Anticipate today, benefit tomorrow

Nationale-Nederlanden Bank N.V.
Annual Report 2024

nationale nederlanden

Annual Report contents

Composition of the Boards

The composition of the Management Board and the Supervisory Board of Nationale-Nederlanden Bank N.V. (NN Bank) as at 31 December 2024 was as follows:

Management Board

Composition as at 31 December 2024

A.J.M. (Marcel) Zuidam (1970), CEO and chair[1]

N.A.M. (Nadine) van der Meulen (1974), CFO

P.C.A.M. (Pieter) Emmen (1969), CRO[1]

F.E.G. (Femke) Jacobs (1980), CTO[2]

Resigned in 2025

A.J.M. (Marcel) Zuidam (1970), CEO and chair[1]

Supervisory Board

Composition as at 31 December 2024

E. (Erik) Muetstege (1960), chair[3]

T. (Tjeerd) Bosklopper (1975)

A.M. (Anne) Snel-Simmons (1968)

A.T.J. (Annemiek) van Melick (1976)

Resigned in 2024

A.A.G. (André) Bergen (1950)[4]

1. Resignation as of 1 March 2025 by resignation letter. Pieter Emmen has been appointed CEO ad interim until a permanent successor is appointed. During this interim period, he will also continue his duties as CRO.
2. Non-statutory Board member as defined by Company Internal Governance.
3. Appointment as of 1 May 2024 by the General Meeting on 22 April 2024.
4. Resignation as of 1 May 2024 by resignation letter.

NN Group and NN Bank at a glance

NN Group profile

NN Bank is a fully owned subsidiary of NN Group N.V. (NN Group). NN Group is an international financial services company, active in 10 countries, with a strong presence in a number of European countries and Japan.

With all our employees, we provide retirement services, pensions, insurance, investments and banking products to approximately 19 million customers. We are a leading financial services provider in the Netherlands. We provide our products and services under the following brand names: Nationale-Nederlanden, Movir, AZL, BeFrank, OHRA and Woonnu as well as via our joint venture, ABN AMRO Verzekeringen, and our partnership with ING Insurance.

Our roots lie in the Netherlands, with a rich history that stretches back over 175 years. NN Group is listed on Euronext Amsterdam (NN).

NN Bank

NN Bank is a Dutch retail bank serving approximately 1.2 million retail customers in the Netherlands and employing the equivalent of 1,281 full-time employees. As a fully owned subsidiary of NN Group, NN Bank offers mortgages, savings, investment and bancassurance products. We distribute our products to our customers via the direct channel and via distribution partners (intermediaries).

NN Bank's product offering is complementary to Nationale-Nederlanden's individual Life and Non-life insurance products for retail customers in the Netherlands. Additionally, we provide mortgage origination, administration and management services to other NN Group entities and institutional investors. NN Bank continues to originate high-quality Dutch residential mortgages, while driving customer interaction and supporting communities with sustainability initiatives. For more information about our strategy, please see chapter 2.

NN Bank has one fully owned subsidiary:

HQ Hypotheken 50 B.V., with a registered office in Rotterdam. Through this subsidiary, NN Bank offered mortgage loans to customers via a third-party mortgage servicer. This is a closed-book mortgage portfolio.

Woonnu remains an important NN Bank brand, but is no longer a separate legal entity and subsidiary of NN Bank. Its purpose is to originate mortgage loans to consumers in the Dutch market with a focus on sustainable living.

Key figures NN Bank

Financial

Interest income
EUR 1,301m

(2023: EUR 1,072m)

Risk costs*
EUR –2.3m

(2023: EUR –8.4m*)

Mortgage portfolio**
Origination EUR 4.2bn
Net growth EUR 0.6bn

(2023: Origination EUR 4.7bn
Net growth EUR 0.7bn)

Savings portfolio
Net growth
EUR 1.0bn

(2023: EUR 0.3bn)

Net result
EUR 113m

(2023: EUR 127m)

Cost/Income ratio
62.5%

(2023: 58.2%)

Return on equity
9.5%

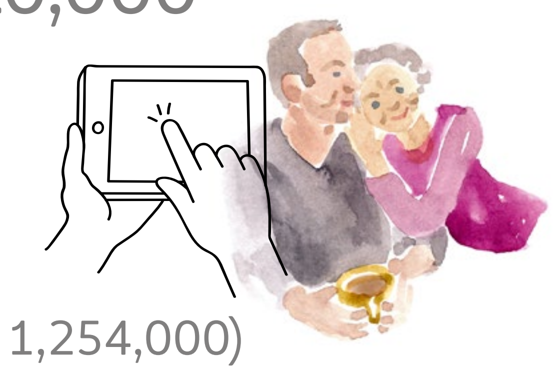
(2023: 11.6%)

Total capital ratio
18.6%

(2023: 17.8%)

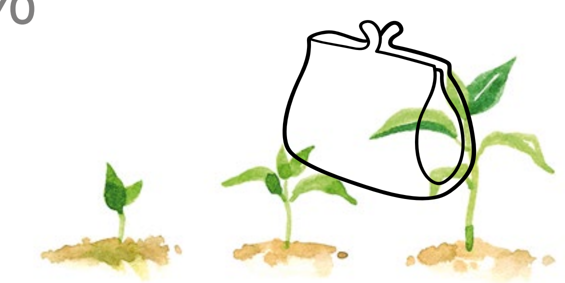
Non-financial

Number of customers
1,210,000



(2023: 1,254,000)

Green Asset Ratio
22.1%



(2023: 22.7%)

Mortgage portfolio with energy label 'A'
25%

(2023: 25%)

Emission intensity mortgage portfolio
23.6 kg CO_2/m^2

(2023: 25.0kg CO_2/m^2)

Net Promoter Score
+17.2

(2023: +11.3)

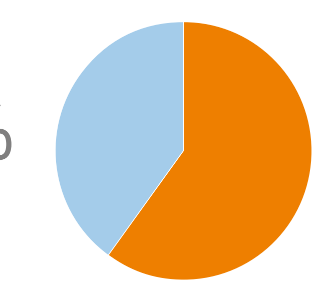
Employee engagement
7.8

(2023: 7.6)

Average number of employees
Total 1,281 FTE
(internal and external)

(2023: total 1,313 FTE)

Gender diversity in Management Team
Male 40%
Female 60%



(2023: Male 30%/Female 70%)

Customer Effort Score***
1.8

(2023: 2.2)

Brands
nationale nederlanden
woonnu

* including EUR -3.4 million due to the sale of part of the consumer lending portfolio in 2023.
** The residential mortgage portfolio excludes notary amounts in transit, staged payments and accounting effects such as premiums and the fair value hedge adjustment.
*** A lower CES is positive, as it indicates that customers require less effort to use our products and services.

How we create value

Inputs → What we do → Outputs → Outcome for our stakeholders

Inputs

Financial capital

Total equity: EUR 1,235m (2023: EUR 1,156m)

Interest income: EUR 1,301m (2023: EUR 1,072m)

Fee and commission income: EUR 83m (2023: EUR 83m)

Human capital

Total average number of employees: 1,281 FTE (2023: 1,313 FTE)

Amount spent on training and development: EUR 1.5m (2023: EUR 1.4m)

Applying our values: Care, Clear, Commit

Intellectual capital

Internal processes, systems and controls

Manufactured capital

Products, offices and physical assets

Natural capital

Use of natural resources in our offices

Social and relationship capital

- Customers: 1,210,000 (2023: 1,254,000),
- Intermediaries, business partners and suppliers
- Other key stakeholders (e.g., regulators)

What we do

Care | Clear | Commit

We help people care for what matters most to them.

Product development and pricing: We develop products and services to meet societal and customer needs. Our experience and deep understanding of risk enables us to offer attractive financial solutions at a fair price.

Distribution: We distribute our products through a range of channels, including directly to customers and through intermediaries. We leverage our scale and diverse business footprint for cross-selling opportunities.

Customer experience: We use our digital capabilities to realise a seamless customer experience, in which we offer customers relevant financial insights and solutions.

Our portfolios: We invest our client funds in high-quality residential mortgages and our bank investment portfolio. We pursue a low-risk profile and high liquidity for our investment portfolio, guided by our Responsible Investment Framework.

Income: We generate income through interest on our mortgages, and fees paid for our products and services. We also generate returns on the investments that we make.

Profit: Our profit is what remains after expenses, impairments and operating costs.

Outputs

Proposed dividend to Group: EUR 60m (2023: EUR 44m)

Total capital ratio: 18.6% (2023: 17.8%)

Total staff expenses: EUR 155m (2023: EUR 153m)

Inclusive and inspiring working environment:
Employee engagement score: 7.8 (2023: 7.6)
Women in Management Team NN Bank: 60% (2023: 70%)

Availability of services: Digitalising and automating processes for customers and intermediaries

Effective Control Framework (ECF)

Efficient operating model: Total administrative* expenses EUR 269m (2023: EUR 275m)

* Administrative expenses are the sum of staff expenses, other operating expenses and regulatory levies.

Transactional Net Promoter Score: 17.2 (2023: 11.3)

Intermediary satisfaction: 7.4 (2023: 7.4)

Environmental impact from own operations*:
GHG emissions: 10.0 kilotonnes CO_2 (2023: 10.5 kilotonnes CO_2) compensated by carbon credits*

* NN Group-wide numbers

Environmental impact from investments:
Carbon footprint of our mortgage portfolio: 23.6 CO_2/m^2 (2023: 25.0 CO_2/m^2)
Green Asset Ratio: 22.1% (2023: 22.7%)

Returns to customers: Interest paid on savings: EUR 355m (2023: EUR 240m)

Returns on retail investments: above market average

Responsible tax: total tax contribution: EUR 39m (2023: EUR 44m)

Positive contribution to society: Top 3 volunteering initiatives were:
1. Stichting Jarige Job
2. Talentcoach
3. Money week (Week van het geld)

Outcome for our stakeholders

Customers
To our customers, we offer peace of mind. We help our customers by taking care of what matters most to them. We provide personal services at important moments in life, we help them live sustainably and increase their financial well-being.

Our people
To our employees, we provide adequate wages and other benefits. We also contribute to their pensions. In addition, we offer skills training and opportunities for career development. We provide an inspiring and inclusive place to work.

Our shareholder
To our shareholder, we are committed to generating resilient, ever-increasing long-term capital. To do so, we maintain a strong balance sheet and create solid financial returns by using our financial strength.

To our institutional investors, we are committed to delivering a healthy return on investments.

Society
We contribute to the well-being of people and the planet. We take a long-term and responsible approach to investments, working to reduce our direct and indirect impact on the environment. We contribute to our communities and support the economy by paying taxes and contracting business partners.

Report of the Management Board

From left to right: Femke Jacobs (CTO), Nadine van der Meulen (CFO), Pieter Emmen (CEO ad interim and CRO)

Pieter Emmen, CEO of NN Bank ad interim

'Our Digital Retail Bank strategy guides us and enables us to anticipate tomorrow's world, today.'

Anticipating tomorrow's world, today

On behalf of the Management Board, Pieter Emmen, CEO ad interim of NN Bank, looks back on an eventful 2024. Despite ongoing geopolitical and macroeconomic uncertainties, new regulations and the changing interest rate environment, the Bank delivered a solid financial performance and made good progress on its strategy. For a bank in changing circumstances such as these, agility is essential to respond quickly to developments, while remaining solid and reliable for customers. Our Digital Retail Bank strategy guides us and helps us prepare for what comes next.

How do you reflect on 2024?

'It was an eventful year in many ways. Amongst others, the continuing war in Ukraine, the conflict in Gaza and political developments in Europe and the US are all impacting global politics and the economy. In the Netherlands, the new coalition is pushing ahead with some of the previous government's plans, such as the target to build new homes to reduce the housing shortage. Other plans that could have an impact on the housing market, such as making the market more sustainable and the nitrogen policy, still need work.

'The housing market remains overheated due to persistent tightness in housing supply. But because of favourable developments in wages and mortgage interest rates, affordability remains stable. We are also seeing lower inflation, and the European Central Bank is gradually cutting interest rates as a result.

'These circumstances mean that the Bank needs to be agile, to respond quickly to a changing environment. At the same time, we want to remain a solid and reliable bank for our customers: the Digital Retail Bank that helps people care for what matters most to them. This year, we've made great strides with this. We have again become more relevant to our customers by broadening our product offering, simplifying our services, strengthening our workforce and contributing to society.

'And despite all the changes outside and inside our company, the Bank delivered solid financial results in 2024. All in all, I feel proud when I look at the results and progress in the past year.'

Where are we with the Digital Retail Bank?
'The foundations of our Digital Retail Bank – a bank that uses technology to provide online banking services to retail customers - are almost complete. Our new mortgage platform is live, and we are modernising our data infrastructure. We are also about to launch our new payment services. We're seeing the results of the investments we have made in recent years. And that gives us a boost, not least because we have all been working towards this goal for some time.

'In addition to all of this, we worked to make our services more efficient and easier for customers and intermediaries in 2024. This includes adding new features to the NN app, further digitising processes and using Artificial Intelligence (AI). For example, AI helps us to process documents and to summarise calls between our agents and customers using speech-to-text technology.

'We've also broadened our product offering to be even more relevant to customers. We have improved our new-build mortgage proposition and have launched the Energy Savings Budget, enabling customers to finance energy-saving measures. We've also added motor insurance and a renewed home insurance to our bancassurance offering.

'It goes without saying that the transition to a Digital Retail Bank also requires our people to work differently. As we believe that our leaders have a key role to play in this, we launched a leadership development programme in 2024 to support our leaders in this journey.'

Over the summer, NN made the news with NN Bank's plans to introduce payment services in 2025. Why is the Bank investing in these services?
'Adding payment services to our product portfolio is a logical step. As Nationale-Nederlanden, we can offer retail customers in the Netherlands a full range of financial services.

'Payment services are used more frequently than other banking and insurance services. This generates more interaction with our customers. We can use the insights we gain from this more frequent contact to further improve and personalise our services.'

What was the biggest challenge in 2024?
'Addressing all kinds of different developments at the same time. We want to respond to everything that impacts our business, such as climate change, increasing laws and regulations, the volatile market, the political climate and changing customer needs. In addition, we are renewing the Bank while staying open for business. The Digital Retail Bank strategy is what guides us and enables us to anticipate tomorrow's world, today.'

Speaking of 'tomorrow's world', you have two daughters in their twenties. Do they influence how you view our future customers?
'Absolutely. What I see, among other things, is that they are much more willing to switch between brands in general. Brand loyalty is much lower than when I was young. Just having a trusted brand, as we have at Nationale-Nederlanden, is not enough nowadays. It's important to stay constantly and consistently relevant. And that's what we are working on as a Bank: providing customers with increasingly personalised and relevant services.'

What is NN Bank's contribution to society?
'We take our responsibility to society and the environment very seriously. And we encourage our employees, business partners and customers to do the same. Our commitment to this is deeply embedded in our strategy and day-to-day business, which helps us to build strong and reliable relationships with our customers.

'In 2024, many Dutch households experienced financial issues, despite the fact that we are a prosperous country. So, improving financial resilience is an important theme for us. Our new payment services allow us to address this by giving customers handy tips to help them manage their money better. We also support people experiencing financial difficulties through our participation in the Dutch Debt Relief Route (Nederlandse Schuldhulproute).

'Climate change is another important topic. The risks posed by global warming will only increase in the future, so we need to adapt. We have committed to the Climate Agreement, in which we aim to reduce the greenhouse gas (GHG) emissions of our mortgage portfolio by 34% by 2030, as compared to 2021. We work with intermediaries to help customers make their homes more sustainable. Often, customers are unsure how to start or how much they will save. Our sustainability check provides guidance. We also partially finance our mortgage portfolio with green bonds. And in the past year, we have assessed climate risks for the Bank. Where necessary, we will adjust our policies in the future.

'More and more stakeholders are, of course, looking at our ESG initiatives. I'm proud that we have good and above-average ESG ratings. This is a good start, but there is still a lot of work to be done.'

What are the most important priorities for the Bank in 2025?
'The launch of our payment services and our delivery of the foundations of the Digital Retail Bank heralds a new phase for us. A phase in which we will benefit from investments and innovations of recent years. We will be able to offer customers even more personal and relevant service. This will lead to growth in customer interaction, customer satisfaction and cross-sell of our products and services.

'We will also continue to help customers to live more sustainably and gradually boost their financial resilience. And of course, we will do this together with our loyal and committed colleagues and business partners. On behalf of myself and my colleagues on the NN Bank Management Board, I would like to thank them for their fantastic work over the past year. And also, for the great results we have achieved together. Finally, I would like to thank our customers, shareholders and other stakeholders for their trust in our company.'

> "We've become more relevant to customers by broadening our product offering, simplifying our services, strengthening our workforce and contributing to society.

2.1 Our operating environment

NN Bank operates in an evolving landscape that is shaped by legislation, economic conditions, geopolitical events, societal shifts and technological advancements. Following a strong post-Covid recovery and inflation shock due to the war in Ukraine, the Dutch economy went through a challenging period, which impacted household disposable income. From the second quarter of 2024, the economy began to recover. We've seen a recovery of households' purchasing power as the labour market remained tight, wages are catching up and inflation is showing a downward trend.

Interest and investment environment

After reaching a peak in September 2023, the European Central Bank (ECB)'s deposit rate has been gradually reduced. As of December 2024, the rate stood at 3.00%.

Although recent decreases in market interest rates have led to lower mortgage rates, both market interest rates and mortgage rates are still higher than in the last number of years. We have therefore seen a continued shift towards shorter fixed-rate periods in the mortgage market. Given the relatively high mortgage rates compared to past years, many homeowners continue to take their existing mortgage – and more attractive rate from the past – with them when they move, making use of the so-called *'meeneemregeling'*.

The Dutch savings market continued to show solid growth in 2024. As market interest rates remained relatively high compared to the last number of years, we continued to see strong growth for fixed-rate savings products, like term deposits.

In 2024, the Dutch retail investment market saw an increase in assets under management because of positive results on the financial markets and an increase in the number of customers involved in investing. A notable trend is that younger customers are showing more interest in investing, mostly due to financial influencers on social media. According to the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, [AFM]), around one quarter of all households in the Netherlands (1.9 million) had investments in 2024.

Politics and regulations

During the year, a new coalition government was formed in the Netherlands. The new coalition agreement contains plans that affect the housing market. The objectives include ensuring fair space distribution and future-proof area development, constructing more affordable and suitable housing, improving the utilisation of existing buildings and enhancing quality of life. Additionally, the government aims to continue investing in home sustainability, keeping energy costs affordable, and developing a National Climate Adaptation Strategy. However, the delay in a new nitrogen policy is also delaying progress in new home construction.

The housing market is becoming more affordable for buyers, in part due to lower interest rates and higher wages among buyers. Recent developments, such as the greater affordability of newly built homes and a higher limit of the National Mortgage Guarantee (Nationale Hypotheek Garantie, [NHG]), are encouraging development for first-time buyers. Furthermore, the rental housing valuation system shifted many homes from the private to the social sector, causing residential real estate investors to sell their properties. This provided opportunities for first-time buyers to enter the market. The upcoming National Fund for Affordable Home-buying will further support first-time buyers. The government's focus on affordable new construction has led to smaller homes and fewer features in the standard construction, to keep prices low. Also, the Minister of Housing proposed building in areas previously designated as unsuitable, which will require innovative solutions.

Despite these efforts, there remains a shortage of available homes. Therefore, more people chose to renovate their current homes rather than move. This has led to a significant increase in renovation mortgage volume compared to 2023.

Growing international and national regulatory requirements also impact NN Bank's operations. In the summer of 2024, the Artificial Intelligence Act (AI Act) was finalised. The Digital Operational Resilience Act (DORA) also took effect in early 2025, for which the Bank prepared in 2024. In addition, the Corporate Sustainability Reporting Directive (CSRD) mandates that companies include sustainability disclosures in their management reports.

Society

Households are finding sustainability subsidies less financially attractive, due to recent government cutbacks in sustainability measures and decreasing energy prices, compared with the post-Covid period. Despite these changes, the mortgage application volume intended for sustainability grew by almost 50% in 2024, compared to the previous year. This indicates a growing interest in sustainability among homeowners, according to research conducted by the NVM (Nederlandse Vereniging voor Makelaars).

Technology

The world is evolving rapidly, with technological advancements emerging in quick succession, causing a shift in customer expectations. AI is highly promising, with significant advancements expected to enhance operational efficiency and customer experience. AI also helps banks identify potential fraud patterns and assess credit risk more accurately. Chatbots and virtual assistants powered by AI are enhancing customer service by providing 24/7 support and personalised banking experiences.

On the other hand, customers expect banks to safeguard sensitive data by managing cybersecurity and fraud risks, and this role is essential for banks.

The financial sector will need to closely monitor shifts in customer needs and use technological developments to adapt products and services accordingly, to remain relevant and future-proof.

Outlook

After stagnating in 2023, the Dutch economy achieved a soft landing in 2024. Economic growth is expected to be more substantial in 2025, at around 1.5%. Inflation is expected to remain stable in the Netherlands, at 3.2% in 2025 (De Nederlandsche Bank, [DNB]). House prices are expected to continue to rise, due to the significant deficit of homes. The shortage is due to modest growth in housing stock and rapid growth in the number of households. Improved borrowing capacity among first-time buyers, due to wage growth in 2024, will drive upward pressure on house prices. Despite this, we expect that affordability will remain largely unchanged, due to the likelihood of further wage increases. Regarding the market interest rate outlook, we expect the ECB to continue to lower rates in 2025, on the condition that inflation develops as expected.

Herman Ouwerkerk, director of Savings, Investment & Bancassurance
Gabriël Lommers, domain lead Customer Experience & Conversion

‘We try to give customers the best possible information about the available choices and their impact.’

Easy banking and better money habits go hand in hand

Helping customers become more financially self-reliant is important to NN Bank. To achieve this, easy banking and better money habits go hand in hand. Flexible, intuitive and fast processes enable customers to effortlessly handle most of their banking digitally, anytime and anywhere. At the same time, the Bank offers practical tips and tools to help customers get increasingly better at managing their money.

What does NN Bank mean by ‘easy banking’?
Herman Ouwerkerk: ‘it means that we offer customers a smooth and enjoyable digital experience. This includes acquiring simple products – such as an internet or deposit savings account – and completing service requests for their existing products. Laws and regulations are built in, so customers aren’t hindered by them. In addition, we make sure we’re there for customers when it really counts. Digitally where possible and in person if the situation requires it. If customers are struggling with digital or need advice about more complex products or services, they can contact our customer service colleagues or get in touch with their intermediary.’

Is ‘easy banking’ the same for everyone?
Herman: ‘definitely not. Many of our customers find it easy and enjoyable to do everything digitally. However, some customers struggle with managing their banking on their own and doing it digitally. Our customer service is available to assist them. We often have the customer log in and then we provide digital assistance by guiding them through the process. This allows the customer to complete the request, while also learning how to do it next time.

‘Some customers seek more information about their choices. For example, to find out what the best investment mix is for their supplementary pension product. We strive to provide customers with the best possible information about the available choices and their impact. A good example is our online calculation tool. It demonstrates very practically what happens to your capital accumulation and your monthly benefit at retirement age if you start investing more. We’ve also simplified the application process for our supplementary pension product so that here, too, the choices are clearer for the customer.’

What did NN Bank do in 2024 to simplify services for customers?
Gabriël Lommers: 'we made great strides in this area. We've made our application and identification processes a lot easier for the customer. We've also used AI to fully automate value transfers from expiring life insurance to our supplementary pension savings product. Automation means that customers receive the money in their account quicker. And it frees up more time for us to have valuable conversations with them.

'We've also added new options to mijn.nn and the NN app. For example, customers can now directly transfer funds to their savings, investment or pension account quickly and easily using the iDeal option in the NN app.

'Our customers see value in our efforts to simplify our services: our Customer Effort Score – a score that indicates how easily customers can use our products or services – improved in 2024. Alongside this, the number of telephone calls has decreased. So, we're on the right track, but there's still a lot to do.'

In addition to easy banking, you're helping customers get better at managing their money. How?
Gabriël: 'we're inspiring customers with a range of practical tips and tools on our "Better with Money" platform on nn.nl. For example, we show customers how they can keep more money in their pockets by making more informed decisions about their everyday expenditures. And that's been a success: this platform attracts almost 1.5 million visitors a year.

'In addition, we're offering customers a clear picture of the opportunities and choices available with all kinds of handy tools. For example, customers can calculate how much more pension they need in addition to their occupational pension and how much they need to set aside every month. We've also got a tool that allows customers to easily calculate how much they can add to their supplementary pension account in a given year in a tax-friendly way.

'Research shows that the self-employed don't always sufficiently plan for their future and often postpone sorting out their pension, leading to potential problems later. We're talking to several parties, in and outside NN, to see how we can solve this issue together, so that the self-employed are properly insured across the board. And it's not just regarding their pension: it's about maintaining a financial buffer or taking potential occupational disability into account as well. We launched a special online campaign in 2024 to raise awareness and to encourage the self-employed to act today to manage their money for the future. And we've been successful, because we're seeing an increase in the number of self-employed taking out an additional pension product with us.'

> **We offer good product terms and conditions at a fair price.**

> **Our "Better with Money" platform offers practical tips and tools, and attracts almost 1.5M visitors per year.**

Does this have anything to do with the new Pensions Act?
Herman: 'of course. In addition to the self-employed, we're also seeing more customers take out a supplementary pension with us in the run-up to the new pension system that takes effect from 2028.

'NN Bank's pension products are very well suited to saving or investing for a pension if needed. We offer good product terms and conditions at a fair price. We also help customers make the right choices. We do this by making it clear that capital can be built up over the years and how a combination of investing and saving can help. Within our additional pension accrual product, the investment element is automatically reduced as retirement age approaches, so that there are no unnecessary risks. And we're one of the few in the market to do this.'

2.2 Our strategy

Our strategy

NN Bank is on its way to become a Digital Retail Bank, by optimising our use of technology to offer digital products. We are evolving from a customer-focused provider of financial products and services to a relationship-oriented financial partner. By strengthening our relationships with our customers, we aim to become their primary bank and help to gradually improve their financial well-being.

Our Digital Retail Bank connects with customers in their daily lives, on a foundation of trust and relevance. By understanding their priorities, we can provide even better support. We build trust by assisting customers in their daily routines, demonstrating that we stand by them in both good and challenging times. We achieve this through a comprehensive offering, a financial companion service proposition, and products that are simple to use and understand, leveraging our strong and trusted financial service brand.

Another strategic priority is the origination and servicing of mortgage loan portfolios for NN Group entities and third-party institutional investors. In this way, we offer investors the opportunity to invest in prime Dutch residential mortgages either directly via NN Bank or through the Dutch Residential Mortgage Fund (DRMF), managed by Goldman Sachs Asset Management (GSAM).

Strategic commitments

Our five strategic commitments focus on our customers, our colleagues, and our role in society. They relate to Engaged customers, Talented people, Contribution to society, Financial strength, and a Digital and data-driven organisation. These commitments serve as guiding principles as we execute our strategy.

Supported by our strong foundation, we ensure our strategy remains well-aligned with long-term market trends. At the same time, we continuously need to evolve. The financial services industry is facing various challenges, from changing customer preferences and increased regulation to geopolitical upheaval and volatile financial markets. Our industry is also increasingly facing climate-related risks.

With a focus on our customers, and on trust and relevance, the Digital Retail Bank strategy and its associated strategic commitments guide us in anticipating tomorrow's world, today.

2.3 Progress on our commitments

We look back on a positive year, in which we had strong financial results. We made substantial progress on our five strategic commitments in 2024. This enabled us to better engage with more customers and further enhance efficiency and profitability.

