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De Volksbank presents framework for transformation

Press presentation

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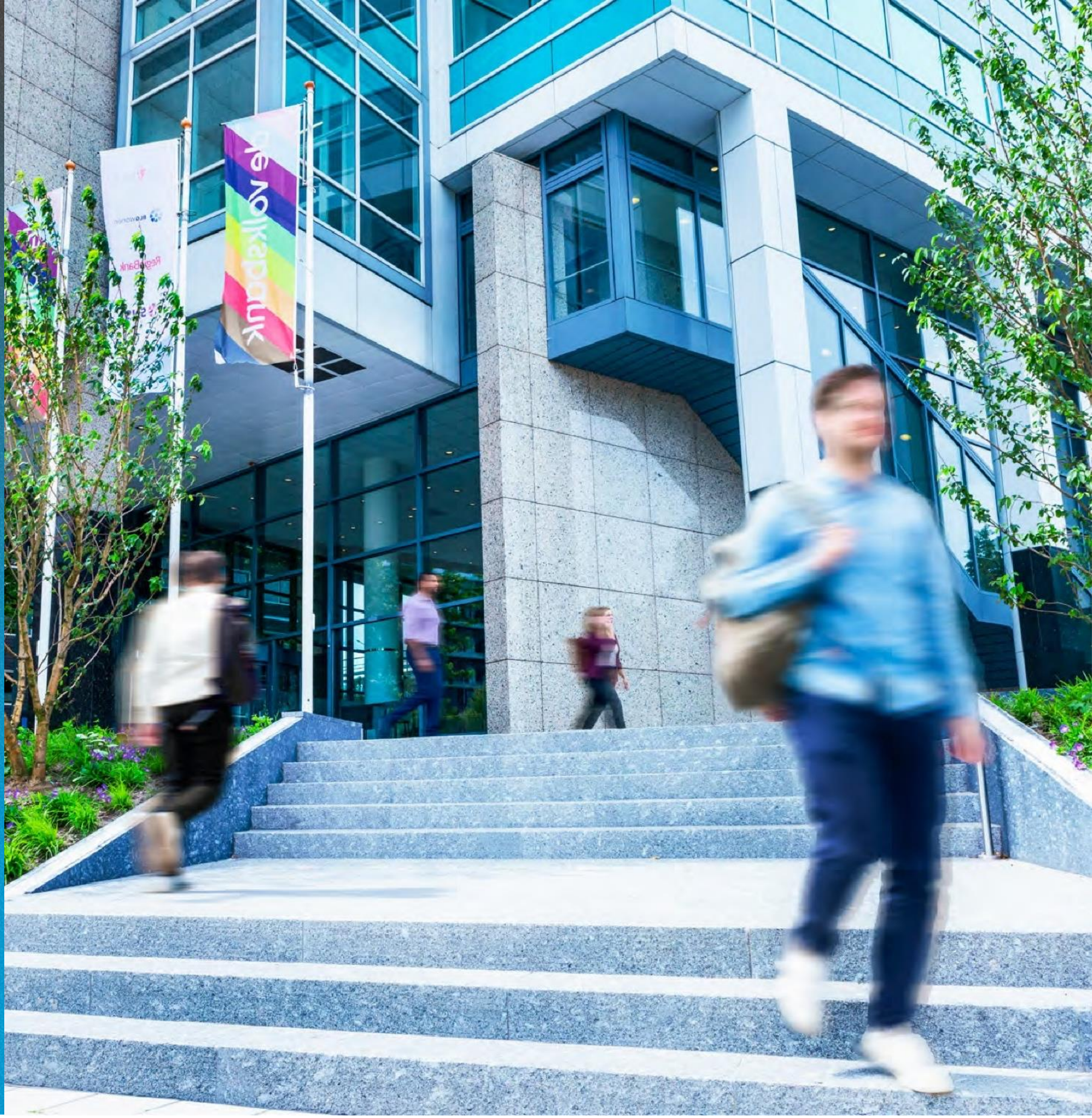
01.
Background of the transformation



