de volksbank

Press release

Utrecht, the Netherlands, 30 January 2025

De Nederlandsche Bank (DNB) imposes two administrative fines on de Volksbank

- DNB imposes fine of € 5 million for deficiencies under the Anti-Money Laundering and Anti-Terrorist Financing Act (*Wwft*) in the period from 2020 up to and including 2023.
- DNB imposes fine of € 15 million for risk management-related deficiencies in the period from 2018 up to and including 2023 by which de Volksbank failed to meet the requirements that follow from the Financial Supervision Act (*Wft*) to ensure sound business operations.
- De Volksbank acknowledges and regrets the deficiencies identified by DNB that have led to the above-mentioned fines.
- De Volksbank has, in the meantime, initiated a remediation plan to fight money laundering and the financing of terrorism. This remediation plan was submitted to DNB at the end of 2024.
- De Volksbank is also fully committed, and has set to work, to sustainably and adequately address the identified deficiencies in risk management in order to comply with laws and regulations. De Volksbank is giving the highest priority i.a. to improved monitoring, reporting and tightened escalation mechanisms.

On 9 August 2024, de Volksbank announced that DNB had the intention to impose two administrative fines. These fines have now been imposed by DNB and follow from extensive examinations conducted by DNB. It goes without saying that de Volksbank fully cooperated with these examinations. During the examinations, the bank had already initiated remediation measures, also as part of ongoing ECB supervision. In determining the fines, DNB took this into consideration. The first fine pertains to the shortcomings in compliance with laws and regulations with respect to fighting money laundering and terrorism financing (*Wwft*). The second fine concerns shortcomings in risk management as a result of which the bank does not meet the sound business operations-related requirements pursuant to the *Wft*.

Roland Boekhout, CEO of de Volksbank: “It is extremely painful that DNB imposed two fines on us for not having two significant elements of our business operations in order. This is not in keeping with what we stand for as bank. It is our duty to comply with laws and regulations. As a bank, we have disappointed our customers, colleagues and partners. We sincerely apologise for this.

A bank such as de Volksbank must without any doubt have a clear organisational structure with unambiguous reporting lines and policies aimed at managing relevant risks. We are working very hard to adequately and sustainably remediate the identified deficiencies. The Transformation programme that has been initiated will help us simplify our organisational structure, thus making it more efficient. It will enable us to better serve our 3 million customers, to improve our data quality and IT systems and structurally comply with laws and regulations. This is how we are taking steps towards building a customer-centric, strong and effective bank.”

Role of gatekeeper (*Wwft*)

In the examinations into compliance pursuant to the *Wwft*, DNB identified deficiencies, including inadequate monitoring of risks and, therefore, the failure to identify risks, or the failure to identify them in time. The system that generates alerts about customers and their transactions does not function properly. The deficient monitoring and major backlogs in the follow-up of detected alerts are the reasons for the fine. To structurally give substance to its role of gatekeeper and fight financial crime, the bank has taken the following measures:

- In June 2024, Gwendolyn van Tunen took up the position of Chief Financial Crime Officer (CFCO) in the Executive Committee. At de Volksbank, the CFCO is responsible for fulfilling the role of gatekeeper and fight financial crime.
- In August 2024, a Systematic Integrity Risk Assessment (SIRA) was submitted. DNB determined that this SIRA complies with the minimum regulatory requirements.
- At the end of 2024, de Volksbank submitted a remediation plan to combat financial crime to DNB, incorporating the feedback from the supervisory authorities. We remain in close contact with DNB about our approach and execution. Implementation of the remediation plan to structurally fight money laundering and the financing of terrorism has now begun.
- Within this context, the new Anti-Financial Crime (AFC) organisation will start with effect from 1 February 2025.
- De Volksbank has recruited professionals with in-depth *Wwft* knowledge to organise and execute the remediation plan. Additionally, bank-wide training programmes were introduced.
- Improvements have been made to the transaction monitoring follow-up processes and the identified backlogs were largely eliminated by year-end 2024.

Sound business operations (*Wft*)

De Volksbank had not structured its business activities in such a way as to ensure sound business operations over the period 2018 up to and including 2023. In the investigation period, de Volksbank failed to manage relevant risks, including credit and counterparty risks, capital risks and operational risks. The breach is mainly due to an ineffective framework of internal governance and internal controls. As a result, de Volksbank had insufficient overview and understanding of the possible risks to which it was exposed and the way to manage and mitigate these risks.

To sustainably and structurally set up its sound business operations, de Volksbank has taken measures that include the following:

- In April 2024, Saska Hoskens was appointed and started as Chief Risk Officer (CRO) of de Volksbank.
- In the autumn of 2024, de Volksbank started a large-scale Transformation programme to simplify its organisational structure including a flat structure, clear mandates and responsibilities. De Volksbank has thus taken important steps to meet the supervisory authority’s requirements.
- In the risk domain, the bank works systematically to structurally comply with regulatory requirements, including the governance. As part of ongoing supervision, the bank maintains an continuous dialogue on the progress of these improvement projects with the supervisory authorities.
- Additional investments are being made in, for example, data and data modeling experts.
- Additional investments are also still required to improve data quality and IT systems.

Strict compliance with laws and regulations and meeting the requirements set by supervisory authorities are of the utmost importance for de Volksbank. Hence, the bank maintains an ongoing, constructive dialogue with the supervisory authorities on this matter.

The fines will be charged to the result for 2024. De Volksbank will publish its annual figures for 2024 on 14 February 2025.

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ABOUT DE VOLKSBANK N.V.

De Volksbank is the organisation behind SNS, ASN Bank, RegioBank and BLG Wonen and the driving force in the background that develops banking products, processes and systems based on human needs. By banking with a human touch, together we contribute to a financially healthy life for everyone in the Netherlands. ASN Bank encourages sustainable progress, BLG Wonen makes good housing accessible to everyone, RegioBank is committed to quality of life in communities, and SNS has a focus on people. De Volksbank is located in Utrecht, the Netherlands. More information: www.devolksbank.nl.

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