Engaged customers

Our customers are the starting point of everything we do. We engage with them to meet their needs and offer solutions that create sustainable long-term value. We use our digital capabilities and leverage our strong distribution footprint in order to further enhance our customer experience.

What we aim for

Within this strategic commitment, we aim to build long-term relationships with our customers. We are committed to delivering an outstanding customer experience every day and developing and providing attractive products and services. We provide frictionless digital journeys for product and service requests, empowering customers to manage their needs at their convenience. If there is a need for help, our excellent customer service team offers high-quality support. To evaluate the effectiveness of specific customer journeys, we frequently conduct pilot programmes before full-scale implementation.

Customer satisfaction

We made significant progress in enhancing customer journeys by simplifying processes. Customers can now perform all common service requests for savings and investments through the NN app. Additionally, we have invested in new features, such as improved prediction tools that help customers understand the balance between savings and investments to reach their financial goals. We have also integrated iDEAL functionalities into our savings and investment products, encouraging faster progress towards their financial objectives.

We introduced several improvements in 2024 to further enhance customer convenience and satisfaction in our mortgage proposition. For example, we launched a more streamlined process for customers undergoing divorce, and advanced tools to provide customers with better insight into their sustainability options. These efforts underscore our commitment to delivering customer-focused solutions and simplifying the mortgage process.

We measure customer engagement through the Net Promoter Score (NPS) and the Customer Effort Score (CES), which assesses customers' perception of how easy it is to buy a product or request a service. Both of these key performance indicators improved in 2024. This indicates that customers are satisfied with the changes we are implementing.

Intermediary satisfaction

We also place high importance on intermediary satisfaction. For our savings and investment propositions, we have introduced intermediary success managers to improve service quality. We invest in account management to align more closely with the needs of our intermediaries, incorporating their feedback into our organisation. This input allows us to enhance the journey for both direct and intermediary channels. Our focus on improving relationships with intermediaries has led to higher satisfaction scores in our Savings and Investment products.

We continuously improve our mortgage services, including the automation of primary processes. For instance, the automatic generation of mortgage interest rate proposals has significantly reduced the turnaround time for intermediaries. Additionally, we have provided detailed processing times on adviseur.nn.nl, and shared insights on process efficiency through process mining information. By sharing insights with intermediaries, we enable them to submit their applications more effectively. Consequently, the digital application process runs more smoothly, and processing times are reduced.

These improvements for customers and intermediaries have resulted in easier and more seamless journeys, faster response times and improved features that provide better insight.

Cashcow Award

Our efforts to improve our services have again been recognised. In 2024, we won the Cashcow Award in the category 'Best Online Asset Manager' for the Beheerd Beleggen online investment proposition.

Payments

NN Bank is preparing to add payment accounts to its product offering. Last year, important steps were taken to prepare for the launch. The payments proposition will enable us to offer a comprehensive range of financial services to retail customers in the Netherlands and aligns with our broader strategy to increase customer engagement, unlock cross-selling potential and contribute to fee income.

“At NN Bank, our people are our most valuable asset. Together, we deliver on our strategy and build our Digital Retail Bank.

Talented people

We nurture a culture aligned with our purpose, values and ambitions. One that supports continuous learning, collaboration and diversity of thinking. We consider all colleagues to be talents, and invest in an inclusive and inspiring environment, so that together we are optimally equipped to take our business into the future.

What we aim for

At NN Bank, our people are our most valuable asset. Together, we deliver on our strategy and build our Digital Retail Bank.

We foster a values-based culture and empower our colleagues to excel. Our core values – Care, Clear, Commit – form the foundation of our culture. These principles allow all colleagues to be themselves in the workplace, feel safe and respected, and thrive both personally and professionally.

We measure our colleagues' engagement through our employee engagement surveys. In 2024, our employee engagement score was 7.8, compared to 7.6 in 2023. By understanding our employees' perceptions, we can enhance our work environment and remain an attractive employer. We continuously seek ways to improve our colleagues' skills and knowledge through tailored employee journeys and effective working practices.

Skills and knowledge development

We actively manage talent development and prioritise succession planning for all management positions. Our strategic workforce planning assesses current skills, identifies future needs and ensures all colleagues are prepared for upcoming changes. This includes participation in NN Group-wide development programmes, such as leadership development (LEAD) and data literacy initiatives, as well as engagement in NN-wide guilds to foster craftsmanship. In 2024, we launched a leadership journey at NN Bank, enabling our leaders to cultivate the skills and behaviours necessary to strengthen our culture and leadership.

Employee journeys

Our onboarding programme ensures a warm welcome and a smooth start for all new NN Bank employees. In today's rapidly changing environment, we must ensure that employees' skills align with our strategic needs. Throughout their journey, our NN values and behaviours guide employee development, helping us maintain a future-ready workforce.

Way of working

Our approach focuses on maximising value for our customers. In 2024, we implemented several organisational changes to support this approach. We have introduced empowered product teams with end-to-end responsibility to improve customer experience and operational efficiency.

> "Our products and services are smartly integrated around the customer themes of sustainable living, financial well-being and carefree retirement.

Contribution to society

We aim to contribute to the well-being of people and the planet. We do business with the future in mind and contribute to a world where people can thrive for many generations to come.

What we aim for

We believe banking is about people. We strive to make a positive impact on our customers, colleagues and society. This purpose is embedded in our Contribution to society strategic commitment. We identified five key areas of focus that underscore our commitment to contributing to society and shaping the world of tomorrow: easy-to-use products and services, ensuring our products and services are easily accessible to people in the Netherlands, preventing financial crime to the best of our abilities, taking impactful actions to combat climate change and contributing to financial health.

Easy-to-use products and services

We aim to help people successfully manage their financial life events and plan for the future. We offer a broad range of financial products and additional services that reflect our sustainability and contribution to societal goals. Our products and services are smartly integrated around the customer themes of sustainable living, financial well-being and carefree retirement. Our digital platforms offer convenient access to products, tools and financial planning resources, ensuring customers can manage their finances efficiently and effectively.

Digital inclusion

We recognise that not all customers are comfortable using digital channels for service and sales requests. We want to help people participate in an increasingly digital society and enable their financial self-reliance. We are committed to keeping our products and services accessible for everyone.

We continually enhance our customer communications and digital content to achieve clear, accessible language and meet accessibility guidelines. For customer onboarding, we offer personalised guidance through our Onboarding Desk and a new in-home ID verification service. Of course, our call centre colleagues are happy to assist our customers and provide help whenever needed. In further digitising our processes, we take these groups of customers into account so that we can optimally serve them in what matters most to them. This approach ensures that all customers feel valued and included.

Preventing financial crime

A key focus for NN Bank in 2024 was our role in preventing financial crime. We have enhanced our practices to effectively fulfil this responsibility, balancing our legal obligations with the interests of our customers.

Simultaneously, we remain vigilant about the risk of discrimination in our investigation of possible financial crime. In 2024, politicians and the media paid particular attention to the risk of discrimination against certain groups. We do our utmost to prevent (perceived) discrimination, including a review of all written communication and specific training for staff. Awareness and mitigation of discrimination risk will continue to be a priority in 2025.

Climate action

Climate change is one of the most urgent threats of our time. NN Group, including NN Bank, is committed to becoming a net-zero company in its own operations by 2040, and net zero in our Bank activities by 2050. We reported a 17.1% reduction in greenhouse gas (GHG) emissions in our mortgage portfolio, moving us toward our interim goal of a 34% reduction by 2030, as compared to 2021 levels.

We aim to contribute to reducing climate change impact by engaging our value chain, leveraging our Green Bond Framework and contributing to (sector-) specific initiatives and partnerships.

NN Mortgages, including our sustainable mortgage brand Woonnu, help customers make their homes more sustainable by offering financing solutions and professional guidance. Additionally, our online platform provides personalised recommendations for sustainable living. Over the past two years, we have informed and encouraged our mortgage customers to adopt sustainability measures. Our mortgage customers have intensively used the tools that provide these insights.

Additionally, our Energy Savings Budget proposition is available to finance sustainability initiatives, and our Woonnu mortgage product offers attractive financing options that reward customers for making their homes more sustainable.

Financial health

We recognise our responsibility to contribute to society on topics like financial health. For those customers facing financial difficulties, we spend time investigating potential issues and helping our customers become more resilient. We provide a tailored approach, including coaching and tools intended to generate more income, reduce living expenses, reduce monthly mortgage payments, or a combination of these. We also take measures to try to prevent customers from encountering problems by engaging with them in a timely manner.

We are also part of a coalition of creditors, the Schuldeiserscoalitie. In the coalition, large Dutch businesses work together to combat poverty in the Netherlands. NN Bank also takes part in the Dutch Debt Relief Route (Nederlandse Schuldhulproute, [NSR]), whose aim is to identify people with potentially problematic debts at an early stage. Moreover, NN is member of the National Coalition for Financial Health (NCFG). The NCFG is a coalition of public and private organisations that aim to build a financially healthy situation in the Netherlands.

Furthermore, NN Bank employees are given the opportunity to get involved in people's well-being outside of their role at the Bank. Colleagues participate in volunteer work, for example during Money Week (Week van het Geld) aimed at teaching youngsters how to handle their money wisely. Several colleagues help people with financial difficulties or are involved in foundations that assist young people with financial difficulties. Furthermore, colleagues have the option to request a donation to a charity that they support through our Together for Society foundation (Stichting Wij en de Maatschappij).

We contribute to our role in society through NN Group's global Community Investment Programme, which aims to support the financial, physical and/or mental well-being of one million people by 2025.

Financial strength

We are committed to maintaining a strong balance sheet and creating solid financial returns for shareholders by using our financial strength, scale, and by efficiently managing our customers' assets.

What we aim for

Sustainable profits and a well-capitalised Bank, underpinned by a robust risk management culture that anticipates the needs of tomorrow, form the foundation from which we contribute to a stable, safe and secure financial system.

Maintaining our financial strength is paramount in multiple ways. Firstly, to ensure we can deliver our products and services to our customers. Secondly, to uphold our commitment to our shareholders by providing solid, long-term returns. And finally, to offer a sustainable perspective to our colleagues while contributing positively to society.

Growth

To reach these goals, we are actively working to grow our share of wallet among our customers, increase our customer base and diversify our income by increasing fee generation, while continuously optimising our operational cost base.

Digital & data-driven organisation

We aim to excel in developing and providing attractive products and services, and to operate with efficiency, agility and speed. To continue doing so, we will make use of digital and data capabilities.

What we aim for
We use technology and data responsibly to transform our business and drive operational excellence.

Data foundation
Data and digitalisation are essential for a relationship-oriented and efficient bank. In our transition towards a more digital and data-driven organisation, we focus on building a robust data foundation to comply with regulations, strengthen data-driven decision-making and enhance our ability to assist customers. The robust data foundation also enhances our insight into Bank data quality. The entire data chain is automated and standardised, which will lead to more precise insights and more efficient processes across the organisation. Furthermore, we expect that future changes will be easier to absorb in our data chain.

Artificial intelligence
One of the most promising technologies is generative AI. These AI-powered language models are quickly reshaping how we interact with customers, streamline operations and manage risks. A key area of impact is customer service. With the integration of generative AI, we can now enhance our customer support. We use AI to summarise calls between our agents and customers, allowing us to accurately store conversations. Process mining provides data-driven insights that improve our mortgage processes by accelerating and automating parts of these processes.

In 2024, we prioritised the most time-consuming processes from both internal and customer perspectives, and we initiated improvements one by one. By automating some of these processes and intelligently applying AI — such as the automatic processing of data on certain paper documents — we simultaneously enhance organisational efficiency and improve the customer experience.

The use of AI reduces wait times for customers and lowers operational costs. The technology continuously learns and improves to provide accurate and up-to-date information. As the technology continues to evolve, its impact on the financial industry is likely to grow, offering new opportunities to better serve our customers and navigate the complexities of an ever-changing market.

We have also leveraged data and technology to provide seamless digital experiences. We assist customers in making informed decisions by demonstrating how their savings and investment mix can lead to different outcomes after retirement, and how they can influence this mix.

Regulations
In becoming a digital and data-driven organisation, we carefully balance individual privacy with our duty of care and social responsibility, ensuring compliance with data protection regulations.

New regulations have also emerged that are related to data and digitalisation. In 2024, the AI Act was finalised, and DORA took effect in early 2025. NN Bank has been able to anticipate these new rules for alignment and compliance by implementing an extensive ethical framework for the use of data and AI within our organisation, and significant attention has been dedicated to DORA to ensure future compliance. NN Bank is convinced that a healthy operational resilience base is indispensable to fending off cyber threats.

More information
Please refer to the Sustainability Statement for more information related to our strategy, in particular about the social and environmental impact of our operations, as well as our efforts to promote sustainability and responsible business practices.

Andries Broekhuijsen, manager, Credit Risk Management
Marieke van Grol, commercial director, Woonnu
Hans Buursink, domain lead Commerce, Proposition & Customer activation

‘We would like to help as many customers as possible to be ready for the future.’

Cooperation essential for future-proof living

The threats of climate change affect us all. And mitigating those threats will require cooperation. In addition to evaluating the Bank’s own climate risks, we aim to help customers understand and reduce climate risks in their homes. Together with all stakeholders, we help customers aim for future-proof living by taking steps that are effective and affordable. And that starts with the tools that make the challenges and options crystal clear.

In 2024, NN Bank assessed climate risks. Can you tell us more about that?
Andries Broekhuijsen: ‘we identified Climate & Environmental (C&E) risk and its potential financial impact on our Bank by conducting a materiality analysis. We distinguish three components of climate risks. First, we looked at physical climate risks, such as flooding or damage to foundations. We also looked at transition risks connected to the progress towards making Dutch society more sustainable. And we looked at biodiversity, which involves conservation, such as the quality of drinking water.

‘We determined that physical climate risks – and specifically the risk of flooding – were one of the more significant credit risks for the Bank. A major flood caused by a breach of a dike is not covered by the home insurance policy. This can have major financial consequences for our customers, and thus potentially also for the Bank if collateral is lost or damaged. Fortunately, the chance of such a flood is minimal.

‘It’s an initial analysis, with the aim of further developing climate risk management within NN Bank. In parallel, we’re preparing policy and have also launched campaigns with colleagues in our mortgage domain to mitigate climate risk for our customers and the Bank. For example, we’re encouraging customers to future-proof how they live and, in doing so, to make a positive contribution to the transition risk.’

What exactly do you mean by future-proof living?
Marieke van Grol: ‘that your home, living environment and quality of life are where you want them to be now, but also in – say – 10 years. And that you take account, for example, of the potential consequences of climate change. We would like to help as many customers as possible to anticipate this by actively offering solutions. Of course, we do this in close cooperation with independent mortgage advisors and other parties active in the housing market.

> **Solving a foundation problem is complicated and requires cooperation between different parties, like residents, building experts, government, lenders and often also neighbours.**

How did NN Bank encourage future-proof living in 2024?

Marieke van Grol: ‘we actively encourage Nationale-Nederlanden and Woonnu customers to move forward. We do this, for example, by creating awareness and offering insight into the possibilities for their home. Customers can get a good indication of the sustainability options and savings for their home using the online sustainability check, which only takes three minutes to complete. And we’re continuously optimising this tool, so that customers receive increasingly personalised information about sustainability options.

‘Another example is that, in addition to insight, we also offer customers an action list to make their homes more sustainable. This is very important, because without this action list customers don’t move forward. In this way, we offer customers reliable suppliers who can advise on sustainability measures and can also carry them out. Our mortgage products are also in line with this, such as the Woonnu mortgage that links an interest rate discount with the energy rating and the Energie Bespaar Budget that customers can use to finance energy-saving measures.

‘In addition, we inform and inspire mortgage advisors about how they can advise customers about sustainability or issues with their home’s foundation, for example. And how they can include these important themes in their advice to customers. In 2024, we held various round-table discussions and updated advisors on the latest developments. We also include these themes in the one-on-one conversations that our account managers have with advisors. Woonnu and Nationale-Nederlanden have been cooperating intensely on this. By pooling our know-how and strengths, we can offer a wider perspective, meaning that we can provide an even better, full-service solution when it comes to sustainability and future-proof living. In this way, we can achieve an even greater impact together.’

What was the most important theme related to future-proof living in 2024?

Hans Buursink: ‘CO_2 reduction to mitigate global warming is still the most important theme for housing in the Netherlands. In the past year, we’ve seen a shift in focus from the energy transition to physical climate risks, such as problems with foundations and flooding. In 2024, for example, heavy rainfall in Brabant and Limburg caused serious flooding to streets and cellars, and the topic was in the news a lot. This has made the problems more tangible for the general public.

‘Foundation problems are an important theme and social issue, also for the coming years. Examples of this are pole rot or the subsidence of houses due to soil subsidence, with ultimately possible major damage to homes. More than 1.6 million houses in the Netherlands run this potential risk. It is a complicated issue, because it is very expensive to repair your foundation: it can easily cost between EUR 50,000 and EUR 100,000 for an average home. Solving this problem is complicated and requires cooperation between different parties involved, such as residents, building experts, government, lenders and often also neighbours. It’s most effective if you tackle this kind of problem on a block or district basis.

‘At NN Bank, we and representatives from other stakeholders, such as the government and other lenders, are taking part in various discussions to investigate how this issue can best be tackled.

‘For example we’re taking part in a project that focuses on putting homes in a specific district of The Hague on a more sustainable footing. As a member of the Dutch Banking Association, we’re working with the municipality of The Hague, other financial institutions, the National Heat Fund (Nationaal Warmtefonds) and installation companies to encourage consumers to make their homes more sustainable. We’re doing this by informing them of the options, offering sustainability options and ways to finance them, and carrying out the measures. By working closely with all parties, we hope to gain insight into the effectiveness of a district-wide approach to achieve optimal results. The first results are expected in 2025.’

> **Physical climate risks – and specifically the risk of flooding – are one of the more significant credit risks for the Bank.’**

2.4 Our business performance

We look back on a strong financial performance in 2024. Compared to our relatively high profitability in 2023, the 2024 result was lower, partly due to a less favourable interest rate environment.

Mortgage portfolio

Our residential mortgage portfolio increased from EUR 22.8 billion in 2023 to EUR 23.4 billion in 2024. Our total serviced mortgage portfolio, which includes the mortgage portfolio under management for other group entities and third parties, decreased slightly to EUR 55.4 billion (2023: EUR 55.8 billion). Our mortgage origination decreased to EUR 4.2 billion in 2024 (2023: EUR 4.7 billion), resulting in a market share of 4.1%.

In 2024, mortgage rates slightly decreased compared to 2023. Although a decrease in market interest rates has led to lower mortgage rates, both market interest rates and mortgage rates are still higher than in the last number of years. We have therefore seen a continued shift towards shorter fixed-rate periods in our mortgage origination in 2024.

Since its launch in August 2020, Woonnu has originated EUR 3.2 billion in mortgages. Woonnu supports sustainable living with a discount on mortgage interest rates for homes with a high energy label (A and B). On 17 August 2024, Woonnu B.V. merged with NN Bank. As a result of this merger, Woonnu ceased to exist as a separate legal entity and NN Bank acquired all of Woonnu's assets and liabilities.

Customer savings portfolio

Our customer savings portfolio increased from EUR 16.5 billion in 2023 to EUR 17.5 billion in 2024. NN Bank's savings portfolio mainly consists of EUR 7.4 billion in internet savings and term deposits, EUR 7.7 billion in bank annuities and EUR 1.9 billion in mortgage-linked bank annuities.

This resulted in a market share of 3.6% of the total savings balance of Dutch households. Comparable to 2023, we continued to see a shift from internet savings to term deposits in 2024.

Retail investments under management portfolio

Our retail investments under management portfolio increased by EUR 51.6 million to EUR 1.2 billion. The new Pension Legislation resulted in increased interest from retail investors in fiscally driven investment products, such as the Additional Pension Accrual product (Aanvullende Pensioen Opbouw).

Bancassurance portfolio

NN Bank is the direct distributor of retail Non-life insurance products under the Nationale-Nederlanden label. Our premium volume for retail Non-life insurance increased steadily in 2024.

2.5 Our financial developments

Key figures

Amounts in millions of euros	2024	2023
Loans	22,407	21,519
Customer deposits and other funds on deposit	17,492	16,465
Net interest margin[2]	1.52%	1.65%
Cost/Income ratio[2]	62.5%	58.2%
Return on assets[2]	0.4%	0.5%
Return on equity[2]	9.5%	11.6%
Total assets	25,522	25,205
CET1 capital[3]	1,162	1,069
CET1 ratio[3]	17.9%	16.5%
Total capital[3]	1,207	1,154
Total capital ratio[3]	18.6%	17.8%
Leverage ratio	4.5%	4.2%
Liquidity Coverage Ratio (LCR)	174%	197%
Average number of internal FTE	1,069	1,037

1. Excluding EUR -3.4 million due to the sale of part of the consumer lending portfolio in 2023.
2. These ratios are calculated as follows:
   Net interest margin: calculated as net interest income divided by the average total assets in a year (see Note 18 'Net interest income').
   Cost/income ratio: calculated as staff expenses plus other operating expenses divided by total income.
   Return on assets: calculated as net result divided by the average total assets in a year.
   Return on equity: calculated as net result divided by the average equity in a year.
3. 'Total capital' would be EUR 1,198 million, 'CET1 ratio' would be 17.7% and 'Total capital ratio' would be 18.4% after inclusion of the net result for the second half of 2024, less the payment of the proposed final cash dividend.

Analysis of results

Amounts in millions of euros	2024	2023
Net interest income	385.8	406.3
Gains and losses on financial transactions and other income	0.3	-7.3
Net fee and commission income	65.5	64.8
Valuation results derivatives	-32.7	-22.1
Total income	**418.9**	**441.7**
Impairment charges on financial instruments[1]	-2.3	-5.0
Staff expenses	155.2	152.7
Regulatory levies	6.6	18.2
Other operating expenses	106.8	104.5
Total expenses	**266.3**	**270.4**
Result before tax	**152.6**	**171.3**
Taxation	39.4	44.2
Net result	**113.2**	**127.1**

Profit or loss

NN Bank's net result for the year 2024 was EUR 113.2 million, a decrease from the previous year's net result of EUR 127.1 million. Therefore, the Bank's return on equity decreased to 9.5% in 2024 (2023: 11.6%). Decreasing interest rates were an important driver of the lower net result in 2024.

Total income in 2024 decreased by EUR 22.8 million compared to 2023, due in part to lower net interest income.

Our net interest income decreased from EUR 406.3 million in 2023 to EUR 385.8 million in 2024. This was partly due to an increase in funding costs in 2024, mainly caused by higher savings rates and volumes. On the other hand, we saw increased interest income from our mortgage portfolio, as well as from our cash management activities. The overall decrease in net interest income resulted in a decrease in the net interest margin, from 1.65% in 2023 to 1.52% in 2024.

Gains and losses on financial transactions and other income increased to a gain of EUR 0.3 million in 2024, compared to a loss of EUR 7.3 million in 2023. The loss in 2023 was mainly contributable to the sale of the vast majority of our consumer lending portfolio in 2023.

Net fee and commission income increased by EUR 0.7 million to EUR 65.5 million. This is the result of higher Bancassurance fees and lower commission expenses for consumer lending, offset by lower commission income due to lower origination and servicing fees.

Valuation result on derivatives decreased from a loss of EUR 22.1 million in 2023 to a loss of EUR 32.7 million in 2024. This is mainly due to the valuation impact from a decrease in market interest rates, partly offset by hedge accounting.

Total expenses decreased by EUR 4.1 million to EUR 266.3 million in 2024, primarily driven by lower regulatory levies resulting from lower contributions to the Deposit Guarantee Schemes and the Single Resolution Fund. Staff expenses increased by EUR 2.5 million to EUR 155.2 million in 2024. This increase was mainly attributable to higher salaries, offset by a reduction in our external staff, resulting from improved operational efficiencies. The release of the loan loss provision decreased by EUR 2.7 million to EUR 2.3 million. The Cost/income ratio was 62.5%, compared with 58.2% in 2023, reflecting both higher operating expenses and lower total income in 2024.

Targets and regulatory requirements

NN Bank has set the following financial targets for 2025: a Cost/income ratio below 55% and a Net operating return on equity of 9% or higher on a statutory basis.[1] In addition to these financial targets, we also have a capital target where we aim to have a Total Capital Ratio of at least 17.7%.

Capital, funding & liquidity

Maintaining a strong balance sheet remains a key priority. Securing funding and liquidity from institutional investors and retail customers is a crucial aspect of our balance sheet strategy. Our objective is to maintain access to diversified funding sources across different investors, markets and maturities. In October 2023, facing two upcoming covered bond redemptions in 2024, NN Bank decided to make use of a market window to partially prefund these redemptions with the issuance of a three-year, EUR 750 million covered bond. During 2024, we did not issue any wholesale debt. Our balance sheet remained stable, as we saw both debt redemptions and increasing inflow from retail savings.

As of year-end 2024, the total nominal amount outstanding of senior unsecured funding was EUR 1.12 billion and secured funding through covered bonds was EUR 5.35 billion. The total amount of nominal retained covered bonds has remained unchanged at EUR 2 billion throughout the year. In addition to the on-balance-sheet High Quality Liquid Assets (HQLA) portfolio and cash, the potential usage of the retained bonds can support the Liquidity Coverage Ratio when needed. Our liquidity position remained strong, with an LCR of 174% at year-end 2024.

To hedge the banking book, we enter into interest rate swaps. The market value of the derivatives is settled through variation margin payments with our counterparties.

NN Bank has maintained a solid capital position, with a Total Capital Ratio of 18.6% (2023: 17.8%) and a CET1 ratio of 17.9% at year-end 2024 (2023: 16.5%). The capital target for the Total Capital Ratio has been increased from 16.7% to 17.7%, from May 2024 onwards, due to the 1% increase in the countercyclical capital buffer (CCyB).

Driven by a strong result and a solid capital position, NN Bank will propose a final dividend of EUR 60 million over the 2024 financial year.

1. A net operating return on equity of 9% on statutory basis equals a return on equity of approximately 12% on Group reporting basis.

Non-financial statement

NN Bank is a direct subsidiary of NN Group. NN Group includes the non-financial information as per the Decree disclosure of non-financial information (Besluit bekendmaking niet-financiële informatie, [the Decree]) in the consolidated Report of the Management Board for NN Group. Financial undertakings subject to the Decree will have to disclose the proportion of exposures to Taxonomy-eligible and Taxonomy non-eligible economic activities and certain other disclosures in their GAR assets. For this non-financial information, NN Bank will make its EU Taxonomy eligibility and alignment disclosure in the 'EU Taxonomy' chapter in the Sustainability Statement and in chapter 9, 'Other Information'.

“Driven by a strong result and a solid capital position, NN Bank will propose a final dividend of EUR 60 million over the 2024 financial year.

2.6 Conclusions for 2024 and looking ahead

Strong financial performance and strategic achievements in 2024

Looking back on 2024, NN Bank's financial performance was robust, despite the challenges posed by a less favourable interest rate environment. NN Bank maintained a steady balance sheet, with a strong capital and liquidity position. Our residential mortgage portfolio expanded, and both the customer savings portfolio and retail investments under management portfolio grew. Moreover, NN Bank is set to broaden its product range in 2025 by introducing payment accounts. The origination and servicing of mortgage portfolios for Group entities and third-party investors continues to be an important strategic activity.

We have made significant progress towards fulfilling our five strategic commitments. One of these commitments is to engage with our customers. Another is to foster a values-based culture and empower our colleagues. We are also committed to contributing to the well-being of people and the planet. Additionally, we are focused on ensuring financial strength and seeking long-term returns. Finally, we are dedicated to becoming a digital and data-driven organisation.