Background of the transformation

On 4 October 2024, de Volksbank announced it would simplify and improve its business model and processes

- **Objective**: operate more effectively and strengthen the bank commercially and operationally
- **Simplifying the organisation structure** leads to an improvement in customer service, data quality and IT systems and to structural compliance with the increasing regulatory burden
- **Why now:** pressure on revenues, increasing costs and necessity to invest

Today, de Volksbank presents the framework for the transformation

- **Deliberate choice**: not all details have been worked out yet, but deliberate choice to share our plans now
- **Decisiveness:** setting the course and taking action where possible
- **Clarity:** our employees, customers and partners deserve clarity about the steps we are going to take to become a future-proof bank

02.

Key points of the transformation framework

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The transformation focuses on:

Rationalisation of the brand portfolio

- Movement towards one strong retail brand

Optimisation of the distribution model

- Reduction in the number of branches, while maintaining nationwide coverage

Simplifying the organisation structure:

- Reduction in the number of jobs by 700 - 750 FTE by 1 July 2025
- Expected annual structural cost saving of approximately € 70 million

  To comply with increasing laws and regulations, additional running costs are incurred to combat financial crime and in the area of risk management. This also includes temporary hiring of external staff. These temporary costs partially offset the above-mentioned FTE cost saving
- Intention to take a reorganisation provision for 2024
- A framework request for advice has been submitted to the Works Council. A detailed follow-up request for advice will follow in the first quarter of 2025
- In the period ahead, we will conduct further consultations with relevant stakeholders. Decision-making will take place after the Works Council has rendered its advice

03.

Rationalisation of the brand portfolio

Rationalisation of brand portfolio

Moving towards one retail brand in stages

Our current brands differentiate themselves in the Dutch banking landscape through strong customer relations and by making social impact

SNS asn bank RegioBank BLGwonen → One retail brand

By combining these forces, we are creating one recognisable, strong bank brand that:

- has a distinctive social profile that makes banking easy and accessible for its 3 million customers
- contributes to solutions for challenges in Dutch society, such as sustainability, financial health and affordable housing

The convergence to one retail brand will be implemented with due care and in stages:

- Implementation will start in 2025 and is expected to be completed within 3 years
- We will announce the brand name later this year

04.

