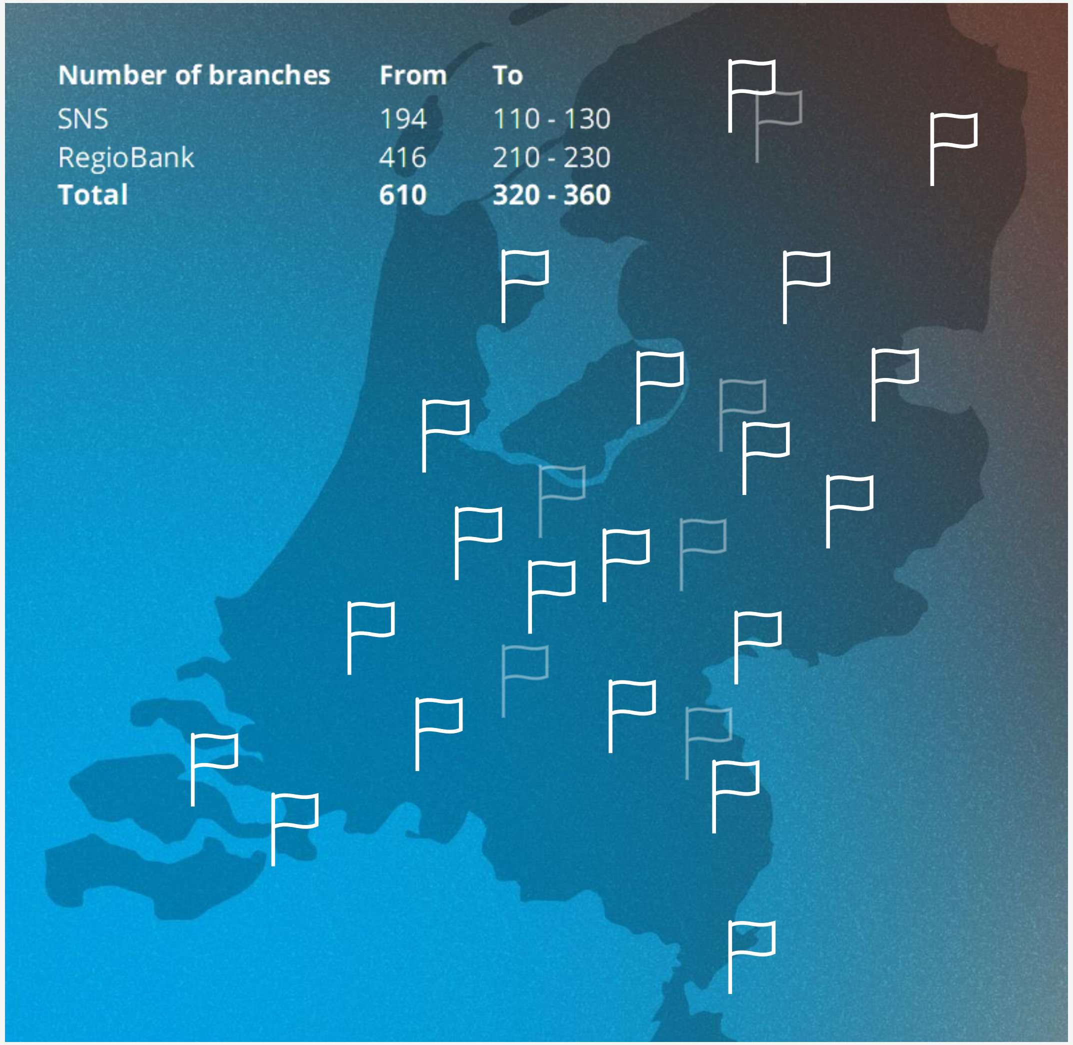
Optimisation distribution model: branch reduction, maintaining a nationwide network

Earlier, de Volksbank announced its intention to serve customers under one brand name. This enables de Volksbank to reduce the total number of local bank branches, while maintaining a nationwide network

Via SNS and RegioBank, customers can currently visit more than 600 physical branches. De Volksbank expects to reduce this number to approximately 320 - 360 branches

In the new set-up, ASN Bank customers will, in addition to the current online proposition, also have access to these local branches for personal financial advice

The brand name under which the branches will operate will be announced soon



Number of branches	From	To
SNS	194	110 - 130
RegioBank	416	210 - 230
Total	**610**	**320 - 360**

Optimisation distribution model: branch reduction, maintaining a nationwide network

De Volksbank opts for franchise model

De Volksbank opts for the strength and network of franchisees and the knowledge they have of their own region

The distribution network will be optimised carefully, in phases and in close cooperation with the franchisees. Guiding principle: a healthy and sustainable return for both the franchisee and franchiser

The intention is to merge branches currently close to each other and serving the same area where possible. Where this proves impossible, the collaboration will be terminated in mutual consultation with the franchise partner

In addition to our franchise model, the intermediary channel remains crucial for the distribution of mortgages

Optimisation distribution model: branch reduction, maintaining a nationwide network

SNS

- The aim is to bring the 46 SNS shops that are managed by de Volksbank into the franchise model. Where this proves impossible, these will be closed. Employees are part of the total expected 700 – 750 FTE reduction
- For further optimisation of the other 148 SNS franchise shops, the merger of branches will be explored and branches will be closed, bringing the number of franchise shops to an estimated 110 – 130

RegioBank

- RegioBank works with local independent advisers and currently has 416 branches
- In consultation with the franchisees, these branches are merged where possible. Where this proves impossible, the collaboration with the independent adviser will be terminated
- Likewise, contracts with independent advisers who intend to close their business will be terminated. De Volksbank expects the number of branches run by independent advisers to total 210 – 230

Flagship stores

- introducing three contemporary accessible flagship stores for financial advice managed by the bank itself. Besides getting advice, customers and other interested persons may attend seminars or training sessions

Q&A