To enhance customer engagement and satisfaction, we have implemented several measures, including streamlining our processes and providing personalised guidance through our Onboarding Desk. We have invested in our employees by prioritising succession planning and providing leadership development programs. Additionally, we contributed to society by focusing on easy-to-use products and services, digital inclusion, preventing financial crime, climate action and financial health. While maintaining our financial strength, we have grown our share of wallet among our customers, increased our customer base and diversified our income. Finally, we have embraced technology and data to transform our business and drive operational excellence. We are using AI to enhance customer support and automating processes to improve efficiency and customer experience.

Looking ahead: our future perspective

As we set our sights on 2025, we anticipate a further decline in interest rates. Although this may result in margin pressure, we are confident that we will remain on track to meet our financial targets. Furthermore, we anticipate that the implementation of Basel IV will have a positive impact on our capital position.

We remain committed to executing our strategy and evolving into a relationship-oriented financial partner and Digital Retail Bank. We will leverage technology and data to offer our customers seamless digital experiences and improve our operational efficiency. Our steadfast focus on our customers, along with our Digital Retail Bank strategy, position us well to anticipate the challenges of an ever-changing market and shape the future today. As we acknowledge the dedication, enthusiasm and commitment of our colleagues in achieving these results, we affirm our continued commitment to fostering a diverse and inclusive working environment moving forward.

Corporate governance

General

NN Bank has a two-tiered Board system, which comprises a Supervisory Board and a statutory Management Board (the Boards).

The Management Board determines, and is responsible for, NN Bank's mission, strategy, policies and objectives. It focuses on business continuity, considering a balanced assessment of customer, investor and employee interests. The Supervisory Board advises the Management Board and supervises the Management Board's pursuit of policy, performance of its duties and the company's course of affairs.

The general meeting of NN Bank (General Meeting) appoints the statutory Management Board members.

The NN Bank Management Board consists of three statutory members: the CEO, CFO and CRO, and one non-statutory member: the CTO.

The governance and control structure for NN Bank forms the basis for its sound management and is founded on the following principles:

- A governance structure based on a Management Board, with supporting committees authorised to establish policies, set limits and organise checks and balances within the strategic mandate of NN Group
- An independent risk management function, responsible for implementing an adequate framework for risk and control policy, directly anchored in the Management Board via the CRO
- An adequate policy framework that guides the mechanics involved in placing the organisation on an operational footing, set out in the NN Group policy framework, unless waived by NN Group
- The embedding of the policy framework, guidelines and procedures in the Three Lines of Defence model

To preclude potential legal sanctions, financial losses and/ or reputational damage, NN Bank's policy guidelines are regularly reviewed and adjusted. Each policy area has an owner, who is responsible for establishing and maintaining the specific guidelines within the policy area concerned. The specific policy guidelines also address how they relate to existing NN Group policy in the areas concerned.

Diversity and inclusion

NN Group aims to have an adequate and balanced composition of its boards. In order to ensure such composition at all times, several relevant selection criteria are balanced and (re)appointments to these boards are made on the basis of harmonised policies and in accordance with legal and regulatory requirements.

As of 1 January 2021, NN Group aims to have a gender diversity of at least 40% women and 40% men for its boards. As of 2021, NN Group also has a target to have at least 40% women in senior management positions. Since 2022, these positions included the Management Board of NN Group, managerial positions reporting directly to a Management Board member of NN Group and all senior managerial positions reporting to a business unit CEO.

In addition, in 2022, a target was set to have at least 40% women in management team positions within each Dutch NN Group company in scope of the act on gender diversity in boards of Dutch companies (Wet tot wijziging van Boek 2 van het Burgerlijk Wetboek in verband met het evenwichtiger maken van de verhouding tussen het aantal mannen en vrouwen in het bestuur en de raad van commissarissen van grote naamloze en besloten venootschappen, [the Act on gender diversity]), which entered into force on 1 January 2022.

In support of the ambitious gender diversity targets, NN Group has set an action plan, that has been adopted by all NN Group companies in scope of the Act on gender diversity. This action plan supports a healthy and diverse succession pool for senior management throughout the organisation, as part of our Diversity and Inclusion and Key Talent Management policy and processes.

We have set out various actions on the different drivers behind our Diversity and Inclusion roadmap such as: enhanced processes, data & monitoring, visibility and networks, and mindset & awareness.

Actions include among others:

- The 40% target must be taken into account in the succession planning and process for appointments of persons in board and senior management positions
- At least once a year Talent Review & Succession Planning sessions for senior management positions are organised
- Strive for a minimum of 50% females on shortlists for senior management positions
- A list of female talent pool is kept and participation in succession planning sessions and leadership and development programmes is ensured
- Engagement with female talent pool and increase visibility (examples: networking events, mentoring programme Women in Leadership Network, etc.)
- Performing equal pay analysis

Composition of NN Bank's Management and Supervisory Boards and management team

NN Bank aims to have an adequate and balanced composition of its Boards, including a gender diversity of at least 40% women and 40% men. The fact that its statutory Management Board consists of only three members requires this board to consist of at least one female and at least one male. In 2024, NN Bank's statutory Management Board consisted of one female and two males thus meeting this target. Marcel Zuidam, NN Bank's former CEO, stepped down as of 1 March 2025, resulting in the statutory Management Board consisting of one female and one male, with one vacancy temporarily filled by NN Bank's CRO, Pieter Emmen, still meeting the gender diversity target.

NN Bank's Supervisory Board consists of four members. This Board comprises 50% female and 50% male members and therefore meets the target.

NN Bank's Management Team consists of its three statutory Management Board members, the CTO and six other senior management positions. On 1 February 2024, one female senior manager resigned, and was succeeded by a male senior manager. As per 1 February 2024, women held 60% of NN Bank's Management Team positions, and men held 40%, thereby meeting the gender diversity target.

In future (re-)appointments of Board and Management Team members, NN Bank will continue to consider all applicable laws and regulations and relevant selection criteria, including gender diversity targets.

We believe our company is strongest when we embrace the full spectrum of humanity. Regardless of what we look like, where we come from or who we love. That is why NN Group, including NN Bank, takes a stand for diversity, inclusion and equal opportunities for all. When people inside of our company represent the people outside our company, we can be more responsive to what they expect.

More information about diversity and inclusion can be found in the Sustainability Statement, in the 'Own workforce' section, on pages 79 - 86 of the 2024 NN Bank Annual Report and our NN Statement on Diversity and Inclusion.

External auditor

On 19 May 2022, the NN Group general meeting reappointed KPMG Accountants N.V. (KPMG) as NN Group's external auditor for the financial years 2023 through 2025. On 23 May 2022, the General Meeting reappointed KPMG as NN Bank's external auditor for the financial years 2022 through 2025.

The external auditor attended the meetings of the Audit & Risk Committee of the Supervisory Board on 21 March and 27 August 2024.

In 2023, NN Group initiated the process to select a new external auditor as of the financial year 2026. It will be proposed to the general meeting of NN Group to appoint EY Accountants B.V. (EY) as its external auditor for the financial years 2026 through 2029 at the annual general meeting of NN Group on 15 May 2025. If appointed, it will also be proposed to the General Meeting of NN Bank in 2025 to appoint EY as the external auditor of NN Bank for the financial years 2026 through 2029.

More information on NN Group's policy on external auditor independence is available on the NN Group website (nn-group.com).

Laws and regulations

NN Bank adheres to the laws and regulations by which it is governed. For NN Bank, this includes:

- Conduct of business supervision laws and regulations, such as MiFID II and MiFIR, EMIR, the Financial Supervision Act, Sustainable Finance Disclosure Regulation, the (Anti-) Money Laundering and Terrorist Financing (Prevention) Act and Sanction laws, Payment Services Directive 2 (PSD2), Mortgage Credit Directive, Credit Consumer Directive
- Prudential laws and regulations, such as the Capital Requirements Directive/Capital Requirements Regulation, Basel III
- Other laws and regulations, such as CSRD, DORA, the Dutch Civil Code, the General Data Protection Regulation, the Telecommunications Act, Trade name act and Trade register act, Taxonomy Regulation and the further legal acts based on these legislations

As a member of the Dutch Banking Association (Nederlandse Vereniging van Banken, [NVB]), NN Bank also upholds the NVB Code of Conduct and decisions that are binding for its members, as well as the Codes of Conduct generally applicable to the banking sector, such as the Banking Code, the Code of Conduct for Financial Institutions on the Processing of Personal Data, the Code of Conduct for Consumer Lending and the Code of Conduct for Mortgage Loans.

Banking Code

NN Bank has implemented the Banking Code and applies it. The Code helps to increase awareness of the role of banks and their responsibilities towards society. NN Bank devotes a great deal of attention to the Code in the Bank's operations, risk management and in its dealings with customers and other stakeholders. The Code can be downloaded from the NVB's website (nvb.nl). NN Bank publishes its full report regarding the 'Application of the Banking Code' on the Nationale-Nederlanden website (nn.nl).

Risk management organisation

In line with NN Group, the Three Lines of Defence model, on which NN Bank's risk management structure and governance are based, defines three risk management levels. Each line has distinct roles, decision authorities, execution responsibilities and oversight responsibilities. This framework ensures that risk is managed in line with NN Bank's risk appetite, as defined by the Management Board and ratified by the Supervisory Board, and that NN Bank's risk appetite is consistent with that of NN Group.

The First Line of Defence is formed by NN Bank Business Management and has primary accountability for the performance of the business, operations, compliance and effective control of risks affecting NN Bank's business.

The Second Line of Defence consists of oversight functions, with a major role for the risk management organisation and the legal and compliance functions. The CRO steers a functional independent risk organisation, which supports the commercial departments in their decision-making, but which also has sufficient countervailing power to prevent risk concentrations and other forms of unwanted or excessive risk.

The Third Line of Defence is provided by Corporate Audit Services (CAS) and offers an independent assessment of the standard of internal control with respect to NN Bank's business and support processes, including governance, risk management and internal controls.

NN Bank is exposed to various financial and non-financial risks. For a more detailed description of these risks and the way in which they are managed, reference is made to Note 39 'Risk management'.

Risk Appetite Framework

The Risk Appetite Framework consists of the overall NN Bank Risk Appetite Statement (RAS), the Risk Appetite Statements for credit risk, market risk and non-financial risk derived from the overall statement, and the underlying limits framework per risk category. The overall RAS states the degree of risk that NN Bank is prepared to accept in all risk categories, given its proposed activities in pursuit of its objectives.

The Risk Appetite Framework consists of qualitative and quantitative statements as to risk preferences, risk tolerances, risk limits and risk controls. The RAS and the underlying limits frameworks are based on the annual Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP), and on the business plan in force, including capital and funding plans. The RAS provides constraints for the business plan. NN Bank's risk committees monitor usage of the risk limits per risk category.

Within the Management Board, the CRO is responsible for drawing up an RAS proposal in close consultation with the CFO. The risk management organisation, including the compliance function, assists the CRO, including providing analyses of the current risk positions and risk tolerances. The Management Board and Supervisory Board approve the proposed risk appetite as part of the input for the annual business plan.

Internal capital and liquidity adequacy

In terms of capital and liquidity, the Dutch Central Bank (De Nederlandsche Bank, [DNB]) requires an annual internal evaluation to determine whether the capital and liquidity position and risk management is sufficient, given NN Bank's operations now and in the near future, including stress testing. This internal evaluation is performed using an ICLAAP. The ICLAAP and Supervisory Review & Evaluation Process (SREP) show that NN Bank has a robust capital and liquidity position.

Financial reporting process

As NN Bank is part of NN Group, the policies and procedures for establishing and maintaining adequate internal control over financial reporting are similar to those that NN Group applies for its Consolidated financial statements.

Internal control over financial reporting is a process designed under the supervision of the CFO, to provide reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of NN Bank's assets
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that NN Bank's receipts and expenditures are handled only in accordance with authorisation of its management and directors
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that could have a material effect on NN Bank's financial statements

Because of its inherent limitations, internal control over financial reporting and sustainability reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Loan Loss Provisioning (LLP) process

At NN Bank, Loan Loss Provisioning (LLP) is a quarterly process, carefully executed and well monitored and controlled. This process encompasses the following key phases:

- Identification: assets that, based upon the IFRS business model test, require the determination of an LLP are selected for further processing
- Determination of significant increase of credit risk (SICR) and provisions: NN Bank's credit risk exposure models are used to calculate the level of 12-month Expected Loss (for Stage 1) and the Lifetime Expected Loss (for Stage 2 and Stage 3 exposures), as well as the provision for Purchased Other Credit Impaired (POCI) assets. The LLP is the sum of Stage 1, 2, 3 and POCI provisions
- Approval: The NN Bank Impairment and Provisioning Committee (IPC) reviews the figures for approval
- Reporting: The figures are booked in the NN Bank General Ledger and used for internal and external reporting (e.g., DNB)

The Hague, 7 April 2025

The Management Board

Report of the Supervisory Board

Duties
The Supervisory Board is responsible for supervising and advising the Management Board on its conduct and general management of the business, as well as on NN Bank's strategy, also within the context of NN Group's strategy. Supervisory Board approval is required for important business-related decisions, such as strategic decisions, transfer of a significant part of the business, entering or terminating a long-term partnership, major participations and investments, and the termination of employment of a large group of employees.

Meetings
In 2024, NN Bank's Supervisory Board convened five times, and its Audit & Risk Committee convened four times. Important items on the Supervisory Board's agenda were the full-year and half-year results, the progress on implementation of NN Bank's strategy and its strategic programmes, the Bank's ICLAAP submission, risk appetite, balance sheet transactions, the Business, Capital, Funding and Recovery Plans and the strengthening of the internal organisation. In addition, in the context of its permanent education, the Supervisory Board performed a deep dive into the topics of Front Office Transformation and Payments and discussed with the Management Board the functioning of the external auditor and its independence.

Risk
At each regular meeting of the Supervisory Board, the Bank's key risk and position reports were discussed and monitored against the Risk Appetite Statements (RAS), as well as the required actions. The Supervisory Board also approved NN Bank's RAS and ICAAP/ILAAP submissions.

Committees
The primary purpose of the Audit & Risk Committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations. An Audit & Risk Committee removes the inherent difficulty of the Supervisory Board acting as both a mentor and an assurer. Both roles are integral to a healthy risk management culture. It provides the auditor with an independent point of reference. To facilitate the Supervisory Board's decision-making, the Audit & Risk Committee reports to the Supervisory Board and provides appropriate advice and recommendations on matters related to NN Bank's corporate reporting processes, risk management and compliance framework.

In 2024, the Audit & Risk Committee, which is composed of two members of the Supervisory Board, convened four times. The Bank's Management Board, Internal Audit (CAS) and the external auditor attended these meetings. The Audit & Risk Committee discussed in depth and monitored the key risk topics covering all risk types, including the functioning of the Bank's internal governance, its risk framework, the functioning of the Second Line of Defence, CSRD and its IT Security, also regarding DORA regulation. The internal and external audit plans were approved and monitored, and the progress made in the resolution of audit issues, including IT, was discussed. The Non-Financial Risks, FEC, Compliance, including the Compliance Operational Plan, and Legal Risks passed in review, as well. Furthermore, the committee discussed key financials, financial reporting, reports of specific audits by internal auditors and the external auditor, and reports from DNB and AFM.

Functioning of the Management Board
In 2024, the Supervisory Board performed its annual, mandatory self-assessment. This assessment was combined with an assessment of the Bank's Management Board. The Supervisory Board concluded that the Bank's Management Board was capable and effective.

Composition of the Management Board
The composition of the NN Bank Management Board did not change in 2024.

On 1 March 2025, the Bank's CEO, Marcel Zuidam, resigned. Pieter Emmen has been appointed as CEO ad interim until a permanent successor is appointed. During this interim period, he will also continue his duties as CRO.

Please refer to page 3 of this Annual Report for the current composition.

Composition of the Supervisory Board
Members of the Supervisory Board are selected based on a profile that includes the required professional background, education, international experience, skills, diversity and independence. The composition of the Supervisory Board is such that its members can perform their duties properly because of an appropriate mix of experience and expertise.

André Bergen resigned as Chair of NN Bank's Supervisory Board on 1 May 2024. Erik Muetstege was appointed as Chair of the Bank's Supervisory Board as of that date.

Please refer to page 3 of this Annual Report for the current composition.

Annual Report and dividend
The Management Board has prepared the Annual Report and discussed it with the Supervisory Board. The Annual Report will be submitted for adoption at the 2025 annual General Meeting. NN Bank will propose a final dividend over 2024 of EUR 60 million.

Appreciation for the Management Board and NN Bank's employees
Finally, the Supervisory Board would like to express its gratitude to the Management Board and to all other colleagues for their hard work, personal dedication and ongoing commitment, as well as for their achievements in 2024, especially in view of the continuing challenges that current times create.

The Hague, 7 April 2025

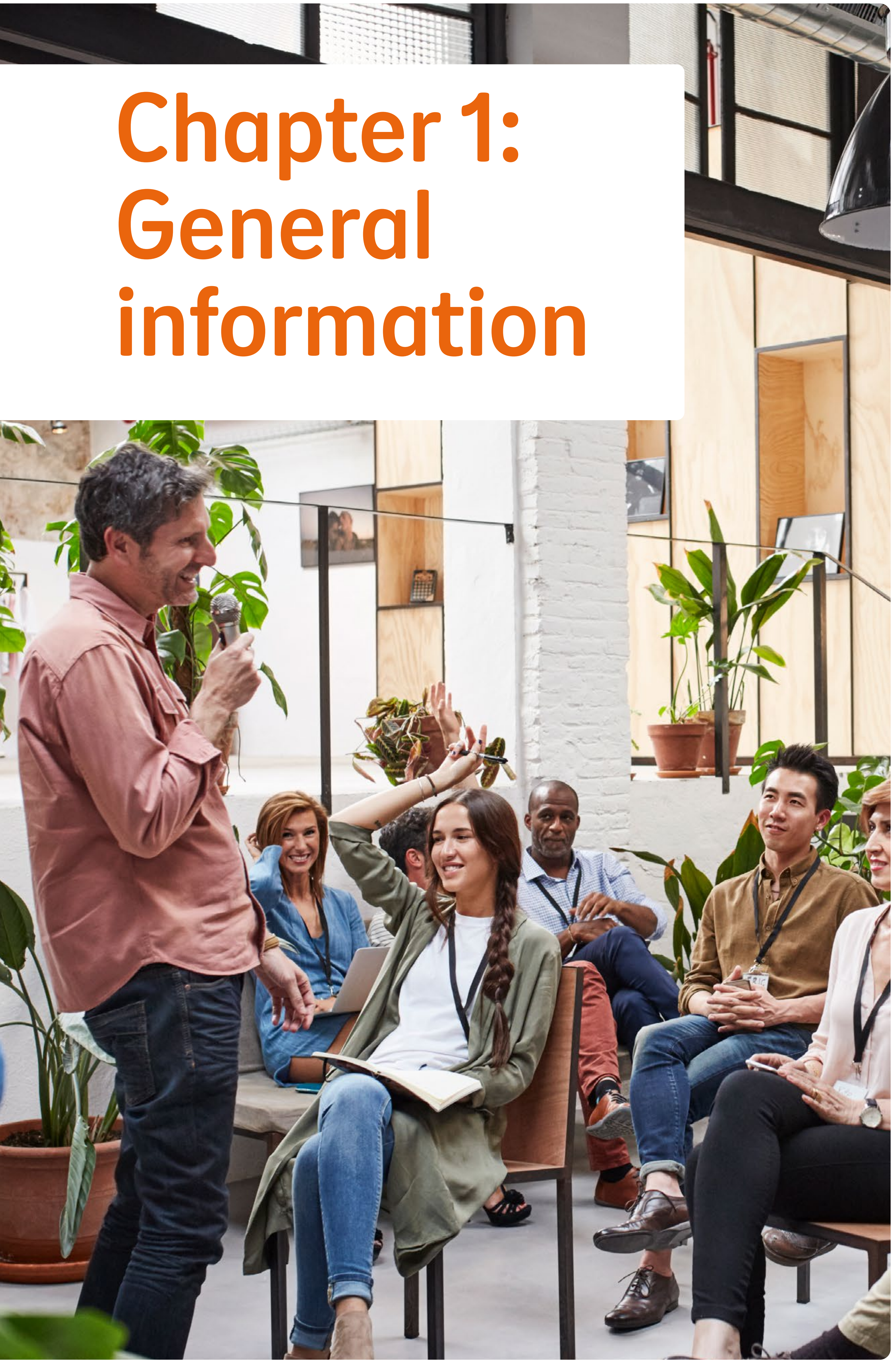
The Supervisory Board

Sustainability Statement

NN Bank has voluntarily used the European Sustainability Reporting Standards (ESRS) in developing this Sustainability Statement. It outlines our strategy, progress and goals regarding environmental, social and governance (ESG) factors. Each section is structured to provide key information efficiently, supported by detailed insights and specific metrics.

Contents

Table of contents



Chapter 1: General information

Our approach

NN Bank aims to be a sustainable business leader in the markets in which it operates. That includes creating long-term value for our customers, colleagues and society. This offers us an opportunity to fulfil our purpose of helping people care for what matters most to them, now and in the future.

As a subsidiary of NN Group, we follow the strategic commitments that focus on promoting the well-being of people and the planet. We do business with the future in mind and aim to contribute to a world in which people can thrive for generations to come.

This year, we voluntarily embrace the new EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS). These frameworks represent an advancement in corporate transparency, ensuring balanced, consistent and transparent reporting of sustainability information. We have endeavoured to provide all information to the best of our knowledge and ability. As the CSRD has not yet been implemented in Dutch law (as of April 2025), this report represents a voluntary application.

In this report, we disclose information on material sustainability matters concerning the reporting year 2024. We performed a Double Materiality Assessment (DMA) to identify any gaps and to develop our CSRD-enhanced reporting strategy. This resulted in the first mapping of our material topics. The DMA provides the basis for the sustainability matters and related impact, risks and opportunities (IROs) we disclose in this Sustainability Statement.

The Statement aims to transparently inform our stakeholders — including customers, investors, employees, business partners, regulators and broader society — about our sustainability objectives and the progress made.

ESRS 2

General disclosures

BP-1

NN Bank prepares consolidated non-financial information in compliance with relevant disclosure regulations, including the EU Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy (EUT). Our 2024 Sustainability Statement adheres to the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission in July 2023. The reporting period spans from 1 January 2024 to 31 December 2024, aligning with NN Bank's financial year.

The consolidated statement encompasses Nationale-Nederlanden Bank N.V., our subsidiary HQ Hypotheken 50 B.V., and NN Covered Bond Company B.V., as NN Bank has control over this entity that is structured as a Special-Purpose Entity (SPE). See Note 34 'Principal subsidiaries' of the Annual Accounts for more information on the scope of consolidation.

The Sustainability Statement adopts the same consolidation scope as the Financial Statements, encompassing NN Bank's operations alongside upstream and downstream business activities. The upstream value chain begins with NN Group as a shareholder, while the downstream ends with customers (savings and investments) and financed housing (mortgages). For further details, please see SBM-1.

BP-2

NN Bank has not excluded information on intellectual property, know-how, or innovation outcomes in this Statement. Likewise, no disclosures related to impending developments or negotiations have been omitted.

In preparing the Sustainability Statement, all information needed to understand the quantitative disclosures (such as the methodology, assumptions, estimations, etc.) is presented alongside the metrics. None of the metrics we report on were validated by an external assurance provider, beyond the limited assurance provided by our external auditor, KPMG.

The new CSRD and the accompanying ESRS were issued in 2024. These new requirements are not yet implemented in Dutch law and, therefore, not yet applicable to NN Bank. In this year's Annual Report, we have voluntarily used the ESRS for the first time as basis for preparation for the Sustainability Statement.

The 2023 comparatives are presented on a consistent basis with the 2024 disclosures. As a result, the 2023 comparatives differ in some respects from similar amounts disclosed in our 2023 Annual Report. These differences relate mainly to GHG emissions and are mainly a result of more information being available on 2023 emissions compared to the moment the 2023 Annual Report was finalised. The 2023 comparatives were also updated for certain methodology amendments especially with respect to the HQLA investments. Some corporate bonds are now included and the government bond emissions are calculated with the latest available emission data.

When NN Bank includes information from other frameworks alongside ESRS-prescribed data, this will be clearly disclosed in the relevant sections of the Sustainability Statement. This report does not incorporate any information by reference.

Time horizons

NN Bank applies specific time horizons in our Sustainability Statement, which differ from those specified by the ESRS.

- **Short term**: 0–3 years
- **Medium term**: 3–10 years
- **Long term**: More than 10 years

Adjusting the time horizons differs from the ESRS 2 General Requirements, but this deviation does not impact our Statement nor the results of the analysis and is a suitable basis for discussing time horizons in our sustainability reporting. We have aligned the time horizons with those applied to existing processes, considering our portfolio of mortgage assets with contracted lifetimes of up to 30 years. Hence, the adjusted intervals better reflect the nature of our banking operations.

GOV-1

Two-tiered board system

NN Bank operates a two-tiered board system consisting of a Supervisory Board and a statutory Management Board (the Boards). The four-member Supervisory Board advises the Management Board and monitors its policies, performance and the overall strategic direction of the Bank.

The Management Board oversees NN Bank's mission, strategy, policies and objectives, and ensures business continuity while balancing the interests of customers, investors, employees and other stakeholders. Members of the statutory Management Board are appointed by the General Meeting and include the CEO, CFO and CRO, alongside a non-statutory member, the CTO.

Management Board Composition as at 31 December 2024	Supervisory Board Composition as at 31 December 2024
A.J.M. (Marcel) Zuidam (1970), CEO and chair[1]	E. (Erik) Muetstege (1960) , chair[2]
N.A.M. (Nadine) van der Meulen (1974), CFO	T. (Tjeerd) Bosklopper (1975)
P.C.A.M. (Pieter) Emmen (1969), CRO[1]	A.M. (Anne) Snel-Simmons (1968)
F.E.G. (Femke) Jacobs (1980), CTO[3]	A.T.J. (Annemiek) van Melick (1976)[2]
Resigned in 2025 A.J.M. (Marcel) Zuidam (1970), CEO and chair[1]	**Resigned in 2024** A.A.G. (André) Bergen (1950)[4]

1 Resignation as of 1 March 2025 by resignation letter. Pieter Emmen has been appointed as CEO ad interim until a permanent successor is appointed. During this interim period, he will also continue his duties as CRO.
2 Appointment as of 1 May 2024 by the General Meeting on 22 April 2024.
3 Non-statutory Board member as defined by Company Internal Governance.
4 Resignation as of 1 May 2024 by resignation letter.

Marcel Zuidam, CEO[1]

With 30 years' experience in the financial services sector, Marcel has held leadership roles at ABN AMRO Bank, Quion Groep B.V., Delta Lloyd Bank N.V., and Nationale-Nederlanden Bank N.V.. Holding an MSc in Business Economics with a major in Financial Management, Marcel has significant expertise in sustainability, including climate change, diversity and inclusion (D&I), privacy matters, financial inclusion, corporate culture and sustainability risk. Over the years, Marcel has led initiatives in these areas, significantly contributing to NN Bank's strategic goals. This includes managing ESG-related themes, overseeing HR policies and practices, ensuring legal compliance with privacy regulations, promoting financial inclusion, strengthening corporate culture and embedding sustainability risk in governance. Additionally, he has played a pivotal role in fostering public/private partnerships aimed at reducing poverty and problem debts in the Netherlands.

Nadine van der Meulen, CFO

Nadine brings 25 years' experience in corporate finance and research, having held senior roles at Goldman Sachs and Morgan Stanley, and joined NN Group as Head of Strategy and Business Development in 2018. Nadine has experience in sustainability reporting, ESG themes, human resources, privacy matters, corporate culture and sustainability risk.