Optimisation of the distribution model

Optimisation of the distribution model

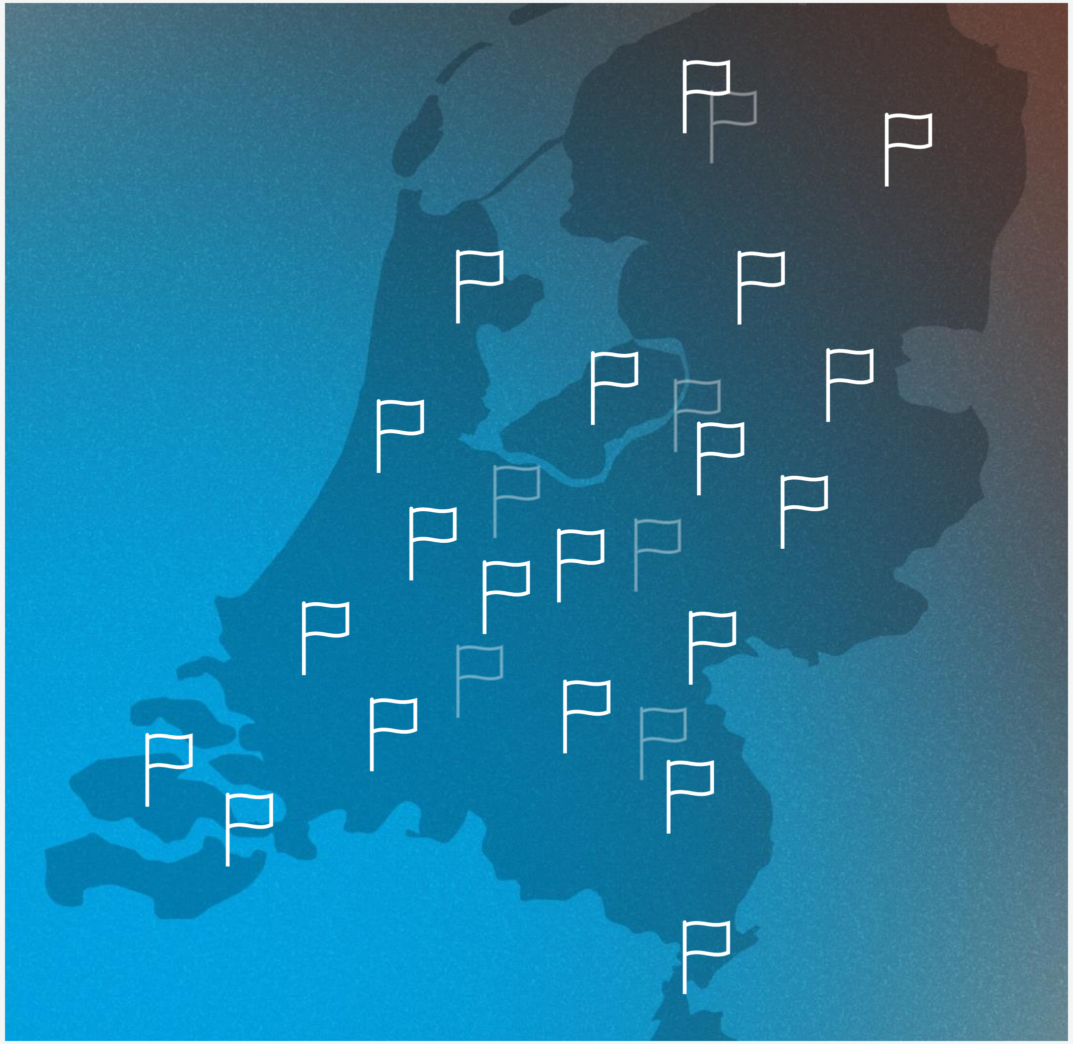
The combination of mobile banking and a nationwide network of local branches remains distinctive in the customer proposition:

- Daily digital convenience
- A branch nearby for moments that matter to customers

Existing SNS Shops and RegioBank branches will be optimised:

- Reduction in the number of branches, while maintaining nationwide coverage
- We will work out the reorganisation in consultation with our franchise partners and the Works Council
- A healthy, sustainable return for both the franchiser and franchisee

The intermediary channel remains crucial for our distribution model



05.
Simplifying the organisation structure

Simplifying the organisation structure

The movement to one brand, the optimisation of the distribution model and associated simpler organisation structure leads to a reduction in the number of jobs

It is expected that between 700 - 750 full-time jobs disappear by 1 July 2025, of the current total of ~4,500 jobs:

- We cannot rule out compulsory redundancies. A Social Plan is available for employees affected by this
- Intention to make a reorganisation provision for 2024

De Volksbank expects to achieve an annual structural cost saving of approximately € 70 million through this staff reduction

- This cost saving will be partially offset by additional running costs to comply with increasing legislation and regulations (to combat financial crime and in the area of risk management). This also includes temporary hiring of external staff

Simplifying the organisation structure:

700 - 750 full-time jobs disappear by 1 July 2025

Structural cost saving of approximately € 70 million

In summary

Increasing pressure on revenues and persistently high costs require a proactive and fundamental approach

Transformation framework:

- Movement towards one retail brand
- Optimisation of the distribution model
- And an appropriate simpler organisation structure

A simpler organisation structure, with short lines, clear mandates and responsibilities, makes de Volksbank more effective. This suits a retail bank with a clear range of banking products and services

With this simplification de Volksbank is taking important steps to becoming an attractive bank for retail and small business customers

Q&A

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