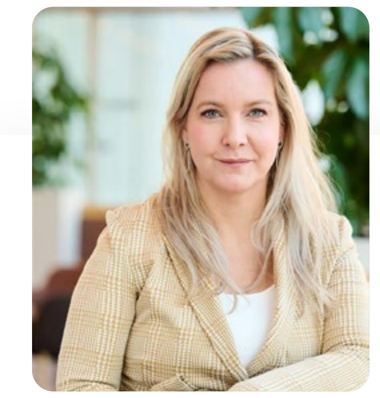
Nadine has overseen the CSRD implementation process and managed sustainability reporting disclosures since 2023, in addition to sitting on the ESG Steering Committee.

Nadine has also been involved in HR decisions, policies and practices, including diversity and culture, and has contributed to strengthening NN Bank's corporate culture. Over the last two years, she has been managing sustainability risk, embedding it in governance and conducting climate and environmental risk assessments. Nadine holds an MSc in Business Economics with a focus on Financial Management.

Pieter Emmen, CRO[1]

Pieter has 30 years' experience in the financial services industry. He began his career at Rabobank and, while there, served as Head of Risk Management, Chair of the Audit & Risk Committee for Rabobank's US activities, and Director of Rabobank Mortgage Bank. He subsequently spent more than two years as CFRO of Achmea Bank.

Under Pieter's leadership, NN Bank has focused on sustainability to meet DNB/ECB expectations. The Bank has integrated sustainability risks into our annual ICLAAP (a key tool for managing banks' capital and liquidity), and developed loss functions for various ESG risks including flooding, heat waves and precipitation. Additionally, he has overseen the formulation of an ESG Risk Appetite for NN Bank as a whole. Pieter also serves a member of the MT, contributing to human resources decisions, policies and practices, including diversity and culture. Pieter holds an MSc in Business Economics and a Master's in Finance.



Femke Jacobs, CTO

Femke has 22 years' experience in the financial services industry. She began her career in consultancy and joined NN Group in 2014, holding several senior positions in both Dutch and international NN Group units. Since 2022, she has served as Chief Technology & Transformation Officer of NN Bank.

Femke has been a member of the ESG Steering Committee since November 2022, and as a member of the MT and MB is involved in human resources decisions, policies and practices, including diversity and culture. She oversees policies and procedures related to privacy and data privacy restrictions and contributes to strengthening NN Bank's corporate culture through various initiatives, including a culture scan and a 360-degree leadership review conducted with HR in 2024. Femke also integrates sustainability risks into NN Bank's governance structures. She holds an MSc in Business Administration and an Ing. in Information Technology.

1 Resignation as of 1 March 2025 by resignation letter. Pieter Emmen has been appointed as CEO ad interim until a permanent successor is appointed. During this interim period, he will also continue his duties as CRO.

Employee representation

NN Bank's Works Councils provide timely advice on significant decisions impacting employees, ensuring alignment with Bank strategy. Meetings are held every six weeks between the Central Works Council, the CEO and the Head of HR and IC, preceded by agenda-setting sessions. Members are elected every three years and represent employee interests at both NN Bank and NN Group levels through the Central Works Council. The Management and Supervisory Boards do not include a staff representative.

Board compositions

NN Bank is committed to maintaining an adequate and balanced composition of its Boards, with a target of at least 40% representation for both women and men. The Management Board achieves this balance with an equal split of 50% female and 50% male members, including the non-statutory member. Similarly, the four-member Supervisory Board ensures equal gender representation. It comprises two independent members and two members with roles within NN Group, contributing to its balanced and diverse composition.

Audit & Risk Commitee

The Audit & Risk Committee of the Supervisory Board, consisting of Supervisory Board members, is responsible for preparing decisions on audit matters, risk management and financial reporting.

Erik Muetstege

Erik has an extensive background in retail banking and insurance. He is currently self-employed and Chairs, apart from NN Bank, two other supervisory boards in the financial sector, N.V. Verzekeringsbedrijf Groot Amsterdam, and De Vereende N.V.. He is particularly involved in ESG-related matters and in the implementation of CSRD for these companies. He holds two Master's degrees, one in Business Economics from Erasmus University Rotterdam, and one in Marketing from TIAS Tilburg.

Anne Snel

Anne has a background in structured and corporate finance and private equity, as well as prudential supervision. She is also a partner at CVC DIF, an alternative investment fund manager focusing on infrastructure investment. She has experience in contributing to CVC DIF's five-star UNPRI sustainability rating, and the management of SFDR article 8 funds.

Anne holds a BA in Finance from Michigan State University, and a Master's in Business Administration from Rotterdam School of Management, Erasmus University.

Tjeerd Bosklopper

Tjeerd is NN Group's CEO Netherlands Non-life, Banking & Technology and a member of the Management Board, and is responsible for the Dutch Non-life and Banking business segments, Customer & Commerce, NN Ventures, IT and procurement globally.

A leader in sustainability and ESG, he has been instrumental in shaping NN's climate strategy and integrating ESG principles across our banking and insurance operations. During his tenure at the Dutch Association of Insurers, including three years as Chair, he worked on sustainability risk management, with a focus on climate-related challenges such as flood and windstorm risks.

He also has extensive experience in human resources, diversity & inclusion, legal affairs and financial health initiatives. As a Steering Committee member of the National Coalition for Financial Health, he drives efforts to improve financial well-being for SMEs.

Tjeerd holds an MSc in Business Information Technology from the University of Twente.

Annemiek van Melick

Appointed as CFO of NN Group and Vice Chairman of NN Group's Executive Board as of 1 July 2022, Annemiek is responsible for finance, including internal and external reporting related to sustainability, and IR.

Prior to joining NN Group, she was the CFO of a.s.r. N.V., a Dutch insurance company, and CFO of the business unit SNS Retail Bank which later transitioned to De Volksbank, and was involved in setting up PCAF (Partnership for Carbon Accounting Financials) within De Volkbank and its business units. Annemiek also established, and Chaired, the Climate Committee and implemented integrated internal and external reporting including sustainability.

ESG governance

Management and oversight of IROs

Sustainability is embedded in NN Bank's strategy through a standard governance structure. The Management Team, consisting of Management Board members, business line heads and staff function leaders, oversees the integration of ESG within their respective domains and functions. The Management and Supervisory Boards provide oversight of ESG IROs. To support these efforts, a dedicated ESG Office has been established to provide expertise and programme management, and to monitor the implementation of NN Bank's ESG strategy.

The table below summarises the key responsibilities of each Board member:

Board member	Oversight
CEO	Positive and negative impacts along the value chain
CFO	Scope 1, 2 and 3 of GHG emissions
CRO	Risks arising from sustainability matters

The Supervisory Board Charter ensures a focus on the interests of NN Bank, our affiliated entity, and our stakeholders. It also considers the social aspects of NN's business practices. The Management Board Charter emphasises the need to act in the Bank's interests while considering stakeholder needs and adhering to applicable laws, regulations and codes.

These responsibilities are formally documented in NN Bank's Governance and Control Manual.

General ESG governance

ESG is integrated into NN Bank's governance processes.

- The Supervisory Board performs structural oversight of sustainability matters at board level and has ESG as a standard item on its agenda, integrates it into the existing consultation structure, and ensures the inclusion of ESG as a topic in its section of the Annual Report
- NN Bank's CEO leads the ESG governance structure and is accountable for sustainability matters. The CEO chairs the ESG Steering Committee, ensuring Bank-wide alignment of ESG initiatives and business activities
- The Management Board oversees strategic direction and the implementation of the ESG strategy. This includes the monitoring, management and oversight of IROs. Management Team members are responsible for the integration of ESG into their respective domains and functions with ESG integrated into their performance scorecards
- NN Bank is currently integrating ESG into the relevant existing Board Committees having already established an ESG Office. The Head of ESG Office reports to the CEO

Sustainability is embedded in the Product and Approval Review Process, ensuring that sustainability factors are considered in the development and review of NN's products and services.

ESG-related targets

NN Bank's strategic framework includes ESG-related targets for each Management Team member. These targets focus on reducing GHG emissions, engaging the upstream value chain, embedding sustainability in products and services and contributing to communities. Progress is monitored by the ESG Steering Committee and NN Bank's governance structure.

Sustainability expertise

NN Bank ensures our Board members possess relevant sustainability expertise, either directly or through access to training. General sustainability training and specialised learning modules are available to employees and Management Team members participate in continuous education tracks. The Boards align skills and expertise with NN Bank's material IROs. However, specific data on this alignment is not yet available, and will be addressed by the end of 2025.

GOV-2

Sustainability is embedded in our governance

Description	Level	Structure	Reporting & steering
• ESG standard item on agenda of SB meetings • Integration of ESG into existing consultation structure • No formal integration of ESG as separate item in SB Charter	SB	**Structural SB oversight of ESG on Board level**	
• Single MB member accountable for ESG (CEO) • All MT members responsible for integration of ESG into respective domains/functions • MT responsible for strategic direction and implementation of ESG strategy • ESG integrated in the performance scorecard of the relevant MT members • No separate ESG Committee will be established. Instead: - ESG will be integrated into the relevant existing committees (e.g., Non-Financial Risk Committee, Product Approval and Review Committee) - An ESG Steering Committee (SteerCo), chaired by the CEO, will be established to oversee Bank-wide implementation and ongoing ESG-related business activites and ensure alignment of ESG initiatives across the Bank • Decision-making power on ESG remains with the MT	MB/MT	**CEO accountable for ESG**	Accountable MB member to report on ESG progress to Supervisory Board
		All MT members responsible for ESG	MT members report on ESG progress during business updates
		ESG SteerCo	SteerCo led by CEO
		Integration of ESG into existing committees	MT members chairing committees ensure oversight and decision-making on ESG in committees
• Establishment of ESG Centre of Excellence (ESG Office), with role to support domains w.r.t. knowledge and implementation of ESG (programme management, facilitating and monitoring strategy) • Head of ESG to lead ESG Office	MT-1	**ESG Centre of Excellence (ESG Office)**	Head of ESG Office reports into MB member accountable for ESG
• Integration of ESG into existing domain responsibilities • Establishment of Bank-wide informal ESG working groups to work on ESG-related initiatives/focus areas (e.g., data, disclosures, etc.)	Operational	**Integration of ESG into domains/functions**	Domains report into MT (making use of existing reporting lines) on respective progress on ESG implementation
		Bank-wide ESG working groups	Informal Bank-wide ESG working groups report into MT

Frequency of engagement

- **Supervisory Board**: Quarterly
- **Management Board**: Monthly
- **Management Team NN Bank**: Weekly
- **ESG SteerCo**: Every six weeks

Sustainability is integrated in our strategic decision-making

IRO targets are embedded in NN Bank's Digital Retail Bank strategy and translated into objectives. While addressed programmatically in 2024, the ambition for 2025 is to integrate sustainability into regular business operations. The consideration of IROs when overseeing NN Bank's strategy is also formally embedded in the charters of the administrative, management and supervisory bodies. These considerations are also incorporated into NN Bank's Governance and Control Manual.

Informing on material topics

During the reporting period, the Management Board and Team were informed about material topics through the ESG SteerCo and formal reporting channels.

Key developments can be found in the next table.

Material topic	Reporting line
Climate change	Targets related to credit risk and climate change are closely monitored as part of the Bank's Objectives and Key Results (OKRs). Progress is reviewed bi-monthly during Business Reviews of the mortgage value chain and risk department, and quarterly via the Transformation Office. NN Bank collaborates with market participants in the Dutch residential real estate value chain to address climate risks throughout the customer journey. Updates on these developments are shared in the ESG SteerCo. In addition, as part of NN Group, NN Bank makes use of its facilities.
Energy usage	Monitored at Group level, with NN Bank benefitting from these facilities.
Equal treatment and opportunities for all	Actions are taken where necessary based on discussion with the Works Council, NN Group and guided by employee engagement surveys conducted bi-annually.
Human capital development and attraction	
Employee well-being	
Secure and fair employment	
(Data) Privacy	Monitored by the Data Protection Officer who periodically reports findings to Board committees.
Access to quality information	No reporting lines currently in place.
Access to products and services (financial inclusion)	Developments and ambitions are discussed in the ESG SteerCo and, depending on the challenges, in the Management Team. For example, in 2023 and 2024, the implementation of home-based identification and verification ensured accessibility for customers less familiar with technology. More information about financial inclusion initiatives can be found in our disclosures under S4-4.
Corporate culture	This topic is periodically addressed by the Management Team through various channels, including the bi-annual employee engagement survey and ECF reporting. NN Bank is currently defining our desired corporate culture and leadership to align with and realise our Digital Retail Bank ambitions. As part of this process a Bank-wide culture scan was conducted in 2024. The Management Team reviews progress every two months.

The Management Board is entrusted with the general and day-to-day management, the strategy and the operations of NN Bank under the supervision of the Supervisory Board. In performing its duties, the Management Board must carefully consider and act in accordance with the interests of NN Bank and the business connected with it, taking into consideration the interests of all the stakeholders of NN Bank (including its customers and employees). The Management Board, through the CEO, is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval (such as NN Bank's ICLAAP and Recovery plan, risk appetite and the medium-term planning).

At least once a year, the Management Board provides the Supervisory Board with a written report outlining NN Bank's strategy and the general and financial risks that NN Bank faces. Each of the members of the Management Board is responsible and accountable within the Management Board for the specific tasks as assigned. The members of the Management Board will attend Supervisory Board and Audit & Risk Committee meetings if so requested.

GOV-3

Remuneration

As a subsidiary of NN Group, NN Bank adheres to the NN Group Remuneration Framework. This incorporates all applicable regulations and codes, including the Banking Code. It balances the interests of customers, employees, shareholders and society while supporting NN Group's ambition to lead the industry, focusing on customer engagement, talented employees and societal contributions.

The NN Group Remuneration Framework is guided by the following principles:

- Attract, motivate and retain employees, while complying with legislation and financial industry best practices
- Align with NN Group's strategy, objectives, societal role, values and risk appetite, fostering sustainable long-term value creation for all stakeholders
- Reflect the financial sector's societal responsibilities
- Support NN Group's ambition to be an industry leader, focusing on customer engagement, the attraction and retention of talent and making a positive contribution to society
- Foster an inclusive work environment with equal opportunities, pay and working conditions
- Promote robust risk management, including sustainability risks (ESG and employee-related matters) within the risk management system that supports balanced risk-taking, sustainable long-term value creation and the protection of a sound capital base. This includes setting performance objectives
- Prevent improper treatment of customers and employees
- Comply with current legislation, embrace best practices and adhere to the spirit of national and international regulations and guidance

The NN Group Remuneration Framework undergoes an annual review and is updated to reflect legislative changes and other internal and external developments.

Performance targets

Performance is assessed against specific sustainability-related targets. In the reporting year, these targets included:

- Reducing GHG emissions in the mortgage portfolio
- Operationalising our net-zero ambitions in the upstream value chain
- Embedding sustainability further in our products and services addressing societal and environmental challenges
- Contributing to society by supporting the financial, physical and mental well-being of people
- Implementing CSRD and EUT requirements
- Enhancing our ESG management
- Ensuring transparent reporting of sustainability-related IROs

Sustainability-related metrics and impact on remuneration

Sustainability-related performance metrics are linked to the targets mentioned above and affect the variable remuneration of Management Board members.

Sustainability-related performance metrics and targets are:

- **Investments**: Reducing the GHG emissions of the mortgage portfolio to 18 kg CO_2e/m^2 by 2030 (-34% by 2030) with annual benchmarking against CRREM
- **Net zero upstream value chain:** Implementing an ESG supplier engagement plan to assess NN Bank's top suppliers' climate ambitions, their action plans and their GHG reporting. Engaging at least 10% of the supplier base (equivalent to 15 suppliers by spend)
- **Products and services:** Establishing action plans across all business units and conducting baseline sustainability assessments for products and services
- **Contribution to our communities:** Supporting the financial, physical and/or mental well-being of 766,000 people by 2024 (cumulative 2022-2024)
- **Community investment:** Achieving a total societal contribution of EUR 18.7 million in 2024 through Community Investment initiatives by NN Group
- **Transparency:** Ensuring clear and transparent reporting of IROs

Management Board incentives

For the CEO, 15% of the variable remuneration is linked to societal contributions. The remainder is primarily linked to strategic targets. For the other members of the Management Board, the variable remuneration linked to societal contributions is part of a broader variable remuneration structure tied to different strategic goals, ranging from 5% to 20%.

Incentive scheme terms

The terms of incentive schemes are formalised in the NN Group Renumeration Framework that is updated annually to reflect legislative changes and internal and external developments. The Executive Board of NN Group is authorised to adopt this, subject to approval by the Supervisory Board of NN Group.

GOV-4

Due diligence process

NN Bank's due diligence process refers to how we identify, prevent, mitigate and account for our actual and potential negative impact on sustainability matters. The table below connects the core elements of this due diligence, as defined in the CSRD, to the relevant disclosures in this Annual Report.

Due diligence process references

Core elements of due diligence	Location of disclosures
a) Embedding due diligence in governance, strategy and business model	p.6 - How we create value p.14 - 2.2 Our strategy p.40 - 42 - ESG governance p.61 - Governance and policy alignment
b) Engaging with affected stakeholders in all key steps of the due diligence	p.6 - How we create value p.46-48 - Engaging our stakeholders p.53 - Double Materiality Assessment (DMA) process 2024 p.85 - Secure and fair employment p.93 - Identifying and addressing impacts p.102 - Engaging consumers and end-users
c) Identifying and assessing adverse impacts	p.53-55 - Our approach to the DMA p.57 - Topical sustainability matters p.58 - Environmental matters p.60 - Identifying climate-related IROs p.77-78 - Social matters p.93 - Identifying and addressing impacts p.102-103 - Identifying impacts and providing remedies p.108 - Governance matters
d) Taking actions to address those adverse impacts	p.61-62 - Our actions p.81-82 - Equal treatment and opportunities for all p.93-94 - Acting on material impacts and mitigating material risks p.100-102 - Measures to address human rights impacts p.103-107 - Action on material IROs p.110-111 - The NN Code of Conduct
e) Tracking the effectiveness of these efforts and communicating	p.62-63 - Our targets p. 85-86 - Monitoring progress on material topics p.94 - Targets p.107 - Targets p.110 - The NN Code of Conduct

GOV-5

Risk management and internal controls

NN Bank views risk management and the establishment of internal controls over sustainability reporting as integral to our risk monitoring process. As a result, we maintain a regular and transparent reporting process and include reliable reporting in the Risk Appetite Statement. As part of NN Group, NN Bank aligns our policies and procedures for sustainability reporting risk management and internal controls with those established by NN Group.

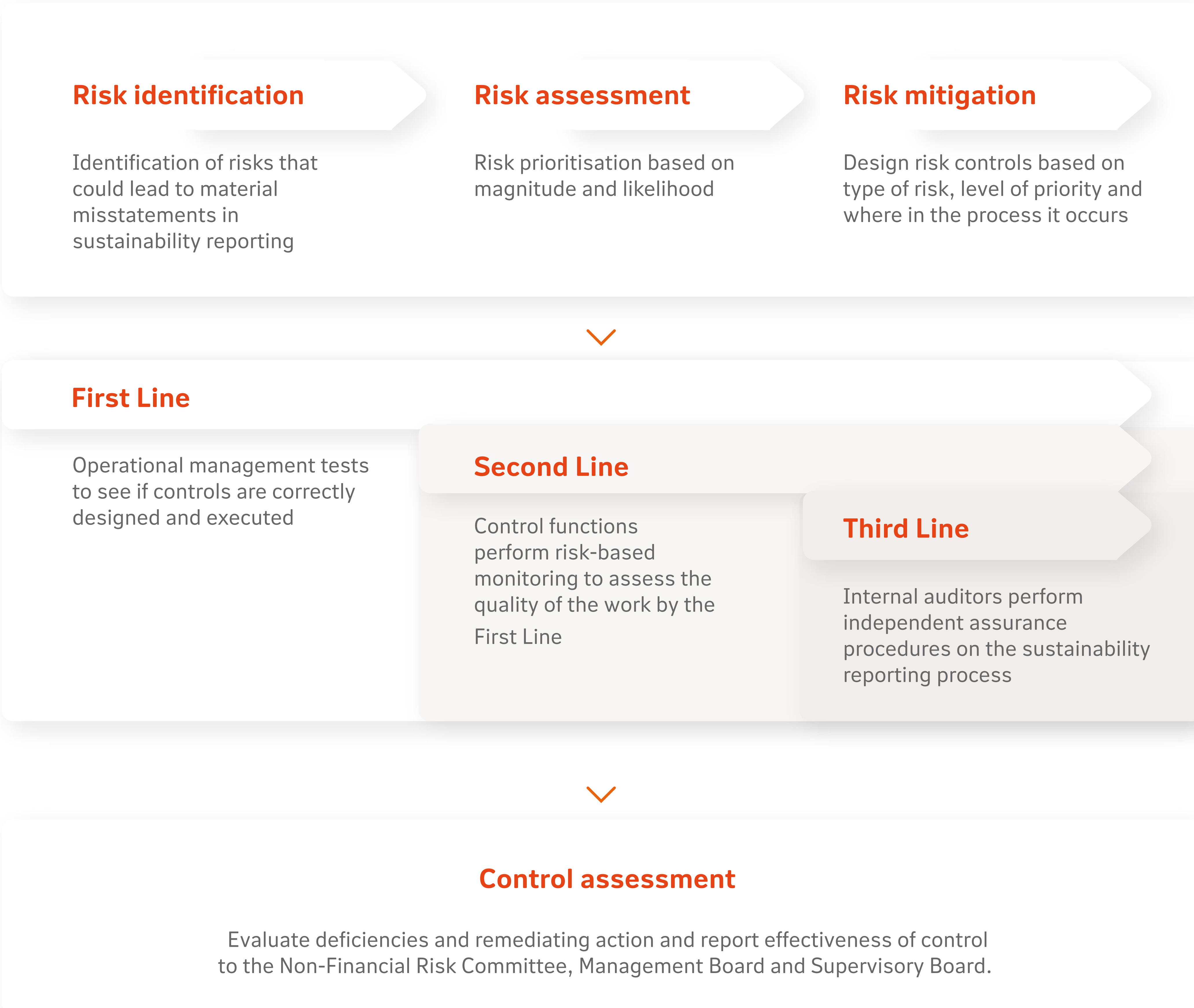
> **“Sustainability goals, such as promoting climate action and financial well-being, are embedded in our products and services.**

Our control framework defines the scope of risk management and internal control processes for sustainability reporting. For the identified disclosures, departments in both NN Bank and NN Group are required to identify and evaluate risks that could result in material inaccuracies in the reporting. During the reporting process, internal control assertions, such as completeness and accuracy, are set up to assess potential risks.

Based on the type of risk, its level of priority and where in the process it occurs, NN Bank designs controls to mitigate these risks. When designing a control, we consider what type of control will be most appropriate for the process involved, for example manual or automated, preventative or detective. Areas with elevated risk profiles receive additional scrutiny during the review process.

To evaluate the effectiveness of the controls, NN Bank employs a ‘Three Lines of Defence’ model.

Based on the First-Line testing results and Second-Line quality assessments, departments will be required to evaluate deficiencies and implement remedies.



SBM-1

The key elements of our general strategy that relate to our sustainability matters can be found in section 2.2 Our strategy of our Annual Report.

Net income	AR2023	AR 2024
	EUR 442 million	EUR 419 million

NN Bank does not operate distinct segments as required by IFRS 8, in line with the disclosures in our financial statements.

NN Bank operates solely in the financial sector, specifically the banking industry, which has the ESRS sector code FBM. As NN Bank's activities are limited to the retail banking sector, we do not engage in activities such as fossil fuel extraction, chemical production, controversial weapons, or the cultivation and production of tobacco. NN Bank does not operate multiple segments and therefore does not provide revenue breakdowns by segments in our financial or sustainability reporting.

Our customers

NN Bank serves retail customers in the Netherlands and provides mortgage origination, administration and management services to other NN Group entities and institutional investors. Sustainability goals, such as promoting climate action and financial well-being, are embedded in our products and services. This approach supports environmental benefits while creating sustainable long-term value for stakeholders.

Our products and services

NN Bank integrates our mortgage products with a net-zero commitment, encouraging customers to improve the energy efficiency and labels of their properties. These propositions enhance the value and comfort of homes. Financing options include personal resources and incentives for energy improvements.

In addition to decarbonisation, NN Bank prioritises climate risk considerations and adaptation in our policy-making, addressing risks such as flooding and foundation stability. Further details on targets, approaches and actions for mortgage loans are available in the E1 chapter.

While NN Bank is committed to supporting customers in reducing their residential carbon footprint, achieving net zero by 2050 is a complex challenge that depends on external factors beyond the Bank's control. Most importantly, the houses that are financed by a mortgage loan are not owned by NN Bank meaning progress is heavily dependent on customers' willingness to make their homes more sustainable.

Government policy

Decarbonising the residential real estate sector relies on the government's ability to achieve the goals of the Dutch Climate Commitment. Challenges include greening the electricity grid and transitioning homes from natural gas. Clear and consistent policies and regulations are critical to promote sustainable building practices, energy-efficient appliances and renewable energy.

Economic and social factors

Economic and social considerations, including the availability and cost of renewable energy, energy-efficient technologies and the technical workforce's capacity to implement change, impact the transition to a low-carbon economy. Ensuring a just and equitable transition is also vital, particularly given the Dutch housing shortage.

Data accuracy

Accurate data is crucial for NN Bank's decarbonisation strategy. Since individual emission data is not publicly available and energy labels may not always accurately reflect GHG emissions, collecting and analysing accurate data on energy use and carbon emissions is essential to develop effective decarbonisation strategies and track progress. These efforts must also comply with data protection regulations (GDPR) to protect individuals' privacy, requiring clear guidelines for data collection and use.

NN Bank's value creation model

The description of our business model and value creation model can be found in the How we create value section of the Annual Report.

SBM-2

Engaging our stakeholders

NN Bank has identified key stakeholder categories relevant to our operations. Engagement processes are in place for each stakeholder category, with tailored interactions designed to meet their unique requirements. The table below provides an overview.

Stakeholder category	Affected/user	Key stakeholders	How the engagement is organised	Purpose of engagement	How the outcome is considered
Distribution agents (intermediaries)	Affected	4,600 intermediaries selling mortgage products	• **Frequency:** At least once a month • **Type of engagement:** Consultation and information • **Stage:** Increased frequency when new ambitions need to be communicated • **Senior position responsible for execution:** Director, Account Manager	Translation of NN Bank's goals and targets. To maintain and improve commercial relationships.	Provides insights into the effectiveness of goals and targets. Individual performance of intermediaries cannot be tracked because of their independence.
Shareholder (NN Group)	User and affected	NN Group, 100% shareholder	• **Frequency:** Quarterly • **Type of engagement:** Offline meetings • **Stage:** ESG is a regular topic under discussion in NN Bank Supervisory Board meetings • **Senior position responsible for execution:** Chief Legal, Regulatory Office	Discuss and progress next steps and alignment of ESG actions to ensure compliance.	NN Group reviews goals and suggests adjustments if they are not sufficiently ambitious. Action lists are prioritised based on budgets and other open items for the next quarterly meeting.
Financers (bond holders/lenders NNB)	User and affected	Bond holders and lenders	• **Frequency:** Bond holder, ongoing. Lenders, usually Q3/Q4 • **Type of engagement:** Consultation, information, conferences, and events • **Stage:** During Q3/Q4 for lenders • **Senior position responsible for execution:** Investor relations for lenders, and Treasury for bond holders	Gather information, identify investor requirements and collaborate on new initiatives.	Requests often lead to changes in Investor Reports, especially when similar information is requested by multiple stakeholders.
(NN Group) entities (entities buying)	User and affected	Separate business units of NN Group	• **Frequency:** Differs by entity, but in general ongoing throughout the year • **Type of engagement:** Consultation, information • **Stage:** Ongoing • **Senior position responsible for execution:** Asset Management	Exchange of information, providing data and maintaining relationships.	Requests influence the integration of new templates and updates to Investor Reports.
Customers	Affected	Users of at least one NN Bank product or service	• **Frequency:** Passive engagement daily • **Type of engagement:** Telephone, email and letters • **Stage:** No specific stage • **Senior position responsible for execution:** Complaints Manager	Inform, answer questions, make an inventory of incoming complaints and take appropriate action.	High levels of similar complaints lead to systemic changes such as process adjustments or improvements in digital services.
Regulators, supervisors, and governmental authorities	User	Entities such as DNB and AFM	• **Frequency:** Quarterly • **Type of engagement:**Meetings, usually informative • **Stage:** Regular intervals but if a topic needs more attention than more frequently • **Senior position responsible for execution:** CFO, CRO	For DNB, to gain clarity and ensure operational, capital and financial health and regulatory compliance. For AFM, to ensure regulatory compliance (to protect clients).	Ensures NN Bank operates within the regulatory framework.
Rating agencies	User	Multiple ESG rating agencies	• **Frequency:** Annually • **Type of engagement:** Consultation, information • **Stage:** No fixed timing • **Senior position responsible for execution:** Treasury	To validate the interpretation of NN Bank's sustainability-related information.	Ratings help determine the areas for improvement.
Associations (e.g., NVB)	User	NVB, PCAF, EEMNL Hub	• **Frequency:** Ongoing • **Type of engagement:** Consultation and information • **Stage:** Throughout the whole year • **Senior position responsible for execution:** CFO or FA Manager	Discuss new reporting methodologies and developments.	New reporting methodologies and standards are adopted to remain consistent with the market.

Stakeholder category	Affected/user	Key stakeholders	How the engagement is organised	Purpose of engagement	How the outcome is considered
Society (activists and media)	User and affected	Activists, media (e.g., TV programmes, newspapers)	• **Frequency:** Ongoing • **Type of engagement:** Information, consultation • **Stage:** No specific stage unless NN Bank decides to publicly disclose information • **Senior position responsible for execution:** Corporate Communications	Gaining insights into the expectations of activists and sharing NN Bank's story with media.	NN Group handles dialogues, and feedback informs ongoing adjustments to strategy and communications.
Suppliers – process is currently in progress	Affected	NN Banks has 17 critical suppliers	• **Frequency:** No specific frequency • **Type of engagement:** Supplier qualification process (survey) • **Stage:** Before we become business partners with the supplier • **Senior position responsible for execution:** NN Group Procurement	For suppliers to share details of their labour policies so we can assess that they have fair working conditions for employees.	We use the outcomes of these surveys to determine whether we can become business partners. Also, in 2024, we developed and implemented a supplier ESG engagement programme to inspire actions on selected ESG topics and assess suppliers' positions on those topics. We also conducted risk-based engagement with suppliers to identify their position (beginner, advanced or leader) on climate change and social issues with the aim of helping accelerate our suppliers' journey to net zero by measuring emissions, setting targets and initiating mitigation efforts.
Employees	User and affected	Employees under contract with NN Bank	• **Frequency:** Twice a year • **Type of engagement:** Survey • **Stage:** The moment of engagement is not linked to any stage • **Senior position responsible for execution:** HR Department	Allows NN Bank to gain insights into employee drivers such as autonomy, management support, corporate strategy, values, goal setting, freedom of opinion, meaningful work, efficiency, growth and development, peer relations, recognition and workload.	Feedback informs growth and development strategies, addressing strengths and areas for improvement.

During the DMA, which we started in mid-2023 and have further refined and finalised in 2024, NN Bank's stakeholder engagement representatives contributed by integrating stakeholder perspectives into the identification and assessment of IROs. No external stakeholders were involved in this dialogue during the reporting year.

Communicating stakeholder input

NN Bank's stakeholder engagement processes are currently ad-hoc and not managed centrally. Outcomes from these engagements are considered to refine and adapt processes and strategies where feasible. For this reason, NN Bank is currently unable to explicitly demonstrate a standardised process on how stakeholder input translates into changes in our strategy or business model.

The administrative, management and supervisory bodies are informed about stakeholder views and interests through various channels (outlined in the table right). However, the current stakeholder engagement processes do not explicitly address sustainability-related impacts. NN Bank is committed to improving these processes in the future.

Stakeholder category	Information channel
Distribution agents (intermediaries)	Monthly KPI progress reports are reviewed by the Management Team and communicated to the Management Board.
Shareholder (NN Group)	ESG targets and achievements are discussed at Supervisory Board meetings and relayed to departmental Management Teams. This information is then shared with other relevant teams within NN Bank.
Financiers (bond holders/ lenders NNB)	NN Bank's Disclosure Committee discusses potential changes to information disclosures and the Management Team is informed of any anticipated adjustments.
NN Group entities (entities buying)	Management is regularly involved in meetings and is continuously updated on expectations of, and agreements with, mortgage-buying entities.
Customers	Quarterly reports detail complaint volumes and types. Systemic changes trigger Management Team involvement.
Society (activists and media)	NN Group leads this process through daily interactions and structured sessions, including feedback from customers, employee Works Council meetings, meetings with shareholders, potential shareholders, bond holders and industry analysts, dialogue with regulators, government agencies, NGOs, trade unions and associations, as well as roundtables with policymakers and academics. Sustainability aspects are discussed during meetings between NN Group's Executive Board, NN Bank's Management Board and the Supervisory Board.
Suppliers	Processes for supplier engagement are currently under development.
Employees	Employee survey outcomes are shared with the administrative, management and supervisory bodies and communicated to the Management Team for discussions to identify improvements.

SBM-3

The connectivity table (see below) shows both the current and expected effects of sustainability matters and associated IROs on our business model, value chain, strategy and decision-making by connecting them to our business model and strategic commitments.

Any actions identified to address these issues are detailed in the respective sections and sub-sections of the Sustainability Statement. Following the 2025 DMA, we will evaluate whether significant changes are required in our business model, value chains, strategy or decision-making processes.

Legend

N Negative impact	PP Potential positive impact
PN Potential negative impact	R Risk
P Positive impact	O Opportunity

Connecting our sustainability matters to our strategy and business model

Value chain part, incl. business activities	Sustainability matters	Impacts (inc. effects), Risks and Opportunities	Time horizon	Connection to our strategy
Downstream (sales)	**Climate change adaptation**	R Risk of property damage and due to flooding a consequential drop in collateral value.	Medium/Long	Contribution to society
Upstream, Own operations (utilities) & Downstream (sales)	**Climate change mitigation + GHG emissions**	N GHG emissions negatively impacts people and planet through the release of harmful GHGs.	Medium/ Long	Contribution to society
Own operations (utilities)	**Energy usage**	N Use of non-renewable energy sources contributes to global warming.	Medium/ Long	Contribution to society
Own operations (daily activities of employees)	**Own workforce: Secure and fair employment**	PP By offering adequate wages, committing to social dialogue, supporting collective bargaining agreements and emphasising job satisfaction, we have a potential positive impact on secure and fair employment for employees under an NN contract. These efforts can lead to a healthier, more motivated and resilient workforce, benefitting both employees and society as a whole.	Medium	Talented people
Own operations (daily activities of employees)	**Own workforce: Employee well-being**	PP We have identified a potential positive impact on our employees by promoting a healthy work/life balance, as well as health measures that can positively impact employees. These include measures to reduce stress and burnout, improve mental and physical health and raise the level of job satisfaction. These aim to help workers balance their personal and professional lives, leading to a more fulfilling and rewarding work experience that supports their overall well-being.	Medium	Talented people

Value chain part, incl. business activities	Sustainability matters	Impacts (inc. effects), Risks and Opportunities	Time horizon	Connection to our strategy
Own operations (daily activities of employees)	**Own workforce: Equal treatment and opportunities for all**	PP NN's commitment to equal treatment and opportunities for all workers has a potential positive impact on all types of employees. This includes greater financial security, improved job satisfaction, increased well-being and a stronger sense of belonging, especially for those from under-represented groups. By ensuring that all employees feel valued, respected and supported, NN can boost morale and motivation, resulting in a more fulfilling and rewarding work experience for everyone.	Medium	Talented people
		PN We have identified a potential negative impact on our employees. Discrimination can significantly affect employees' emotional and mental well-being, career advancement, work relationships and sense of belonging in the workplace. Similarly, unequal pay can negatively impact employees' financial well-being, career growth opportunities and work relationships.	Medium	
Own operations (daily activities of employees)	**Own workforce: Human capital development**	PP Our commitment to training and skill development has a potential positive impact on job satisfaction and overall well-being for employees under an NN Group contract. By equipping workers with the skills they need to excel in their roles, we can not only increase their joy in work but also prepare them for future challenges and opportunities. This proactive approach makes us a more attractive employer for new joiners and boosts employability, ensuring that employees are well-prepared for evolving job requirements.	Medium	Talented people
Upstream (suppliers) & Downstream (distribution agents)	**Workers in the value chain: Secure and fair employment**	PN We have identified a potential negative impact on our workers in the value chain as we recognise that some companies we work with may not allow their workers to form or join trade unions. Consequently they may be unable to collectively bargain for fair wages, safe working conditions or other protections. This lack of collective bargaining can lead to exploitation and abuse as workers have no way to address grievances or negotiate with their employers.	Medium	Contribution to society
Upstream (suppliers) & Downstream (distribution agents)	**Workers in the value chain: Equal treatment and opportunities for all**	PN We have identified a potential negative impact on workers in the value chain as we recognise that some companies we work with may not pay their workers equally. Unequal pay can hurt workers' finances, limit their career growth and damage work relationships.	Medium	Contribution to society
Downstream (data processing)	**Privacy**	PN A data breach entailing the leak of sensitive and confidential customer information thereby causing harm, particularly if sensitive financial and personal information is disclosed.	Medium/Long	Digital & data-driven organisation
		R Risk of reputational and financial damage due to the consequences of a data breach.	Medium	
		PN Misuse of personal information by NN Bank resulting in abuse of that information by the Bank and thereby causing harm to those customers.	Medium/Long	
		R Risk of reputational and financial damage due to the consequences of the Bank's misuse of customer information.	Medium	

Value chain part, incl. business activities	Sustainability matters	Impacts (inc. effects), Risks and Opportunities	Time horizon	Connection to our strategy
Downstream (sales)	**Access to quality information**	P Our customer communications are written in clear language (B1 level) for customers to easily understand and to help them make informed decisions.	Short/Medium	Engaged customers
		R NN Bank operates in a highly regulated environment, which requires the distribution of mandatory legal information. This leads to reputational and legal risks if NN Bank does not comply with these regulations, the required information is not being provided in understandable language (B1 level), or too much complex information is being communicated.	Short/Medium	
Downstream (sales & aftercare)	**Access to products and services (Financial inclusion)**	PP Our products are accessible to a broad range of customers with varying needs via a broad range of distribution channels.	Short	Engaged customers Contribution to society
		P NN Bank is focused on providing sustainable solutions for customers that cannot pay their mortgage.	Short/Medium	
		R Reputational risk if NN does not sufficiently fulfil its duty of care.	Short/Medium	
		R Risk of financial loss because customers can no longer pay their mortgage.	Short/Medium	
		PP NN Bank is able to support customers with specific knowledge and a partner network that specialises in financial health and digital inclusion. We can provide customers with the tools, resources and insights to make more informed financial choices and exercise greater control over their personal financial situation.	Medium/Long	
Own operations (values in general)	**Corporate culture**	P By adhering to our core values ‘Care, Clear, Commit’ we can have a positive impact both on individuals and the environment. Our values are the foundation of our culture, serve as a compass for decision-making, guide us in all our interactions and are an integral part of our strategic framework. By adhering to them we aim to create sustainable long-term value for our stakeholders. Through this approach, we foster a culture of responsibility and sustainability helping people protect what they value most.	Short/Medium	Contribution to society
		PN If we do not live up to our values of ‘Care, Clear, Commit’ we have a potential negative impact on our stakeholders. Poor decision-making or failure to address highlighted areas of concern and recommendations for improvement can undermine trust and damage relationships.	Short/Medium	

For the current reporting year, NN Bank has not identified any material financial effects from risks and opportunities on our financial position, financial performance or cash flows. Additionally, no significant risk has been identified resulting in a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period. NN Bank conducts annual materiality assessments to evaluate the vulnerability of our assets to climate change.

NN Bank continuously monitors the anticipated financial effects of material risks and opportunities on our financial position, financial performance and cash flows across the short, medium and long term. These include climate-related physical and transition risks to our mortgage portfolio, and sustainability-related risks to our business model. As the methodology to accurately quantify these effects evolves, NN Bank strives to align with the latest industry developments and best practices.

The outcomes of these assessments inform and shape our strategy for managing material risks, including decisions on investment and disposal plans and the identification of funding sources to implement the strategy.

For more information, please see E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities.

NN Bank has not conducted an official resilience analysis encompassing material IROs. However, we have performed an internal capital adequacy assessment (ICLAAP) to evaluate the resilience of our strategy and business model related to climate and environmental risks. For more information, please see E1.SBM-3. As this financial year is the first year including a DMA, there are no changes to the identified material IROs. Entity-specific disclosures have been added in E1-6.

IRO-1

Double Materiality Assessment process 2024

NN Bank's process to identify sustainability matters

DMA

NN Bank's prior sustainability disclosures in Annual Reports provided the foundation for the 2024 DMA.

Identifying sustainability matters

Establishing a long list of ESG topics using inputs from the ESRS sub-level disclosure requirements, stakeholder engagement and desktop research.

Long list of sustainability matters

Identify and assess impacts

With support of external experts, dialogues took place with internal experts per business role or ESG differentiation, including NN Group, to identify and assess impacts.

List of impacts related to sustainability matters

Identify and assess risks and opportunities

With support of external experts, dialogues took place with internal experts per business role or ESG differentiation to identify and assess risks and opportunities.

List of risks and opportunities related to sustainability matters

Consolidation and validation of results

By applying an appropriate threshold the DMA results were consolidated and internally validated by the Management Board.

Consolidate DMA results

Validate DMA results

Core DMA results

Key takeaways of the process will be further integrated in the DMA 2025.

Our approach to the DMA

The DMA is a concept defined by the CSRD that addresses both impact materiality (inside-out) and financial materiality (outside-in).

- The inside-out perspective examines NN Bank's impact on the environment and people
- The outside-in perspective assesses how sustainability matters influence NN Bank's financial position

According to the ESRS, sustainability impacts must be disclosed if deemed material from either perspective.

Identifying sustainability matters

NN Bank's prior sustainability disclosures in Annual Reports provided the foundation for the 2024 DMA. This process, initiated in 2023 and further updated and refined throughout 2024, represented our first steps towards CSRD implementation for the 2024 financial year.

NN Bank engaged internal stakeholders and external experts to guide the DMA process as outlined below. The assessment was primarily informed by ESRS sub-level disclosure requirements to determine additional sustainability matters relevant to our Bank. Input was also derived from:

- Sector trends
- Peer reports
- Guidance from supervisory institutions such as DNB and ECB

This process produced a comprehensive 'long list' of sustainability matters deemed relevant to NN Bank.

DMA and our value chain

To understand the inside-out and outside-in impact on people and the environment across NN Bank's value chain, we created an overview covering:

- **Upstream activities**: Required workforce resources, funding, and suppliers
- **Own operations**
- **Downstream activities**: Products and services offered to retail customers and collaborations with business partners

This overview primarily focuses on banking activities in the Netherlands and links sustainability matters to specific components of our value chains. We examined:

- Products and services offered downstream
- Workforce, funding and upstream suppliers
- Partnerships within the value chains
- Investments leading to proprietary assets

For more details see SBM-1 .

Assessing materiality

After compiling the 'long-list' of relevant sustainability matters, we identified and assessed the actual and potential IROs for each item.

- **High-Level Assessment**: Participants evaluated whether IROs could be associated with each sustainability matter, considering the likelihood of a negative or positive IRO
- **Detailed Assessment**: Participants estimated the severity and likelihood of IROs for each sustainability matter on the 'long list' to better understand their materiality

Impact materiality

NN Bank applied a rating methodology to assess the impact materiality from an inside-out perspective. This approach evaluated the probability of negative or positive, actual or potential IROs for each sustainability matter item included in the 'long list'.

The assessment rated the materiality of impacts based on the severity (scale, scope and irremediability of negative impacts) and likelihood of IROs, as detailed in the following tables.

Scale refers to the actual or potential effect of the impact

Scale	Negative impact	Positive impact
1. Minimal	Marginal adverse impact on the economy, environment or people; small incidental damage.	Minimal benefits to the economy, environment or people; short-lived positive effects.
2. Low	Short-term, limited damage; easily contained.	Minor contributions to people development, economy and environment with the minimal investment of time and cost to NN Bank.
3. Medium	Moderate impact on stakeholders, the economy or environment with medium-term effects, and/or can be contained with outside assistance.	Moderate benefits on stakeholders, the economy or environment with medium-term effects often involving third parties.
4. High	Significant harm affecting many people or the environment, difficult to control.	Substantial contributions to society or the environment, such as achieving set targets under the United Nations Framework Convention on Climate Change (FCCC) Paris Agreement.
5. Absolute	Severe harm and impact on the economy, environment and stakeholders, including loss of life or full destruction of natural resources.	Full restoration of nature and life quality improvements in the affected areas; supports a regenerative and distributive economy.

Scope refers to the extent or reach of the impact

Scope	
1. Limited	Impact occurs occasionally and is limited to a group of individuals, products and services or certain operational activities (a filling plant, a terminal, etc).
2. Concentrated	Impacts affect a specific stakeholder group or a concentrated geographical location (a residential area, city or natural area).
3. Medium	Impacts extend to multiple stakeholder groups across certain value chain activities across a country and/or area of operations.
4. Widespread	Impacts affect multiple stakeholder groups and span several operational areas.
5. Total	Global impacts across all stakeholder groups and geographical areas of business operations.

Irremediability refers to the extent to which the negative impact can be rectified

Irremediability of impact (only for negative impact)	
1. Very or relatively easy to remedy (short term)	Impact can be addressed immediately at no financial loss or within less than a year at minimal cost.
2. Remediable with effort	Takes 1–3 years to remedy or requires significant cost.
3. Difficult to remedy (medium term)	Takes 3–5 years to address or requires considerable cost.
4. Very difficult to remedy (long term)	Requires over 5 years to address and involves significant costs.
5. Non-remediable/irreversible	Impact is impossible to restore or remedy.

Likelihood refers to the extent to which the impact is expected to occur

Likelihood		
Rare	0-10%	Very unlikely to occur during the next 5-10 years and would be a surprise: conceivable only in extreme circumstances.
Unlikely	10-30%	May occur within 3–5 years.
Possible	30-50%	May arise once within a 1–3-year period.
Likely	50-90%	May occur about once per year.
(Almost) certain	90-100%	Certain to occur multiple times under current circumstances or if the impact is already present.

NN Bank assigned ratings on a scale of 1 to 5, where 1 represents the lowest and 5 the highest level of impact materiality. Ratings for each IRO were averaged based on collective evaluations to determine a final score. Sustainability matters with a final score above 3 for both scale and likelihood were classified as having impact materiality.

Financial materiality

For the financial materiality assessment, which reflects the outside-in perspective, NN Bank applied the same rating methodology as described previously. This approach was used to evaluate the financial materiality of sustainability matters on the ‘long list’. The assessment considered the probability of IROs associated with each sustainability matter using the criteria outlined below:

Resources	Relationships	Likelihood
5 = Prices and availability of resources are impacted negatively/positively to a very high extent.	5 = Very high damage to relationships with stakeholders.	5 = (Almost) certain that the risk will materialise.
4 = Prices and availability of resources are impacted negatively/positively to a high extent.	4 = High damage to relationships with stakeholders.	4 = Highly likely that the risk will materialise.
3 = Prices and availability of resources are impacted negatively/positively to a medium extent.	3 = Medium damage to relationships with stakeholders.	3 = Possible that the risk will materialise.
2 = Prices and availability of resources are impacted negatively/positively to a low extent.	2 = Low damage to relationships with stakeholders.	2 = Unlikely that the risk will materialise.
1 = Prices and availability of resources are impacted negatively/positively to a very low extent.	1 = Minimal damage to relationships with stakeholders.	1 = Highly unlikely that the risk will materialise.

As with the impact materiality rating process, sustainability matters rated higher than 3 for resources, relationships and likelihood were classified as having financial materiality. Throughout the year, the outcomes were aligned with the results of the risk materiality assessment. For this methodology please see E1.IRO-1.

Following the completion of both the impact and financial materiality assessments, NN Bank selected sustainability matters with a rating of 3 or higher on either impact or financial materiality for inclusion in the 'short list' of sustainability matters.

By combining the results of the impact and financial materiality assessments, NN Bank prioritised sustainability matters on both the 'short list' and 'long list' to ensure focus during decision-making and the disclosure process.

Additionally, the 2024 DMA results from NN Group informed our outcome. As part of NN Group we uphold the same values and therefore we specifically aligned on the (sub) topics related to our own workforce, workers in the value chain and business conduct.

> **Throughout the year, the results were further aligned with the work done by our Risk Department.**

Consolidating and validating material sustainability matters

Senior management and subject matter experts at NN Bank play a key role in identifying and monitoring IROs in day-to-day banking operations. Their insights contributed to further refinements, which are elaborated in detail in the ESG sections of this Sustainability Statement.

Approving material sustainability matters

The 'long list' of sustainability matters, including the material topics in the 'short list', their IROs and deemed materiality ratings, was presented to the NN Bank Management Board and Risk Management and Compliance Teams for review. Following discussions and challenges to the process, the outcomes were approved by the NN Bank Management and Supervisory Boards as part of the Annual Report approval process.

Integration with risk management processes

The integration of NN Bank's process for identifying and assessing impacts and risks into the overall risk management framework is ongoing. Supervisory requirements set by DNB are expected to enhance this process effectively. Although these requirements are still in development as well, NN Bank has incorporated aspects of the DMA process as much as possible and involved our internal risk subject matter experts in our financial materiality identification and assessment of IROs for sustainability matters.

Management of opportunities

As outlined in the DMA process, NN Bank has classified the probable positive actual or potential impacts as opportunities. However, the integration of opportunity identification, assessment and management into the broader management framework is not yet formalised.

This reflects the current development phase of NN Bank's processes as described in the preceding paragraph.

Parameters used

NN Bank did not use input parameters to identify and assess material IROs for sustainability matters during the DMA process.

Changes compared to the prior period

As this is our initial year of CSRD reporting based on the DMA, the only key change is the inclusion of additional sustainability matters deemed relevant, as outlined in the preceding paragraphs, compared to those historically considered important.

IRO-2

Topical sustainability matters

As a result of the DMA, NN Bank has identified multiple IROs. An overview of these, and where they take place in the value chains, is shown in the connectivity table on page 49.

Environmental standards

E1: Climate change

NN Bank acknowledges our impacts on climate change through attributable GHG emissions (scopes 1, 2, and 3). We monitor these impacts, including direct emissions from our own operations and indirect emissions linked to our investment portfolio and mortgage activities. We acknowledge the significant impacts and risks associated with both climate change mitigation and adaptation.

Social topics

S1: Own workforce

At NN Bank, we care for our employees and consider the impacts we have on them. Positive impacts were identified though our diversity and inclusion strategy, initiatives enabling continuous learning and development and our employment benefits.

S2: Workers in the value chain

NN Bank considered the outcomes of the salience assessment conducted by NN Group to identify material negative impacts on workers in value chains, considering both upstream and downstream business partners. For our role as a service provider for retail customers, we focused on downstream activities. For our role as a business partner, we identified material negative impacts that could affect workers upstream in value chains.

S4: Consumers and end-users

As a service provider, NN Bank considered the impacts of our banking products and services. Current policies, processes and customer feedback on our products and services were reviewed to identify our material negative impacts on our customers.

Governance topics

G1: Business conduct

NN Bank's business conduct is comparable to that of NN Group. As such, the materiality outcome of the NN Group DMA was considered, along with industry-specific IROs in the banking sector.

Reporting material information

A sustainability matter is considered 'material' when it meets the criteria defined for impact or financial materiality. For details about the threshold criteria applied by NN Bank, please see IRO-1. Once a sustainability matter is considered material, NN Bank discloses the related information in line with the applicable disclosure requirements related to that specific sustainability matter in the corresponding topical and (once available) sector-specific ESRS. Additionally, where sustainability matters are not adequately addressed by an ESRS or lack sufficient granularity, we provide entity-specific disclosures.

In reporting information on the material sustainability matter, NN Bank considers:

- The significance of the information in depicting or explaining the matter
- The ability of the information to address users' decision-making needs, including:
  - The needs of primary users of general-purpose financial reporting
  - The needs of users seeking information about NN Bank's impacts

NN Bank ensures that all material sustainability matters are disclosed comprehensively and transparently, addressing both regulatory requirements and the specific needs of various stakeholders.

Chapter 2: Environmental information

Introduction

Our role in the transition to a sustainable economy

Our purpose is to help people care for what matters most to them. We believe that banking is about people, and we strive to make a positive impact on our customers, colleagues and society. Sustainability is part of our Digital Retail Bank strategy, and we want to contribute to the well-being of people and planet.

Using our Double Materiality Assessment (DMA), we have identified the key environmental topics that impact our value chain: climate mitigation, climate adaptation and energy consumption. We outline our approach to each of these topics in the sub-sections of this chapter.

Value chain	Environmental matters: Climate change adaptation	Climate change mitigation	Energy consumption
Upstream		(−) GHG emissions negatively impacts people and planet through the release of harmful GHGs.	
Own operations		(−) GHG emissions negatively impacts people and planet through the release of harmful GHGs.	(−) Use of non-renewable energy sources contributes to global warming.
Downstream	(R) Risk of property damage due to flooding and a consequential drop in collateral value.	(−) GHG emissions negatively impacts people and planet through the release of harmful GHGs.	

O Financial opportunities
+ Positive impacts
R Financial risks
− Negative impacts

ESRS E1

Climate change is one of today's most pressing challenges, illustrated by the increasing frequency and severity of extreme weather events, such as flooding and droughts. We aim to play our part in the mitigation of climate change, and are committed to aligning our business activities with the goals of the Paris Agreement to limit global warming to 1.5°C.

Approach

As a subsidiary of NN Group, NN Bank follows NN Group's approach regarding decarbonisation targets for own operations and suppliers. However, NN Bank has specific targets related to our residential mortgage portfolio and takes action to reduce the emissions of our investment securities High-Quality Liquid Assets (HQLA) portfolio. The following paragraphs provide more information on our approach regarding these portfolios. For more information about our own operations and suppliers, please refer to NN Group's Annual Report and Climate Action Plan.

E1-1

Climate action is embedded across NN Bank's business, reflecting our belief that the financial sector has a critical role to play in addressing challenges and financing the transition to a net-zero economy. This approach aims to benefit the environment while creating sustainable long-term value for our stakeholders.

Decarbonisation

As a mortgage lender, NN Bank focuses on residential mortgages as part of our sustainability strategy. Our goal is to guide the mortgage portfolio towards net zero by 2050, with an interim ambition to reduce emissions by 2030.

NN Bank defined five action areas to contribute to lowering greenhouse gas (GHG) emissions:

- Engaging with customers to reduce GHG emissions
- Developing new propositions and services tailored for sustainable living
- Leveraging NN Bank's Green Bond Framework to align funding strategies with sustainable goals
- Evaluating and adjusting products to support customers on their sustainability journey
- Contributing to sector-specific initiatives and partnerships that enhance collective efforts

Link with EU Taxonomy (EUT) alignment

NN Bank does not have separate targets for the Green Asset Ratio (GAR). However, the GAR measures the proportion of our total green assets relative to total assets. By reducing emissions within the mortgage portfolio, NN Bank increases the number of green assets, such as loans for energy-efficient homes, which can positively impact the GAR.

Locked-in GHG emissions

Locked-in GHG emissions refer to emissions from long-lived infrastructure, such as power plants or transportation networks. These emissions are 'locked-in' because they will continue to emit GHGs for years, or even decades, to come. For NN Bank, these emissions are not applicable - except for residential mortgages, as outlined in our decarbonisation strategy.

EU Paris-aligned Benchmark

NN Bank is not excluded from the EU Paris-aligned Benchmark. We aim to comply with the criteria for inclusions by having adopted the science-based reduction targets established by NN Group.

Approval and business integration of the Climate Action Plan

The Climate Action Plan is approved by management and forms an integral part of NN Bank's Digital Retail Bank strategy.

NN Bank's CEO leads the sustainability governance structure and is accountable for sustainability matters. NN's Management Team (MT) is responsible for strategic direction and implementing the strategy. At the Board level, our Supervisory Board (SB) performs structural oversight of sustainability matters, ensuring that climate and environmental considerations are standard items and are integrated into consultation and reporting structures.

Each MT member is responsible for embedding sustainability into their respective departments and functions. Sustainability objectives are included in their performance scorecards. In addition, a dedicated Environmental, Social and Governance (ESG) Office supports all departments in implementing the sustainability strategy.

Date of adoption

NN Group published its latest Climate Action Plan on 1 April 2025.

E1.SBM-3

Material risk

Risk description
Risk of property damage due to flooding and a consequential drop in collateral value
Risk Type (Physical/Transition)
Physical

For a complete overview of material IROs, please see SBM-3.

Resilience of our business model and strategy

As part of the annual Internal Capital Adequacy Assessment Process (ICAAP), NN Bank undertakes a scenario analysis to assess the potential financial effects of climate risks. This exercise covers both physical and transition risk scenarios over short to medium term (up to five years) time horizons.

The results of the physical risk assessment

As part of our flooding scenario a case of stagflation with rising uncertainty is assumed, as well as higher energy prices and worsening supply conditions that trigger global stagflation. Additionally, a flood event is taken as an add-on to the stagflation scenario. As a result of a storm surge and eventual sea level rise, a flooding of intermediate level (2 to 5 metre depth) in the Netherlands is assumed, affecting a large part of Rotterdam. As well as the damage to the real estate, there is also impact on infrastructure, which has an adverse effect on the wider economy. House prices are on average 45% lower in places at risk of flooding. As insurance policies do not cover the costs, there would be financial implications for NN Bank. There are second-hand effects on unemployment and GDP falls as well. No additional market impact is assumed. This scenario is a part of the climate and environmental risk assessment of NN Bank (this one particularly for physical risk and its impact).

The results showed NN Bank's capital ratios continue to remain above the Overall Capital Requirement (OCR limit) throughout the five-year horizon. While the net result reduces under stress, the losses can be easily absorbed by NN Bank and are within our Bank's risk tolerance.

Conclusion

As evidenced by the stress tests related to physical risk events, NN Bank is able to remain resilient through these assumed climate shocks across the medium- to short-term horizon with losses being absorbed easily, and our capital ratios stay above the capital requirements throughout the horizon period. This includes the extreme case of a physical event, flooding, where we can show full recovery by restoring capital limits above regulatory requirements and have the ability to absorb extreme losses on our balance sheet.

This illustrates NN Bank's resilience regarding climate risk events based on the scenarios analysed.

E1.IRO-1

Identifying climate-related IROs

The identification and assessment of material climate-related IROs begins with our disclosure on the DMA process, as outlined in IRO-1. Regarding environmental topics, NN Bank has identified climate change mitigation, adaptation and energy consumption.

NN Bank recognises that our environmental impact extends beyond the downstream components of our value chain. Our own operations and upstream value chain also carry an environmental impact. In assessing and addressing these material IROs, we align with our parent company, NN Group, and consider its role in our value chain. More information on our climate risk identification process can be found under E1-9.

E1-2

Our policies

To manage our impacts on climate change mitigation and the risks posed by climate change, we have implemented the C&E Policy. This addresses:

- **Mitigation and adaptation strategies**: These strategies form the foundation of NN Bank's Climate-Risk Management Framework. NN Bank actively addresses the challenges posed by a changing climate while maintaining financial stability and ensuring responsible lending practices. Mitigation efforts include a variety of measures to address and manage risks
- **Energy efficiency and GHG emissions**: NN Bank evaluates the financial implications of GHG emissions, particularly in the context of carbon pricing mechanisms. Specifically, NN Bank focuses on mitigating asset devaluation and managing the vulnerability of our loan portfolio to these risks

While the C&E Policy is primarily applicable to mortgages and credit risk it also recognises the potential impact of climate and environmental risks on other balance sheet items, such as savings, investments, wholesale funding and the bond portfolio. NN Bank will adapt the scope of the policy accordingly.

Governance and policy alignment

The MB of NN Bank holds ultimate responsibility for overseeing climate risk and ESG-related matters within the Bank. This C&E Policy aligns with key regulatory frameworks including:

- The Dutch Central Bank's (DNB) Guide to Managing Climate and Environmental Risks
- The ECB's Guide on Climate-Related and Environmental Risks
- The ECB's Good Practices for Climate-Related and Environmental Risk

The interest of key stakeholders are channelled internally to NN Bank and NN Group.

Future policies

Currently our policies are not publicly available, but NN Bank will continuously update policies in line with the evolution of ESG risk. In collaboration with market participants in the Dutch residential real estate value chain, the Bank is reviewing the introduction of a Climate Risk Label in addition to the existing Energy Performance Certificate (EPC). Climate risks, such as flooding and foundation damage, increasingly influence both customer outcomes and mortgage lender decisions, making these issues more important for future policymaking.

E1-3

Our actions

The implementation of climate-related actions is highly dependent on the availability and allocation of internal resources. As sustainability is one of the strategic pillars in NN Bank's Digital Retail Bank strategy, resources are allocated through the standard financial budgeting and forecast processes. For the period 2025-2027 an estimated sustainability budget of approximately EUR 6m a year has been allocated. Around 50 FTE are working on various sustainability-related matters at NN Bank, and about half of these focus on climate mitigation efforts. Apart from this, no additional significant OpEx and CapEx expenditures are anticipated for the implementation of planned actions.

Actions related to our own operations

NN Bank does not act alone in the reduction of GHG emissions for our own operations but follows NN Group's targets and approach. We seek to manage our direct environmental footprint by reducing natural resource usage, transitioning to green alternatives and offsetting residual GHG emissions. More information on NN Group's targets and actions can be found in NN Group's Annual Report.

Actions related to our mortgage loans

NN Bank has identified four action areas to contribute to the reduction of GHG emissions for our mortgage portfolio.

Engaging with customers

NN Bank actively collaborates with customers to reduce their carbon footprints. In 2024 NN Bank Mortgages engaged customers through intermediaries and direct communication. Customers were encouraged to visit NN's online sustainability platform, which offers insights, tools and actionable steps to help reduce their carbon footprint.

Developing new, and adjusting, propositions and services

NN Bank encourages customers to improve their energy label, adding value to their homes and enhancing comfort. Customers can finance improvements through personal resources or favourable finance solutions. For instance, NN Bank has introduced the Energy Savings Budget, which complements the existing Energy Savings Features, allowing additional loans of up to 6% of a home's value after implementing energy-saving measures.

Policies and acceptance criteria for new loans are increasingly aligned with sustainable housing objectives. New constructions are prioritised in the form of financial discounts, as they typically meet higher energy-efficiency standards, such as an A+++ energy label.

Leveraging NN Bank's Green Bond Framework

NN Bank issues green bonds under its Green Bond Framework to align the Bank's funding strategy with sustainability goals. The Framework takes into account the EUT, and is structured in accordance with the ICMA Green Bond Principles and the LMA Green Loan Principles. By focusing on green buildings, NN Bank raises sustainable financing that adheres to regulatory criteria and market best practices.

The Green Bond Framework reflects NN Bank's commitment to sustainability and contributes to the Dutch Climate Agreement and the development of sustainable markets. Proceeds from these green bonds fund assets that mitigate climate change by reducing emissions, helping to steer the total mortgage portfolio emissions towards intermediate target levels and ultimately the long-term net-zero ambition. NN Bank provides separate reports on the Green Bond portfolio, assets and climate impact on our corporate website.

Contributing to sector-specific initiatives and partnerships

To strengthen our customer propositions, NN Bank participates in various initiatives that share knowledge promoting healthy and sustainable living. Collaborations with industry peers in organisations such as the Energy Efficient Mortgages Netherlands Hub (EEM NL Hub) and Partnership for Carbon Accounting Financials (PCAF) enable NN Bank to develop harmonised standards and frameworks for energy-efficient mortgages and carbon footprint measurement.

Actions related to our HQLA portfolio

We refer to our investment securities as our HQLA portfolio. NN Bank holds the HQLA portfolio for liquidity purposes to manage the LCR, in addition to retained Covered Bonds and cash. The HQLA portfolio consists of government bonds and corporate bonds limited to covered bonds and corporates guaranteed by central governments. To prevent significant double counting, the emissions related to our government bond portfolio are reported separately from our corporate portfolio emissions in accordance with PCAF Standards.

Since the HQLA portfolio is part of NN Group's proprietary investment portfolio, please refer to NN Group's Annual Report and Climate Action Plan for more information about targets, progress and actions.

Actions related to savings, investments and bancassurance

In 2023, both our Bank annuity product and updated investment product were launched. In this process, ESG was taken into consideration during the process of developing and redesigning these two products and we promote the following ecological and social elements, namely (a) limiting climate change and its effects, and (b) the improvement in social themes and working conditions.

By doing so, we prefer to select investment funds that promote sustainability according to Article 8 of the SFDR for our investment products. We strive for:

- At least 75% of the invested value to be invested in investment funds that promote sustainability
- At least 3%-10% of the invested value to be invested in investment funds that focus on limiting the effects of climate change, with the minimum percentage dependent on the investment profile
- And, only to work with fund managers who have signed the United Nations Principles for Responsible Investing

Tracking effectiveness of policies and actions through targets

ESG considerations are embedded within NN Bank's standard target structure for the MT. This structure includes specific targets such as:

- **Reducing GHG emissions** within the mortgage portfolio
- Developing an **ESG supplier engagement plan**
- **Implementing action** plans to further integrate sustainability aspects into products and services

To ensure the progress of our ESG strategy NN Bank employs a dedicated ESG programme structure, which includes:

- A comprehensive **ESG roadmap** spanning all business lines
- An **ESG SteerCo** where MT members are represented
- A **carbon footprint dashboard** to monitor and calculate GHG reduction within the mortgage portfolio

Together, these initiatives allow NN Bank to track progress towards our targets and ensure effective actions are taken to address material sustainability IROs.

Actions categorised per decarbonisation lever

	Decarbonisation lever	Actions
Mortgages	Engage with customers	Customer activation plan and information sessions for intermediaries.
	Develop products and services	Introduction of Energy Saving Budget, policy adjustments and acceptance criteria for new constructions.
	Green Bond framework	Updated framework to align with regulatory requirements.
	Partnerships	Active participation in PCAF and EEM NL Hub.
HQLA portfolio	Portfolio management	Engagement (see NN Group Annual Report and Climate Action Plan).

E1-4

Our targets

In 2019, NN Group signed the financial sector commitment to the Dutch Climate Agreement affirming our commitment to reducing GHG emissions and achieving a sustainable net-zero business by 2050.

Own operations and value chain

NN Bank does not pursue Bank-specific targets related to the reduction of GHG emissions in our own operations. However, as part of NN Group, we do follow the NN Group targets for own operations as set for the Group as a whole.

In 2021, NN Group established science-based GHG reduction targets aligned with the Paris Agreement limiting global warming to well below 1.5°C compared to pre-industrial levels. NN Group aims to achieve net-zero GHG emissions for its operations by 2040 , and has set a Group-wide target of a 70% reduction in GHG emissions by 2030 (compared to 2019) supporting the transition to a low-carbon economy.

Regarding the value chain, NN Bank does not have quantitative targets for climate change adaptation or mitigation, nor do we track the effectiveness of related policies and actions.

Targets for mortgage loans

As a large mortgage lender in the Netherlands, mortgages are the central component of NN Bank's sustainability strategy.

We have set an interim decarbonisation objective of 34% reduction in emissions (base year 2021) by 2030, to guide our mortgage portfolio towards achieving net zero by 2050.

The CRREM'21 model indicates that we need to reduce our emissions intensity to 18.1 $kgCO_2/m^2$ by 2030 according to the CRREM pathway for the Netherlands and CBS (Statistics Netherlands) emission data, reflecting a 34% reduction compared to our 2021 baseline. In 2023, the CRREM model was updated. The impact of this update is provided in the new version of NN Group's Climate Action Plan on 1 April 2025. More information about the target-setting methodology and progress can be found in section E1-6.

E1-5

Energy consumption and mix

The following table provides a comprehensive overview of NN Bank's energy consumption and mix. It details the Bank's total energy consumption in absolute values, highlights improvements in energy efficiency and outlines the Bank's exposure to coal, oil and gas-related activities. Additionally, the table showcases the share of renewable energy in NN Bank's overall energy mix, offering a clear understanding of our efforts towards sustainable energy practices.

As a subsidiary of NN Group, NN Bank follows the approach and actions of NN Group regarding energy consumption. The total fossil energy consumption was 645MWh in 2023, which decreased to 580 MWh in 2024. The share of fossil sources in total energy consumption also saw a decrease from 37.9% in 2023 to 36.6% in 2024. There is no consumption from nuclear sources and fuel consumption for renewable sources, including biomass. Overall, the data indicates a slight decrease in total fossil energy consumption and a stable consumption pattern for renewable energy sources between 2023 and 2024. For more information about the actions taken by NN Group to reduce the carbon footprint for own operations, refer to its Annual Report and Climate Action Plan.

Energy consumption and mix	Comparative (2023)	2024
Total fossil energy consumption (MWh)	645	580
Share of fossil sources in total energy consumption (%)	37.9%	36.6%
Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)		0%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	1049	998
The consumption of self-generated non-fuel renewable energy (MWh)	7	5
Total renewable energy consumption (MWh)	1056	1003
Share of renewable sources in total energy consumption (%)	62.1%	63.3%
Total energy consumption (MWh)	1701	1583

E1-6

Our GHG emissions

The following table presents the gross scopes 1, 2 and 3, as well as the total GHG emissions figures for NN Bank in 2024. It also includes comparative data from the base year and 2023, providing a comprehensive overview of the NN Bank's emissions over these periods. This detailed breakdown allows for a clear understanding of the progress and changes in NN Bank's GHG emissions, highlighting the positive strides made and our areas of continued focus.

Methodology

Reporting on GHG emissions

NN Bank reports GHG emissions from our own operations (scopes 1 and 2) as well as the significant scope 3 categories. In line with the international GHG Protocol Standard, scope 3 categories are deemed relevant if their scale significantly impacts total anticipated scope 3 emissions. NN Bank also evaluates these categories based on their share of total GHG emissions (scopes 1+2+3).

Total GHG emissions (tCO_2e) aggregated by scope 1, 2 and material scope 3 categories

	Retrospective				
	Base year (2021)	2023	2024	% Actuals / Last year	% Actuals / Base year
Scope 1 GHG emissions					
Gross scope 1 GHG emissions		-	-		
Scope 2 GHG emissions					
Gross scope 2 GHG emissions – location based		312	296	-5%	
Gross scope 2 GHG emissions – market based		45	41	-9%	
Material scope 3 GHG emissions - own operations					
Category 1 - purchased goods and services		8,740	7,172	-18%	
Significant scope 3 GHG emissions - lending and bonds					
Category 15 - financed emissions: mortgage portfolio	237,000	202,353	189,257	-6%	-20%
Category 15 - financed emissions: HQLA portfolio		328,279	142,141	-57%	
Scope 3 GHG emissions					
Gross scope 3 GHG emissions		539,372	338,570	-37%	
Total material GHG emissions					
Total material GHG emissions (scope 1, 2 and 3) - location based		539,684	338,866	-37%	
Total material GHG emissions (scope 1, 2 and 3) - market based		539,417	338,611	-37%	
GHG emissions intensity					
GHG intensity (scope 1,2 and 3) per net income – location based*		1,224	809		
GHG intensity (scope 1,2 and 3) per net income – market based		1,223	808		
Per m² (kg CO_2/m²) - scope 3 emissions residential mortgages		25,0	23,6	-6%	

* The GHG intensity per net income in EUR million is calculated based on the total GHG emissions shown in this table.

Defining GHG emission scopes

- **Scope 1**: Direct emissions from sources owned, controlled or used by NN Bank
- **Scope 2**: Includes indirect emissions resulting from energy use by NN Bank, generated by sources owned or controlled by third parties (e.g., electricity and district heating used in NN Group buildings occupied by NN Bank)
- **Scope 3**: Includes indirect emissions (not included in scope 2) occurring in NN Bank's value chains. These categories follow the GHG Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard

Relevance of scope 3 categories for NN Bank

The table below outlines the relevance of scope 3 categories for NN Bank. Categories are assessed based on their materiality and alignment with our disclosed metrics under the 'Basis for Preparation' section.

GHG Scope 3 Categories	Relevance
1. Purchased goods and services	Applicable to NN Bank and disclosed.
2. Capital goods	NN Bank does not engage in activities in this category.
3. Fuel and energy related activities	Not considered material.
4. Upstream transportation and distribution	NN Bank does not engage in activities in this category.
5. Waste generated in operations	NN Bank does not significantly engage in activities in this category.
6. Business travel	Not considered material.
7. Employee commuting	Not considered material.
8. Upstream leased assets	NN Bank does not engage in activities in these categories.
9. Downstream transportation and distribution	
10. Processing of sold products	
11. Use of sold products	
12. End-of-life treatment of sold products	
13. Downstream leased assets	
14. Franchises	
15. Investments	Applicable to NN Bank and disclosed. This category includes the category 15a 'financed emissions', which are of major significance for the Bank given its mortgage receivables and HQLA portfolio.

Allocation of GHG emissions

GHG scope 1,2 and 3 emissions, except for category 15, are attributed to NN Bank by NN Group using management accounting procedures based on allocation formulas. This ensures accurate reflection of NN Bank's activities within the broader NN Group framework.

Financed emissions and operational emissions

Financed emissions, primarily linked to mortgages and bond investments (HQLA portfolio), are calculated separately, reflecting their materiality and unique measurement methods.

GHG emissions from NN Bank's own operations

Scope 1 emissions

Scope 1 emissions are derived from direct energy use associated with assets and activities that NN Group owns, operates and/or controls and that are utilised by NN Bank. This primarily involves natural gas consumption in office buildings in the Netherlands. Measurements are based on NN Group's energy invoices. If these are not available, estimates are made using square metres or other relevant metrics, and these are proportionately allocated to NN Bank. Emissions are calculated per unit of consumed fuel using average data methods and factors sourced from CO2emissiefactoren.nl and Ecoinvent. No direct energy use was related by NN Group to assets and activities used by NN Bank therefore the scope 1 emissions amount to zero.

Scope 2 emissions

These include both location-based and market-based indirect energy consumption by assets or activities owned, operated and/or controlled by NN Group. These emissions mostly arise from electricity and district heating used in NN Bank's office buildings in the Netherlands. Measurements rely on energy supplier or landlord invoices, with estimations based on square metres or other metrics when invoices are unavailable.

NN Group calculates emissions per unit of energy consumption using factors from CO2emissiefactoren.nl, AIB European Residual Mixes and the Climate Transparency Report. The sources for district heating are CO_2emissiefactoren.nl and Ecoinvent.

For scope 2 market-based emissions, NN Group applies national residual grid mixes to all non-renewable indirect electricity consumption. Zero emissions are applied to green energy if contractual evidence exists.

For scope 2 location-based emissions, NN Group applies national average grid mixes to all non-self-generated electricity consumption. For district heating, market-based and location-based emissions are treated equally. Like the scope 1 emissions, scope 2 emissions are allocated to NN Bank by NN Group based on its operational share.

Scope 3 emissions

Scope 3 emissions relevant to NN Bank include:
Category 1 (Purchased Goods and Services): The emissions are based on euro spend on products and services procured from third-party suppliers and from NN Group. The goods and services purchased are divided into so-called 'procurement categories', and have distinctive emission factors. By applying these emission factors in combination with euro spend per category the emissions are calculated. US EEIO database is used as a source for the emission factors.

GHG emissions from NN Bank's financed emissions

Financed emissions represent the GHG emissions related to NN Bank's mortgage receivables and HQLA bond portfolio.

These emissions are reported under scope 3, category 15, as outlined in the GHG Protocol. The reported figures include scope 1, scope 2 and scope 3 emissions from NN Group's borrowers and investees, focusing only on proprietary assets held by NN Bank. Non-proprietary assets are excluded but are addressed separately under Sustainable Finance Disclosure Regulation (SFDR) reporting.

NN Bank applies an attribution approach to determine the share of total GHG emissions associated with the mortgage loans and HQLA investments reported. Emissions data and financial data are key inputs for the financed emissions calculations. When specific data is unavailable, NN Bank applies a conservative estimation approach to ensure accuracy.

In addition to the high-level overview included in BP-2, some more details on NN Bank's methodology per asset class are included in the following table.

Asset class	Scope	Attribution factor	GHG emissions covered	Source
Mortgage loans	Mortgage loans on the balance sheet of NN Bank and its subsidiary, serviced by NN Bank (main part) and Quion Group B.V.	A loan-to-value (LTV) ratio is applied, which is the outstanding mortgage balance amount (nominal value) divided by the property value at origination. If the property value at origination is not available, the latest available property value is used.	GHG emissions originating from operational energy use of a building are reported. Therefore, scope 1 and 2 emissions are covered.	The calculations are based on floor area, energy labels and building type. Energy labels are sourced from EP-online. PCAF emission factors are used, which are based on CBS data for energy consumption. The housing type and surface area per building is gathered via the BAG database.
Government bonds	Listed government bonds issued by a: · Government or treasury · Supranational · Central bank on behalf of a sovereign	NN Bank's investment position (balance sheet value) in a sovereign in proportion to the Purchasing Power Parity prices adjusted Gross Domestic Product (PPP adjusted GDP) of its country.	Scope 1, which is defined as the direct GHG emissions from sources located within the country territory (i.e., production emissions).	PPP adjusted GDP is collected from the data published on the website of the World Bank. Emissions data (incl. and excl. LULUCF) is sourced from the UNFCCC database for Annex I countries and Climate Watch database for non-Annex I countries.
Corporate bonds	Listed corporate bonds.	Outstanding amount (market value) of NN Bank's investments divided by the total company value (i.e., issuers).	Scope 1 and 2, with scope 3 reported separately.	Emissions data from NN Bank's issuers is sourced from ISS and Sustainalytics.

GHG emissions intensity

The carbon intensity of NN Bank's mortgage portfolio indicates the efficiency of NN Bank's mortgage loan portfolio in terms of GHG emissions (tCO_2e) per unit of output, measured in square metres (m^2). To calculate this, NN applies an LTV ratio to determine the proportional share of the financed surface area. This is done as follows:

- The outstanding mortgage balance amount (nominal value) is divided by the property value at mortgage loan origination date
- This ratio is then multiplied by the property's surface area (in m^2)

If the property value at mortgage loan origination is unavailable, the latest available property value is used. The GHG emissions of the mortgage portfolio reported under financed emissions (in tCO_2e) are included in calculating this carbon intensity indicator.

Carbon footprint of mortgage portfolio

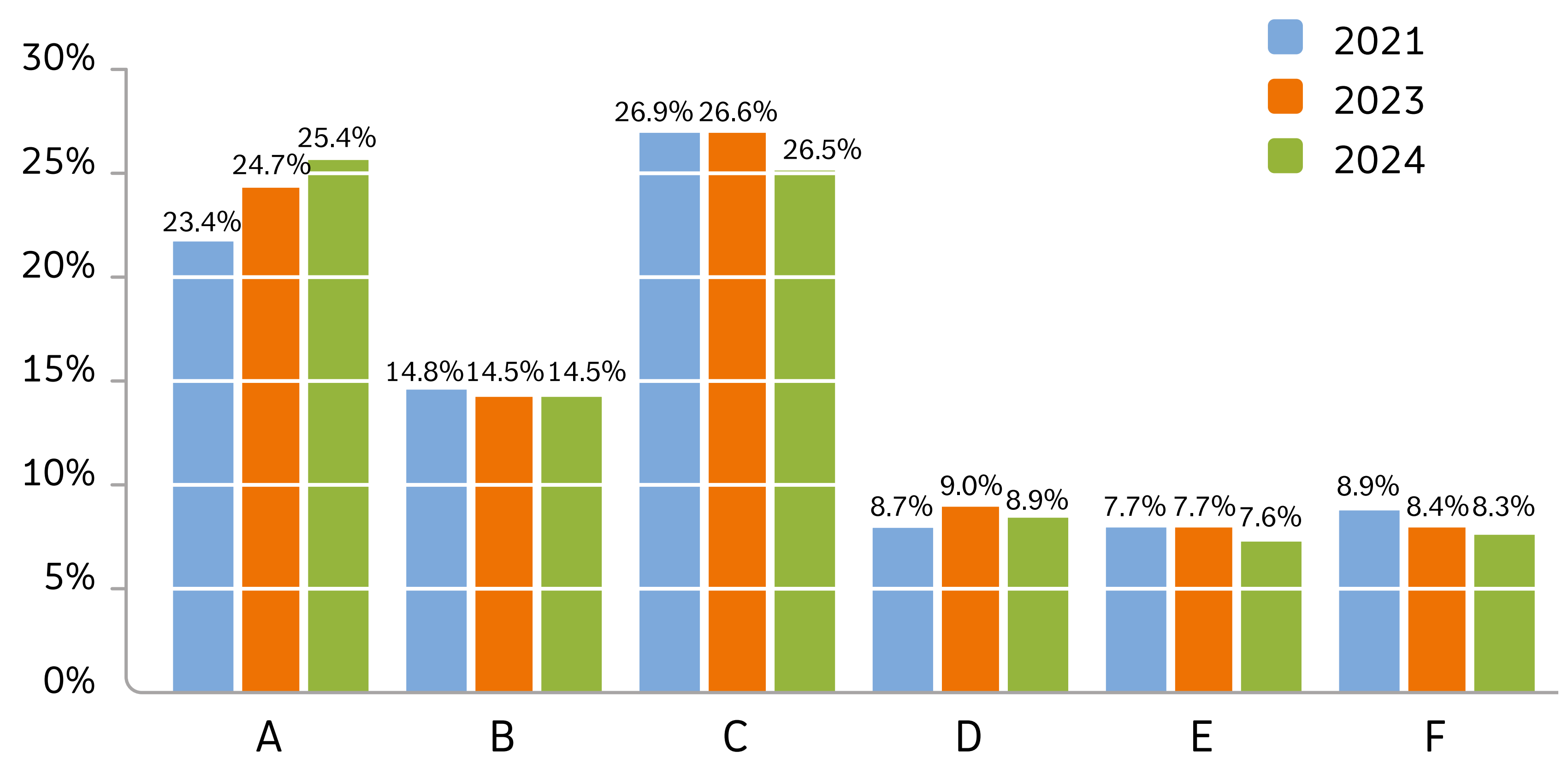
We account for the scope 1 and 2 emissions of each house (i.e., the energy consumed by the occupant, which is comprised of the natural gas used to heat the house, plus the electricity purchased by the occupant). Construction emissions, notably a building's embodied GHG emissions, are not considered.

In line with the PCAF Standard, we measure the carbon footprint of every house based on energy label, floor space, building type and corresponding emission factor. Together with other members of PCAF, we are exploring ways to obtain the actual consumption data to further enhance reporting quality. By improving the monitoring of household CO_2 emissions, we can bring the outcomes closer to the actual emitted emissions.

The energy label remains an important data input for the methodology. Compared to base year 2021, the share of label A in our portfolio increased from 23.4% to 25.4%, label B declined from 14.8 % to 14.5%, label C declined from 26.9% to 26.6%, and labels D, E, F and G (taken together) declined from 34.9% to 33.6%.

To estimate CO_2 emissions from residential real estate, data on natural gas and electricity consumption per residence is required. As these are not publicly available, PCAF used CBS data to estimate consumption per energy label and square metre. In January 2025, CBS updated its energy data, prompting PCAF to revise the emission factors. We are currently analysing this update and may incorporate it into our next carbon footprint report.

NN Bank portfolio: Energy label distribution
(based on number of houses, comparative figures 2021 – 2024)



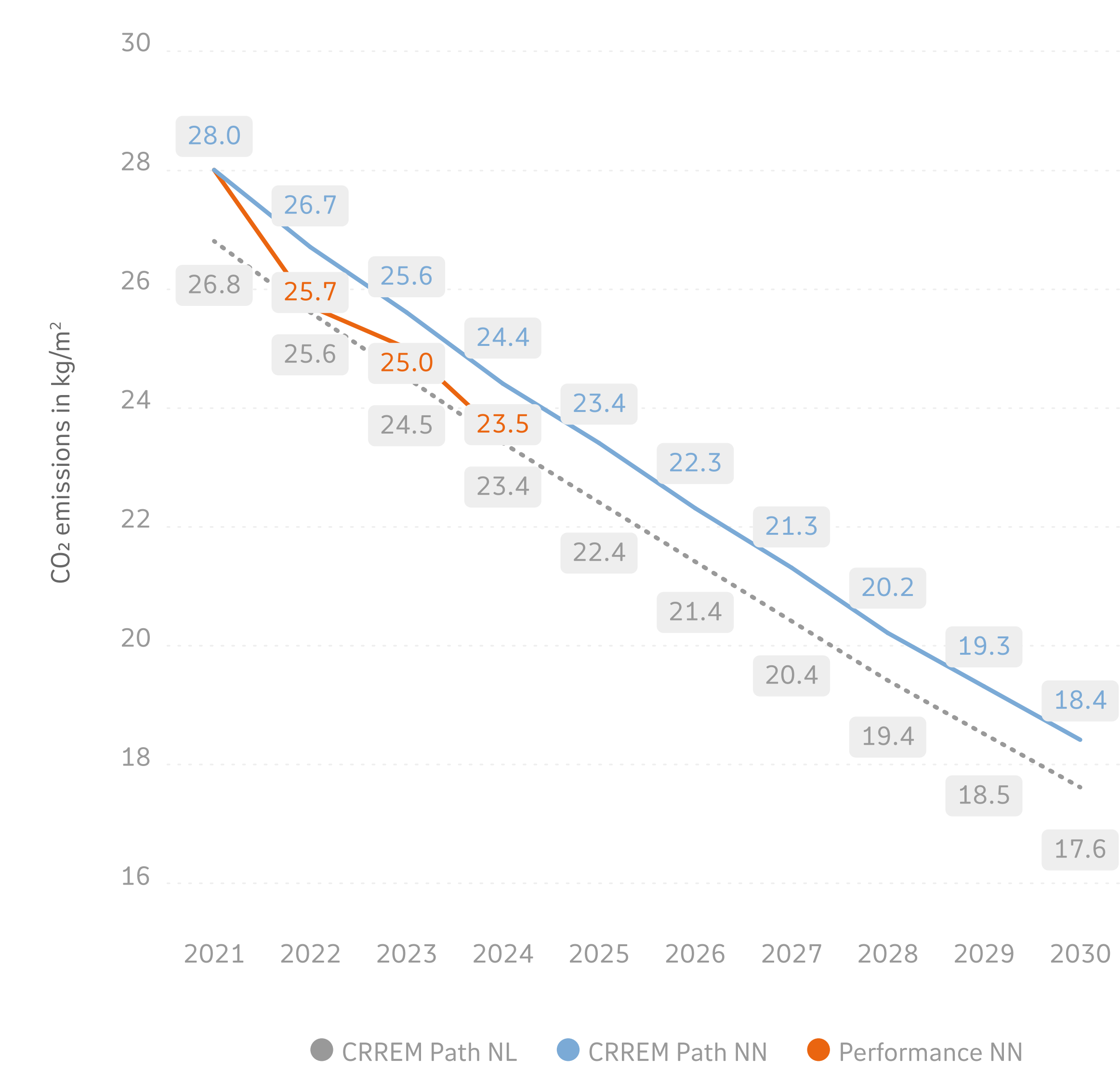
The financed emissions of NN Banks's mortgage portfolio at the end of 2024 were 189 kilotonnes of CO_2e, showing a 6.4% decrease from the previous year.

Carbon intensity for mortgage portfolio

We calculate a carbon intensity for the mortgage portfolio, which indicates the efficiency of NN Bank's mortgage portfolio in terms of GHG emissions (tCO_2e) per unit of output (m^2). We apply an LTV ratio to determine the financed surface area (in m^2) of a property. If the property value at mortgage loan origination is unavailable, the latest available property value is used.

The emissions intensity at year-end 2024 was 23.55 $kgCO_2e/m^2$ representing a decline of 15.9% compared to the baseline year of 2021.

CRREM Path NN vs actual emission intensity



Methodology

In collaboration with other financial institutions through the PCAF, NN Bank developed a method to calculate the carbon footprint of its mortgage portfolio. The methodology accounts for scope 1 and 2 emissions related to the energy use in residential properties financed by mortgages. It reflects the indirect emissions in our lending portfolio but does not include construction emissions or a building's embodied GHG emissions.

To estimate CO_2 emissions from residential real estate, data regarding natural gas and electricity consumption per property is required. As this data is not publicly available, PCAF has estimated consumption levels per energy label and square metre by using data from CBS.

To assess our portfolio against science-based decarbonisation pathways aligned with the Paris Agreement, NN Bank utilises the Carbon Risk Real Estate Monitor (CRREM) tool. This builds decarbonisation pathways based on a carbon budget aimed at limiting a rise in global temperature to 1.5°C in 2050.

The financial sector increasingly uses the CRREM methodology, which is aligned with the SBTi's recommendations. CRREM's scenario is specific to real estate and mortgages, so it considers the sector's carbon budget and relevant technological developments in decarbonisation. These pathways are regularly updated with the latest scientific research and stakeholder feedback meaning targets may evolve over time.

As CRREM focuses on physical emissions intensity per square metre, NN Bank uses data from the Netherlands' Kadaster (Land Registry and Mapping Agency) to convert the mortgage portfolio's total emissions into this metric.

Carbon footprint of HQLA portfolio

When analysing the carbon footprint we follow internationally recognised standards in our methodology such as the GHG Protocol and the 'Global GHG Accounting and Reporting Standard for the Financial Industry' by the PCAF.

Carbon footprint HQLA - 2024

Asset category	Total Assets (EUR millions)	Total Assessed Assets (EUR millions)	Financed Emissions (kilotonnes of CO_2e)		Carbon footprint (tonnes of CO_2e per EUR million invested)		Data Coverage (% of assessed assets)	PCAF Data Quality Score (1-5)	
			Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3		Scope 1 + 2	Scope 3
Corporate - Central govt. guaranteed	€ 12.3	€ 10.0	0.1	0.8	13.7	83.9	81.1%	1.0	5.0
Corporate - Covered bonds	€ 490.4	€ 477.3	0.1	140.1	0.2	293.6	97.3%	1.3	3.3
Total Corporate	€ 502.7	€ 487.2	0.2	141.0	0.4	289.3	96.9%	1.3	3.3
			Scope 1 incl. LULUCF	Scope 1 excl. LULUCF	Scope 1 incl. LULUCF	Scope 1 excl. LULUCF		Scope 1 + 2	Scope 3
Government bonds	€ 196.6	€ 9.7	1	1	99.5	142.3	100%	1.0	n.a.

Carbon footprint HQLA - 2023 restated

Asset category	Total Assets (EUR millions)	Total Assessed Assets (EUR millions)	Financed Emissions (kilotonnes of CO_2e)		Carbon footprint (tonnes of CO_2e per EUR million invested)		Data Coverage (% of assessed assets)	PCAF Data Quality Score (1-5)	
			Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3		Scope 1 + 2	Scope 3
Corporate - Central govt. guaranteed	€ 12.4	€ 10.0	0.1	1.0	13.4	98.6	81.1%	1.0	5.0
Corporate - Covered bonds	€ 643.4	€ 631.4	0.7	322.0	1.1	509.9	99.1%	1.2	3.2
Total Corporate	€ 655.8	€ 641.4	0.9	323.0	1.3	503.5	98.8%	1.2	3.2
			Scope 1 incl. LULUCF	Scope 1 excl. LULUCF	Scope 1 incl. LULUCF	Scope 1 excl. LULUCF		Scope 1 + 2	Scope 3
Government bonds	€ 243.9	€ 32.1	4.5	4.6	139.1	144.1	100%	1.0	n.a.

Carbon footprint of Corporate Bonds

The financed emissions for a corporate portfolio are based on the amount we as an investor have invested relative to the issuer's enterprise value. In other words, it is the share of the company's emissions that can be attributed to NN Bank based on the amount we have invested in the company.

These financed emissions can be divided into scope 1, 2 and 3 emissions. We report on all scopes. We retrieve the emissions data from an external data provider, ISS ESG. We report on scope 3 emissions separately from scope 1 and 2 emissions. This approach offers full transparency while avoiding potential double counting issues when adding these to the scope 1 and 2 emissions of investees. Despite significant questions about the quality and reliability of scope 3 data, we believe it is important to report on them given their significant real-world impact and the fact that they represent the majority of emissions for any investment portfolio. Our reporting aims to increase transparency in the industry and support data improvement necessary for accurate incorporation of scope 3 emissions in future emission figures.

The absolute financed emissions (scope 1, 2 and 3) of NN Bank's corporate bond holdings was 141 kilotonnes CO_2e as per year-end 2024. The carbon intensity of the corporate bonds currently stands at 290 tonnes CO_2 per EUR million invested. Coverage of corporates currently stands at 96.9%.

Carbon footprint of government bonds

We account for the emissions following the methodology prescribed by the PCAF. Like the corporate financed emissions, sovereign financed emissions represent the share of the country's emissions that can be attributed to NN Bank based on the amount we have invested in the sovereign. As there is no such thing as a 'total market value of a country' it is market practice to use a proxy to attribute the right amount of emissions to an investment. As per the PCAF standard we divide the total amount we have invested by the PPP-adjusted GDP of a country to calculate financed emissions, where the latter then serves as a proxy for the borrower's total value.

In line with PCAF requirements NN reports sovereign emission data including and excluding land use, land use change and forestry (LULUCF) emissions, where the numbers including LULUCF emissions include the role of land-use and forestry as a carbon sink.

PCAF's recommendation is to only report on actual sovereigns, as the emission of quasi-sovereigns (local authorities, supranational entities, etc.) is unfortunately not measurable at present. As the share of quasi-sovereigns is relatively high (95%) in NN Bank's government bond holdings the assessed and attributed emissions are therefore relatively low.

The absolute financed emissions of NN Bank's government bonds holdings was 1 kilotonne CO_2e as per year-end 2024. The carbon intensity of the government bonds currently stands at 242 tonnes CO_2 per EUR million invested. Coverage of government bonds currently stands at 100%.

2023 figures have been restated due to a change in data provider resulting in more data points and better data quality. Due to a change in ownership of issuing entities the financed emissions of the covered bonds have increased significantly in the restated 2023 figures. Comparing 2024 figures with restated 2023 figures we note an improvement in the carbon intensity for both corporate and government bonds.

Value chain estimations

This Annual Report's climate-related metrics rely on data estimations derived from indirect sources across the value chains.

The table on the next page provides a high-level summary of preparation methods and sources used, including the GHG absolute emissions table outlined in disclosure E1-6.

Scope and category	Calculation method	Activity data	Emissions factors applied	Source
Climate-related metrics				
Energy consumption in own banking operations.	NN Group calculation based on electricity supplier invoices allocated to NN Bank in proportion to our own energy consumption.	Floor space in square metres used by NN Bank in our own operations and/or controlled by NN Group.	Not applicable.	Energy consumption invoices from NN Group allocated proportionally to NN Bank.
Scope 1 from our own banking operations.	NN Group calculation of natural gas usage from supplier invoices.	Floor space in square metres used by NN Bank and/or controlled by NN Group.	Emission factors per unit of consumed fuel.	CO2emissiefactoren.nl, Ecoinvent.
Scope 2 from our own banking operations.	NN Group calculation of energy use by assets or activities owned and/or controlled by NN Group and used by NN Bank.	Floor space in square metres used by NN Bank and/or controlled by NN Group.	Zero emissions are applied for green energy with verified control. For market and location-based emissions, national residual and grid averages are used.	CO2emissiefactoren.nl, AIB European Residual Mixes, Climate Transparency Report, Ecoinvent.
Scope 3 from category 1. Purchased goods and services.	EUR spend based.	Spend per procurement category.	Emissions per EUR spent in each procurement category.	US EEIO database.
Scope 3 category 15a. Financed emissions: mortgage loans.	PCAF-based methodology.	Energy use (e.g., natural gas, electricity) of the financed property attributed in proportion to the outstanding mortgage loan.	GHG emissions (scope 1 and 2) originating from operational energy use of the financed property given its energy label.	Basisregistratie Adressen en Gebouwen (BAG), EP-online, PCAF, Centraal Bureau Statistiek (CBS) data.
Scope 3 category 15a. Financed emissions: government bonds.	NN Bank's exposure to sovereign debt divided by the Purchasing Power Parity (PPP)-adjusted Gross Domestic Product (GDP).	Country including land-use and land-use change and forestry (LULUCF).	GHG emissions incl. LULUCF.	PPP adjusted GDP published by the World Bank. Emissions data (incl. and excl. LULUCF) from the United Nations Framework Convention on Climate Change (UNCCC).
Scope 3 category 15a. Financed emissions: listed corporate bonds (HQLA).	Outstanding amount of NN Bank's investment in a company in proportion to its Enterprise Value Including Cash (EVIC).	EVIC.	GHG emissions scope 1 and 2.	ISS or Sustainalytics.
Energy label distribution.	Not applicable.	Number of houses financed and/or received as collateral.	Not applicable.	EP-online for definitive or provisional energy labels and building year of the property (to support energy label assumption).

Using internally recognised standards

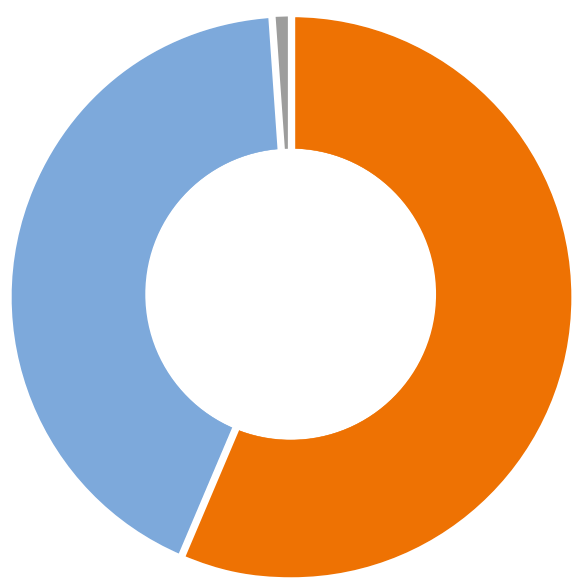
Emissions from NN Bank's operations (covering scope 1, scope 2 and scope 3 categories: 1, 3, 5, 6, and 7) are calculated following internationally recognised standards such as the GHG Protocol. For financed emissions (scope 3 category 15a), the calculations are based on the Global GHG Accounting and Reporting Standard for the Financial Industry (Part A, 2022) from the PCAF.

Data quality and accuracy

Data quality and accuracy varies across metrics. NN Bank applies PCAF data quality scoring for financed emissions, with scores ranging from 1 (highest quality) to 5 (lowest quality). These scores account for data quality differences between asset classes and reflect the time lag in emission data availability from borrowers and investees. NN Bank uses the most recent existing data where current data is unavailable. While the use of estimations and industry averages are necessary, inaccuracies may persist.

Data accuracy is key in determining our progress towards reaching our climate ambitions. NN Bank prioritises improving data accuracy and collaborates with industry peers organised by the Dutch Banking Association (NVB), the Energy Efficient Mortgages Netherlands Hub (EEM NL Hub), and the PCAF. These efforts aim to harmonise ESG data standards and improve the measurement, accuracy, availability and accessibility of data.

PCAF Data Quality score
end of 2024



PCAF Data Quality score 3	56%
PCAF Data Quality score 4	42%
PCAF Data Quality score 5	1%

Sources of estimation and outcome uncertainty

Certain metrics, such as 'gross scopes 1, 2, 3 and Total GHG emissions', include data that cannot be measured directly and require estimation. Below, we detail the primary climate-related categories where measurement uncertainty is inherent:

- **Energy consumption and scope 1 and 2 emissions:** In cases where NN Group lacks invoices for direct or indirect energy consumption of office buildings, estimations are extrapolated based on square metres. Emission factors are applied to calculate related scope 1 and 2 emissions, and it is assumed these factors accurately represent the actual emissions of the activity
- **Purchased goods and services (scope 3 emissions):** NN Group employs a spend-based method from the GHG Protocol 3 Technical Guidance Standard to estimate scope 3 emissions associated with goods and services purchased by NN Bank from third parties and from NN Group
- **Mortgages and financed emissions:** Emissions for residential buildings financed through NN Bank's mortgage loans (scope 3 category 15a, financial investments) are subject to estimation. Proxies, such as building year or average floor space, are used when energy labels or floor space data are missing. Assumptions align with the PCAF methodology where actual energy consumption data is unavailable
- **Listed government bonds and financed emissions:** An attribution approach is used to calculate sovereign emissions, attributing a country's emissions to NN Bank based on our investment in government bonds. Proxies are employed to estimate market values in line with standard market practices
- **Listed corporate bonds and financed emissions:** The attribution approach divides NN Bank's bond investment (market value) by the investee's EVIC to calculate the proportion of scope 1, 2 and 3 emissions attributable to financial and non-financial corporate bonds in the HQLA portfolio

In 2024, there were no significant changes in the definition of NN Bank or our value chains that would affect the year-to-year comparability of reported GHG emissions.

E1-9

Anticipated financial effects

Physical Risk

We employed a comprehensive risk identification process incorporating both internal and external sources of information. Internal sources included relevant business and existing risk frameworks, while external sources comprised open web tools with climate maps such as 'Klimaateffectatlas', Think Hazard, publications related to climate-related risks, ECB guidance, DNB (De Nederlandsche Bank) templates, and Intergovernmental Panel on Climate Change (IPCC) reports. The information gathered from these sources informed the development of a 'long list' of climate risk drivers. To further refine the list, NN Bank conducted an expert judgement analysis identifying the risk drivers most relevant to NN Bank's business model, risk profile, operations and long-term sustainable value creation.

Climate change presents an increasing range and variety of risks that could lead to potential damages and losses for NN Bank. Comprehensive identification and management of these risks are essential to ensure effective ESG-related risk management.

To assess climate-related credit risks that are deemed exposure sensitive to NN Bank, we have undertaken the following steps:

1. **Data collection:** Adjusted data from Climate Adaptation Services (CAS) provided detailed information on a per-collateral basis, such as flood depth and susceptibility to pole rot
2. **Risk analysis:** NN Bank analysed this dataset to enhance our understanding of potential risks and their impact on our portfolio
3. **Assumptions and estimations:** Based on these analyses, assumptions were applied to estimate potential losses should these risks materialise within our mortgage loan portfolio

Results

For NN Bank's mortgage portfolio, flooding has been identified as the most significant risk, consistent with expectations.

It is important to note that this assessment does not factor in the impact of risk reduction measures available to homeowners, or those planned by the government. Examples include:

- Insurance coverage
- Government support
- Future adaptation actions

These measures have the potential to substantially mitigate the risks identified and should be considered in future evaluations.

The external source CAS applied the open-source tool called Klimaateffectatlas (KEA), which is managed by CAS in conjunction with the Dutch government. CAS tailored its analysis to NN Bank's collateral portfolio, making the data portfolio-specific at the individual collateral level. NN Bank evaluated CAS-provided data on a per-collateral basis for each significant climate risk. Flooding scenarios are based on current climate conditions while the drought scenarios are based on significant climate change under the worst-case scenario by 2050. Drought scenario is based on the WH climate scenario from KNMI'14 (The Royal Netherlands Meteorological Institute), which aligns with IPCC RCP (Representative Concentration Pathways) 8.5 high-emission scenario. According to the KNMI'14 models, summers in the Netherlands could see temperature increases of 1-2.3°C by 2050.

This risk assessment focused on the downstream part of our value chain, particularly our customers (residential mortgage loan borrowers). Our non-financial risk assessment (including on climate litigation) focused on our own operations.

Time horizons and materiality threshold

Given the complexities of defining materiality over different time periods, our aim is to establish a single, unified policy and methodology for this purpose. As such, we have defined three time horizons, which also take into account the lifetime of mortgages, generally up to to 30 years:

- **Short** (0-3 years)
- **Medium** (3-10 years)
- **Long** (10+ years)

Within these time horizons, we assessed the risks associated with each driver, aiming to provide a comprehensive evaluation across all periods. Each risk is assessed at the short-, medium-, and long-term horizons to ensure consistency and a forward-looking perspective.

The definition of these time horizons aligns with our Climate Action Plan and capital allocation strategy. Our aim is to steer our mortgage portfolio towards net zero by 2050, and in July 2023 we set and intermediate reference objective to reduce emissions by 34% to 18.0 $kgCO_2e/m^2$ in 2030 (base year 2021), following the CRREM. Our capital allocation strategy is fully aligned with these targets.

In terms of materiality, a threshold of EUR 6 million loss has been established based on expert judgement. Damages exceeding the threshold are considered material to NN Bank, while figures below this threshold are deemed immaterial. The materiality threshold is consistently applied in credit and environmental risk assessments using quantitative methods. However, for other risks assessed, e.g., those using qualitative methods, the threshold may vary depending on the type of assessment applied.

Flooding risk scenarios

NUTS codes analysed: the Netherlands, NL1, NL2, NL3 and NL4.

In our analysis, we conducted a detailed examination of the flooding risk for NN Bank across various scenarios and possibilities. The analysis differentiates between pluvial flooding and fluvial and coastal flooding. In total, five flooding scenarios were considered with recurrence intervals of:

- 1/10 years
- 1/100 years (2x)
- 1/1,000 years
- 1/100,000 years

Wildfire risk scenarios

NUTS codes analysed: the Netherlands, NL1, NL2, NL3, and NL4.

The level of wildfire sensitivity is used to classify collaterals into no-, low-, medium-, or high-risk categories. We then focused our scenario analysis on all collaterals located in municipalities within the Veluwe region, which is especially prone to large scale wildfires due to its sizeable green areas. Estimated damages were calculated for each property based on the wildfire sensitivity within this region in the event of a wildfire.

When a building situated in a natural area is destroyed by fire, we assume part of its value is lost and must be rebuilt. However, the value of the land, foundation and general structure is typically retained.

Pole rot risk scenarios

NUTS codes analysed: the Netherlands, NL1, NL2, NL3 and NL4.

To assess damages from pole rot, we considered specific parameters unique to each property, even within areas with a known risk. These parameters, aligned with inputs from the KEA neighbourhood scoring system, include:

1. Construction year
2. Type of soil
3. Probability of wooden pole foundation
4. Average lowest groundwater levels compared to top of poles

Using these parameters and methods, we estimated the potential damages to NN Bank's portfolio by 2050 due to pole rot.

Soil subsidence risk

NUTS codes analysed: the Netherlands, NL1, NL2, NL3 and NL4.

For soil subsidence, we evaluated potential damages to individual properties based on several unique parameters. These inputs, also drawn from KEA methodologies, include:

1. Soil subsidence per year
2. Soil type
3. Probability of shallow foundation

This approach allows us to estimate the impact of soil subsidence on NN Bank's portfolio.

Climate-related hazards were identified, and exposure was assessed using a worst-case climate change scenario for 2050 where possible. This WH climate scenario, based on the KNMI'14, aligns with the IPCC RCP 8.5 high-emissions scenario.

Risk horizons

Flooding probabilities are measured in return periods, so the shorter the return period, the more likely it will happen, but the smaller the impact. However, both a 1/10 and a 1/1,000 flood can happen at any moment. Therefore, all flooding events are categorised as short-, medium- and long-term risk.

Wildfire risk is assessed based on 2050 risk levels with significant warming. However, wildfires can also happen at any moment, hence its risk is present in the short, medium and long term.

For drought risks — such as wildfire, pole rot and soil subsidence — assessments reflect projected climate conditions between 2014 and 2050. The losses are expected to be small in the short term, but increase towards 2050. Therefore, these risks have a long-term horizon.

Category	Risk type	Scenario	Time horizon	Impact
Flooding	Acute	1/100 year **fluvial flood**	Short/Medium/Long	Low
	Acute	1/1,000 year **fluvial/coastal flood**	Short/Medium/Long	High
	Acute	<1/100,000 **fluvial/coastal flood**	Short/Medium/Long	High
	Acute	1/100 year **pluvial flood**	Short/Medium/Long	Low
Drought	Chronic	**Pole rot** (2050 expectation, high degree of climate change)	Long	Low
	Chronic	**Soil subsidence** (2050 expectation, high degree of climate change)	Long	Low
	Acute	**Wildfire** (2050 expectation, high degree of climate change)	Short/Medium/Long	Low

Credit risk assessments primarily cover NN Bank's downstream business activities, whereas non-financial risk assessments encompass most of the Bank's own operations and certain aspects of the upstream value chain. Climate transition risks were assessed at the collateral level for NN Bank's customers, focusing on downstream business impacts.

Transition risk

We identified time horizons for each transition risk driver based on expected occurrence of each transition risk. These were classified into short-, medium-, and long-term horizons. High- and medium-impact risk drivers were considered in the qualitative assessment.

Transition risks for our mortgage portfolio arise from two key aspects:

1. **Impact on the value of collateral**: Transitioning towards better energy labels may reduce the value of properties with less desirable energy labels while increasing the value of those with better labels
2. **Impact at the client level**: Customers who are unable to adapt to these transitions may face challenges, including negative property value fluctuations or even difficulties in repaying their mortgages

To assess materiality of transition risks, we analysed these two scenarios:

1. **Impact on the value of collateral:** As the transition towards improved energy labels continues, there is a risk that properties with lower energy labels may decrease in value, while those with better energy labels may increase in value. We calculated the potential changes in expected loss by applying shocks to house prices for each energy label in the short term, based on the assumption that the average energy label in the Netherlands is C
2. **Impact at the client level:** Under the current high inflation environment, with rising interest rates, more customers are experiencing financial challenges that could impact on their ability to service mortgages

We included Loan-to-Income (LTI) ratios in this analysis, assuming that customers with higher incomes can manage increased interest payments and energy costs. We calculated the expected losses in both the short and long term based on the portfolio's vulnerability to inflation and rising interest rates.

This analysis indicated that the impact is primarily short term. Extending this analysis to the longer term (10+ years), we assume that rising costs of inflation and energy will significantly affect customers with energy labels D and E. By that time, having an energy label equal to or below D will no longer suffice. Despite these considerations, the impact remains limited for NN Bank's portfolio in both the short and long term.

Additionally, we conducted stress testing over a medium-term horizon to estimate the impact of potential government regulations aimed at fostering a green economy. This scenario assumes significant investment programmes for a carbon-neutral transition, potentially causing job losses and prolonging economic recovery. This stress test builds upon the stagflation scenario, focusing on the additional impact of a carbon-neutral transition.

For each transition risk event, materiality was assessed by considering its likelihood, magnitude and duration.

Catergory	Risk driver	Time horizon of occurance	Risk impact
Policy and regulations	Pricing GHG emissions	Short/Medium	High
	Transition to lower emissions sources/promote lower climate impact activities		
	Litigation risk		
	Changing policy interpretation/emission-reporting obligations		
Technology	Technological obsolescence	Medium/Long	Low
	Investment in new technologies/transition to lower emissions technology		
Market sentiment	Changing customer behaviour	Short/Medium	Medium
	Increased cost of raw materials		
	Uncertainty in market signals		
	Carbon dependency		
Reputation	Customer preference and investor sentiment	Short/Medium	Medium
	Stigmatisation of sector		
	Stakeholder concern		

Network for Greening the Financial System (NGFS) scenarios

NN Bank has conducted a scenario analysis on transition risks using NGFS climate scenarios. Two scenarios were selected:

1. **Net Zero 2050:** This scenario reflects an orderly transition where the transition aligns with the Net Zero Plan and presents a low transition risk
2. **Delayed transition:** This disorderly transition scenario reflects a rapid transition process, posing a high transition risk

Process/methodology

The analysis focused on two main areas: credit risk and interest rate risk. The methodology included:

1. **Credit risk:** A sensitivity analysis was conducted based on the current portfolio characteristics and macroeconomic inputs derived from Moody's Analytics Climate Risk Scenarios. These scenarios were developed from NGFS outputs and integrated into the Moody's Analytics Global Macroeconomic Model for a detailed climate risk-consistent macroeconomic forecast. A stressed environment will increase risk costs as customers are more likely to default, and costs from defaults will rise. In addition, weighted capital ratios go down as assets will be assessed as riskier, increasing their risk weight
2. **Interest rate impact:** The Interest Rate Risk in the Banking Book (IRRBB) analysis of the NGFS scenarios was used. IRRBB sensitivities were measured across the Bank's entire balance sheet, considering both the impact on Net Interest Income (NII) and the Economic Value of Equity (EVE). Depending on the specific changes income from loans can become lower, and funding of the Bank can become more expensive which will affect the profit and loss. In addition, a change in market conditions could lead to lower production in mortgages which would also impact income

A constant balance sheet assumption was used for balance sheet projections since projections do not extend as far into the future as the scenario horizons.

Results

The analysis captured the potential impacts of these two scenarios on NN Bank's credit risk and interest rate risk. The findings are aligned with the macroeconomic forecasts and sensitivities derived from the NGFS scenarios. From NN Bank's perspective, no business activities are deemed incompatible with, nor require, significant efforts to align with a transition to a climate-neutral economy.

In this reporting year, NN Bank did not assess the compatibility of our critical climate-related assumptions with those made in our financial statements. However, for all risk assessments, the short-, medium-, and long-term impact on NN Bank and our financial position are evaluated.

Transition risks can result in decreased collateral value for properties that are not energy efficient or fail to comply with evolving regulations aimed at fostering a more carbon-efficient economy.

NN Bank uses external data sources and proprietary models to conduct climate risk analysis across its entire mortgage portfolio.

Key limitations and future considerations

- The analysis does not account for mitigating factors, such as insurance coverage or government support, which could significantly reduce the impact of climate risks on NN Bank's balance sheet. These factors will need to be included in future assessments
- The assessment is based on a baseline scenario, assuming no further warming of the Earth in the short, medium, or long term
- The current analysis is limited to NN Bank's existing mortgage portfolio and does not project risks over extended time horizons due to data constraints

Despite these limitations, it is reasonable to expect that under a 'hot-house world' scenario — where global temperatures and sea levels both rise — that flood severity and frequency will increase leading to potentially significant adverse impacts.

Chapter 3: Social information

Introduction

Our purpose is to help people care for what matters most to them. It reflects the kind of Bank we aspire to be – one that delivers long-term value for all stakeholders by considering their interests. We have identified the following groups as key stakeholders within this chapter: colleagues, business partners and customers.

As an employer, we value the people who work for us and prioritise their working conditions, safety and work-life balance. Through competitive compensation, benefits and pension contributions, we empower our workforce to thrive.

Furthermore, through our role as business partner, we affect the lives of many people. We want to contribute to the well-being of workers in the value chain and are committed to making sustainable decisions across our value chain.

Finally, our commitment to social responsibility also extends to customers. Transparency, ethical practices and fair treatment are at the core of our interactions. We actively seek feedback from customers and end-users to improve our products and services and to align our business practices with their best interests, needs and expectations.

Value chain

Social matters

Value chain	Secure and fair employment	Employee well-being	Equal treatment and opportunity for all	Human capital development	Privacy	Access to quality information	Financial inclusion
Upstream	PN We have identified a potential negative impact on our workers in the value chain as we recognise that some companies we work with may not allow their workers to form or join trade unions. Consequently they may not be able to collectively bargain for fair wages, safe working conditions or other protections. This lack of collective bargaining can lead to exploitation and abuse, as workers have no way to address grievances or negotiate with their employers.		PN We have identified a potential negative impact on workers in the value chain as we recognise that some companies we work with may not pay their workers equally. Unequal pay can hurt workers' finances, limit their career growth and damage work relationships.				
Own operations	PP By offering adequate wages, committing to social dialogue, supporting collective bargaining agreements and emphasising job satisfaction, we have a potential positive impact on secure and fair employment for employees under an NN contract. These efforts can lead to a healthier, more motivated and resilient workforce, benefitting both employees and society as a whole.	PP We have identified a potential positive impact on our employees by promoting a healthy work/life balance, as well as health measures that can positively impact employees. These include measures to reduce stress and burnout, improve mental and physical health and raise the level of job satisfaction. These aim to help workers balance their personal and professional lives, leading to a more fulfilling and rewarding work experience that supports their overall well-being.	PP NN's commitment to equal treatment and opportunities for all workers has a potential positive impact on all types of employees. This includes greater financial security, improved job satisfaction, increased well-being and a stronger sense of belonging, especially for those from under-represented groups. By ensuring that all employees feel valued, respected and supported, NN can boost morale and motivation, resulting in a more fulfilling and rewarding work experience for everyone.	PP Our commitment to training and skill development has a potential positive impact on job satisfaction and overall well-being for employees under an NN Group contract. By equipping workers with the skills they need to excel in their roles, we can not only increase their joy in work but also prepare them for future challenges and opportunities. This proactive approach makes us a more attractive employer for new joiners and boosts employability, ensuring that employees are well-prepared for evolving job requirements.			

Legend

- N Negative impact
- PN Potential negative impact
- P Positive impact
- PP Potential positive impact
- R Risk
- O Opportunity

Value chain

Social matters

Value chain	Secure and fair employment	Employee well-being	Equal treatment and opportunity for all	Human capital development	Privacy	Access to quality information	Financial inclusion
Own operations			PN We have identified a potential negative impact on our employees. Discrimination can significantly affect employees' emotional and mental well-being, career advancement, work relationships and sense of belonging in the workplace. Similarly, unequal pay can negatively impact employees' financial well-being, career growth opportunities and work relationships.				
Downstream	PN We have identified a potential negative impact on our workers in the value chain as we recognise that some companies we work with may not allow their workers to form or join trade unions. Consequently they may not be able to collectively bargain for fair wages, safe working conditions or other protections. This lack of collective bargaining can lead to exploitation and abuse, as workers have no way to address grievances or negotiate with their employers.		PN We have identified a potential negative impact on workers in the value chain as we recognise that some companies we work with may not pay their workers equally. Unequal pay can hurt workers' finances, limit their career growth and damage work relationships.		PN A data breach entailing the leak of sensitive and confidential customer information thereby causing harm, particularly if sensitive financial and personal information is disclosed. R Risk of reputational and financial damage due to the consequences of a data breach. PN Misuse of personal information by NN Bank resulting in abuse of that information by the Bank, and thereby causing harm to those customers. R Risk of reputational and financial damage due to the consequences of the Bank's misuse of customer information.	P Our customer communications are written in clear language (B1 level) for customers to easily understand and to help them make informed decisions. R NN Bank operates in a highly regulated environment, which requires the distribution of mandatory legal information. This leads to reputational and legal risks if NN Bank does not comply with these regulations, the required information is not being provided in understandable language (B1 level) or too much complex information is being communicated.	PP Our products are accessible to a broad range of customers with varying needs via a wide range of distribution channels. P NN Bank is focused on providing sustainable solutions for customers that cannot pay their mortgage. R Reputational risk if NN does not sufficiently fulfil its duty of care. R Risk of financial loss because customers can no longer pay their mortgage. PP NN Bank is able to support customers with specific knowledge, and a partner network that specialises in financial health and digital inclusion. We can provide customers with the tools, resources and insights to make more informed financial choices and exercise greater control over their personal financial situation.

S1

Own workforce

We are committed to fostering a workplace that prioritises fairness, inclusivity and the growth of our employees. As part of NN Group, we align with its sustainability efforts, and have therefore identified four key material topics: equal treatment and opportunities for all, human capital development and attraction, employee well-being and secure and fair employment. Chapter 1 provides more information on the identification process of these topics. These material topics reflect our commitment to creating a positive and supportive work environment. We focus our efforts on these topics by engaging with our workforce, implementing meaningful policies and tracking progress.

For information on how the interests, views and rights of workers in the value chain inform our strategy and business model, see the connectivity table in section SBM-3.

The table below provides an overview of the relevant policies relating to our own workforce.

Policy name	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN commits to through implementation
Diversity & Inclusion Policy	Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all.	To set forth our approach to reaching a diverse and inclusive composition of NN Group's Executive Board, Management Board, Supervisory Board and senior management.	NN Group's Executive Board, Management Board, Supervisory Board and Senior Management Group.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. The monitoring process is described in the Social information chapter. The policy is disclosed on the NN Group website.	
Health & Safety, Sick Leave and Vitality Policy	Potential positive impact of own operations on employee well-being.	To outline our approach if an employee becomes sick or occupationally disabled.	All employees employed by NN Group under an employment agreement in the Netherlands.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. Monitoring processes are in place to monitor this policy, which is made available on our intranet.	
Human Resources Framework Standard	Potential positive impact of our own operations on secure and fair employment and employee well-being. Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all. Potential positive impact of our own operations on human capital development.	To summarise our core HR principles, and what they mean in practice. It supports the objective of all of our employees having the same opportunities regardless of where they work in our organisation. The document describes common standards for diversity, talent, employee development and performance.	All employees employed by NN under an employment agreement.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this standard, which is reviewed at least once every two years. If the review indicates that an update is necessary, the standard is revised accordingly. It is available on our intranet.	• Universal Declaration of Human Rights • United Nations' Global Compact

Policy name	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN commits to through implementation
NN statement of Living our Values (footnote)	Potential positive impact of our own operations on secure and fair employment.	Potential positive impact of our own operations on secure and fair employment.	Every NN employee, including those of subsidiaries and anyone representing NN in any capacity.	The Head of Corporate Culture & Affairs is accountable for monitoring the effectiveness of policy implementation, as well as conducting reviews and proposing improvements. Each year, the Management Board receives a report detailing insights into the Living our Values programme, highlighting areas of attention and concern and recommendations for improvements. The report is approved by the Management Board, which is also responsible for incorporating and maintaining the values within the Bank and its affiliated enterprises.	• The Bankers Oath for the Financial Sector • Dutch Corporate Governance Code
Recruitment Policy and Policy for Hiring External Staff	Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all.	To ensure a fair and consistent recruitment process by providing clear guidelines and procedures for managers, recruiters and candidates, outlining the responsibilities of HR and hiring managers and detailing the use of recruitment tools.	NN Group business units where employees are employed under an employment agreement with NN Personeel B.V..	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. The policy is updated when there are changes in legislation. It is made available on our intranet.	
Remuneration Framework Standard	Potential positive impact of our own operations on secure and fair employment. Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all.	To provide a clear framework for remuneration of NN Group employees.	All employees employed by NN Group under an employment agreement.	The Executive Board is accountable for implementing this standard, which is reviewed at least once every two years. If the review indicates that an update is necessary, the standard is revised accordingly. It is made available on our intranet.	
Whistleblower Standard for Dutch Business Units and Head Office of NN Group	Potential negative and potential positive impact of our own operations on equal treatment and opportunities for all. Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all). Potential negative impact of the corporate culture of our own operations. Potential negative impact of corruption and bribery in our own operations.	To provide requirements aiming to ensure the protection of whistleblowers, foster an open culture and enable whistleblowers to speak up and report (suspected) wrongdoing by or within NN Group.	Employees of NN or reporting persons in the Netherlands who acquire information about concerns and/or breaches in a work-related context with NN.	The Chief Compliance Officer is accountable for implementing this standard. The standard is reviewed annually. If the review indicates that an update is necessary, the standard is revised accordingly. It is made available on our external website.	• EU Directive 2019/1937, the Whistleblower Protection Directive. • The Dutch Whistleblowers Protection Act (Wet bescherming klokkenluiders)

Human Resources Framework

To strengthen our commitment we have established the Human Resources Framework Standard (HR Framework). Its key objective is to summarise core HR principles and what they mean in practice, aiming to ensure all employees have equal opportunities wherever they are in the Bank. The HR Framework covers a wide range of topics. These include diversity and inclusion, recruitment, performance and talent management, remuneration, work and personal time, community investment and volunteering, leave of absence, personal health, well-being, safety and end of employment. Another objective is to mitigate HR-related risks, such as those around employee quality, succession of key persons, employee attractiveness, remuneration, discrimination, undesired behaviour and risks related to HR regulation and legislation.

The HR Framework is available on NN's internal website, applies to all our employees, and is implemented according to our local laws and regulations.

The HR Framework plays an important role in helping ensure that NN Bank is a fair employer, respecting human rights, advocating equal opportunities and encouraging diversity of thinking. The updated 2025 HR Framework will include a reference to the UNGPs. While focusing on (prospective) employees, the HR Framework also considers other relevant stakeholders where applicable.

We believe that by promoting a unified approach to HR practices, we can attract and retain top talent, mitigate HR-related risks and ultimately drive business success. The HR Framework is issued, owned and overseen by the Chief People, Communications, and Sustainability Officer, who is a member of the Management Board NN Group.

Below, we offer an in-depth analysis of each of the four key material topics covering existing policies, how we involve employees in addressing the topics, the available channels for employees to voice their concerns, the measures we have taken and how we evaluate the efficacy of those measures. We also detail the targets we have established to help us continuously improve our practices.

Equal treatment and opportunities for all

Our approach to diversity, equity and inclusion is simple. It is about embracing people's differences. Together we aim to build an environment in which people feel welcome, valued and respected – a Bank where we can bring our whole selves to work, where an inclusive customer experience goes without saying, and where we contribute to the well-being of our communities. We believe our Bank is strongest when we embrace the full spectrum of humanity, regardless of what we look like, where we come from or who we love. NN does not tolerate discrimination, harassment or bullying of any kind. All allegations of this kind are taken seriously and handled according to local laws and policies.

Diversity, Equity and Inclusion strategy

In 2024, the Diversity, Equity and Inclusion (DEI) team developed a new strategic direction that explicitly includes equity as a key topic alongside diversity and inclusion. In 2024, we were recognised for our commitment to DEI through indices and reputational measures. NN Group ranked ninth on the FT-Statista Diversity Leaders list, out of 850, and first on gender equality in the Netherlands by Equileap.

Our strategy aims to help us create a level playing field where everyone can thrive and succeed.

Equity is not a new topic for us. For example, since 2018 we have supported the Running Blind foundation, which enables people with a visual impairment to run safely and participate in events. Our new strategic direction is accompanied by clear DEI initiatives and a communication plan to embed these principles and practices both internally and in our public domains.

Our DEI strategic objectives are:

- To be an industry leader in providing an inclusive and diverse work environment where employees can bring their whole selves to work
- To consider DEI as part of our contribution to society

Achieving these objectives will take time but will help achieve both structural and behavioural inclusion. We are partnering with HR teams in our efforts to look at every part of the employee journey through a DEI lens. For the broader organisation, we are working towards strengthening our employee resource groups and aim to ensure awareness around relevant legislation, such as the European Accessibility Act.

Diversity and Inclusion Statement

Our Diversity and Inclusion (D&I) Statement outlines our commitment to employees, customers and society when it comes to diverse representation, perspectives and products, equitable polices and support and inclusive employee and customer experiences. Our approach helps us to better understand and meet the changing needs of customers and stakeholders in an ever-evolving world, particularly in the financial sector. We believe that a diverse workforce that reflects the world around us strengthens our ability to innovate and respond to change.

DEI Policy

Our DEI Policy outlines our goals for diverse representation in terms of gender, nationality, ethnicity, sexual orientation, age, neuro and physical diversity for our Boards and senior management. This includes NN Group's Management Board, managerial positions reporting directly to it and all senior managerial positions reporting to a business unit CEO. For NN Bank this includes its Management Board, Supervisory Board and Management Team.

Diversity at all levels, particularly at the top, makes us better able to steer and address the Bank's strategic opportunities. Talent acquisition and management processes for senior positions are designed with inclusion in mind to ensure objective processes to avoid bias. Clear recruitment, promotion and succession procedures are in place to help enable diverse representation in leadership. Specifically for our Boards we seek to optimise gender diversity with our target of at least 40% of both women and men.

Gender and equal pay

Each year, we analyse our business for gender equality and parity. Through our remuneration framework we aim to ensure that men and women in the same job and compensation grade, with similar experience and age, receive fair and equal pay for equal work.

DEI networks

NN has seven networks (see below), covering gender, ethnicity, sexual orientation, neurodiversity and generations. We cultivate and harness these networks to support our DEI strategy and champion inclusivity in our Bank by advocating for the needs of our diverse workforce. The networks provide opportunities to connect, support and engage colleagues in safe spaces to create a sense of belonging.

- **NN Pride Network** promotes LGBTQIA+ inclusion within NN Group. In 2024 partner organisation Workplace Pride researched our LGBTQIA+-focused processes and policies, and gave recommendations that will be incorporated into future Pride plans. Members of the network talked with communities across NN International Insurance to understand local needs with a view to expanding the network with local chapters in 2025
- **NN Neurodiversity Network** focuses on creating a safe environment to discuss invisible cognitive differences. In October 2024 we celebrated ten years of our values 'Clear, Care, Commit' with Values Week, which included hosting a panel on neurodiversity. In 2024 Facilities Management also held focus groups on neurodiversity to understand the different needs of neurodiverse employees
- **Women in Leadership Network** empowers female employees to own and influence their professional growth by holding events including discussions and knowledge-sharing sessions
- **Women in IT Network**, founded in 2024, aims to provide a safe and supportive space for women in IT in our Bank
- **NN Cultural Diversity Network** fosters respect for cultural differences in our Bank. In 2024, the network hosted a hybrid session around cultural diversity. This included introducing dialogue cards for employees and managers to facilitate connection through dialogue. In our international expat community, we hosted a connection event to continue building inclusion for all employees
- **NN International D&I Network** promotes global inclusion by offering training and events across our international business units. This network encourages diverse perspectives and creates safe spaces for dialogue. In 2024 it focused on neurodiversity awareness as well as hosting an event at our headquarters in The Hague attended by country DEI ambassadors and leaders. This event celebrated DEI accomplishments internationally in NN; there was also a day of learning about neurodiversity
- **NN Young Professionals Network** helps young employees to feel included and connected with other generations through networking and events

DEI learning

Our commitment to promoting equal treatment and opportunities for all is reflected in our ongoing efforts to promote DEI through a variety of learning opportunities. These include unconscious bias training and inclusive leadership workshops.

DEI survey

In 2024, we addressed the insights arising from the first DEI survey that we conducted in 2023. The survey asks questions related to discrimination, including those linked to harassment, equal opportunities and DEI. It gives employees the opportunity to provide honest and open feedback, which is then taken into the DEI team and others if necessary. One issue that arose from the survey and that we addressed this year was that many employees do not understand the Dutch language, which is perceived as dominant. As a result, we reviewed ways to conduct our DEI dialogue sessions, trainings and network events in English to be more inclusive.

Speak Up system

To operate successfully, we understand the importance of maintaining our reputation and organisational integrity. That's why we encourage employees to report any (potentially) unethical conduct to their manager or manager's manager, allowing us to maintain an open dialogue and take any necessary actions. However, we acknowledge that employees may feel uncomfortable about reporting concerns through regular channels, so we have set up alternative options: reporting to a (local) Reporting Officer and through the Speak Up system (in house).

These channels allow employees to report concerns anonymously if preferred. All concerns are taken seriously. We have the Whistleblower Standard and Head Office of NN Group to investigate and address any concerns. With these measures we aim to create a safe and inclusive work environment where employees feel comfortable reporting concerns and breaches related to, for example, DEI.

Promoting diversity in senior leadership

NN Group aims for diverse representation in our senior management to ensure a wide range of perspectives and views. 'Women in leadership' remains the main strategic KPI for HR, with an aim of achieving 40% of senior management positions occupied by women by 2025. In 2024 NN Group achieved 41% (2023: 40%). At the same time we continue to focus on balanced representation in other areas such as nationality, age and ethnicity. NN Group has set out various actions on the different drivers behind its DEI roadmap such as enhancing processes, data and data monitoring, visibility and networks and mindset and awareness.

Actions include (among other things):
- Taking the 40% target for women in leadership into account in the succession planning and appointment process for all Board and senior management positions
- Holding talent review and succession planning sessions for senior management positions at least once a year
- Talent managers increasing engagement with our female talent pool to increase visibility and opportunity. Our Women in Leadership Network supports this by holding networking events and mentoring
- Setting the aim of achieving a gender diversity in our leadership training programmes and the NN Group Traineeship tracks

Human capital development and attraction

We emphasise the importance of employee development and talent management, recognising all colleagues as valuable talents deserving opportunities for growth. Below, we provide detailed insights into how we engage with employees and the specific activities we undertake.

People cycle

Our people cycle includes performance and talent management processes, and is the foundation for identifying suitable learning and development solutions. During the people cycle discussions, we assess employees' potential, their development ambitions and contributions leading to tailored development actions or plans. We actively engage with employees to foster a culture of open communication and collaboration. Regular feedback mechanisms, such as surveys and one-on-one check-ins, encourage employees to voice their needs and aspirations, helping to ensure their perspectives are considered in development plans.

By providing a comprehensive range of training and development resources to foster continuous learning, we facilitate an environment where employees feel empowered to take ownership of their growth. Employees can choose from various methods of learning, including hands-on experience, knowledge sharing and formal training, allowing them to select opportunities that align with their personal and professional development needs.

Talent and succession process

A talent and succession process facilitates employee development and career progression. Key components include the team review and talent calibration, which help managers in assessing employees' contributions and potential, as well as fostering meaningful discussions about their development and opportunities for movement in the organisation. The structured process mandates all business units to conduct annual assessments of employee contributions, ambitions and growth potential.

Talent calibration supports a fair and consistent application of these assessments, fostering a shared understanding of the talent landscape. Regular talent calibration and a recurring succession planning process help identify potential successors across domains and functions for (key) management roles, supporting readiness and diversity while mitigating the risks associated with vacant positions.

Future skills

To be ready for the future, NN Group has been developing a global skills taxonomy to enhance skills management and enable further skills-based technologies. This will be further rolled out in 2025.

Strategic workforce planning

Through strategic workforce planning we can identify the talent we need to achieve our goals and establish a strategy to make sure we have the right mix of talent to reach these goals. Our continuous planning provides insight into the challenges and solutions. These insights and solutions are used to determine actions on attracting, hiring, developing and engaging with our workforce. For example, we identified a new learning need around data, analytics and AI on both a specialist and non-specialist level and are addressing it by designing and implementing upskilling programmes to help employees develop in this field.

Upskilling programmes

Upskilling initiatives rolled out in 2024 included a Power BI Challenge, Inspiration Days, NN Future Skills Olympic Games and Microsoft Technical trainings. Key skills that were developed included working with MS Power Platforms, skills around data and business intelligence, process automation and specialised IT skills where colleagues had the opportunity to certify by passing Microsoft exams on topics such as Azure Administrator, Azure Fundamentals, DevOps Solutions, Data Engineering and Data Analyst.

We also launched a senior management track of the NN Data Literacy Programme with Massachusetts Institute of Technology this year aimed at upskilling leaders on relevant data and analytics knowledge. The Data Literacy Programme for managers was piloted in 2024 to prepare for roll-out at the beginning of 2025. The Data Literacy Programme for employees will be rolled out during the course of 2025.

Leadership development

In terms of leadership development, NN aims to enhance the skills of current and potential leaders through tailor-made LEAD programmes that support the growth of future leaders. Aside from the LEAD programmes, the NN Group Traineeship offers three tracks, designed to attract and develop young talent.

Management onboarding

We want managers to feel they can become effective and people-oriented in their role. To this end, we embed our values into our way of working and make sure managers are aware of our DEI statement and act accordingly. NN Group-wide management onboarding programmes support new managers in their first 100 days; they receive a 100-day checklist, with practical tips to help them get started, and a 'manager's playbook' detailing their role as a people manager, supplemented with FAQs about various processes in the employee journey. A live manager-onboarding session, introduced in September 2024, includes elements on strategy, interaction and networking opportunities as well as case discussions.

Talent acquisition

We strive for a fair and transparent recruitment process and our HR Framework Standard supports this endeavour by providing principles to follow around equal opportunities and respectful treatment. It incorporates tools such as a leadership profile and NN Competencies to assess candidates.

Candidates for an available position are screened on their technical expertise and behavioural competencies relevant to the position. We also strongly recommend using a (semi-)structured interview conducted by a diverse panel of two interviewers, supporting DEI in the hiring process. Agreements are formalised in a contract or offer letter before hiring. External staff hiring must comply with standards such as assessing appropriate rates and signing a non-disclosure agreement. NN encourages the movement of talents between businesses, respecting the needs of each business area and individual. Employability is promoted, and screening is required to ensure the integrity of the business and minimise risks.

Employee Value Proposition (EVP)

With our renewed EVP, we showcase the benefits and opportunities we offer employees, which in turn helps us attract and retain talent. The proposition consists of four drivers: 'master your skills', which is about an employee reaching their full potential with professional opportunities and employee benefits; 'move forward together', focusing on an inclusive culture and working together; 'make your work matter', about purposeful work and how our work impacts people and the world around us; and 'shape the future', in line with the new strategic commitment to become digital and data-driven.

Employee well-being

We want employees to feel energetic and happy in their work and believe they can only reach their full potential if they are mentally and physically fit, which will make them more resilient and energetic. Our health and well-being practices aim to create optimal working conditions, limit health risks and foster the vitality and well-being of our employees.

In 2024, the Group-wide NN Vitality Statement was introduced to underline the importance of employees' vitality. The statement's priorities are fostering vitality and employability, creating an optimal workplace with well-organised procedures, preventing and reducing absenteeism and occupational disability and reducing the number of employees with work-related health issues. We have created a local Health and Safety, Sick Leave and Vitality Policy.

Our managers play a crucial role in this process by focusing on the creation of a safe working environment, promoting awareness around resources and supporting physical and mental health, as well as monitoring the vitality of their team members. Part of this is encouraging a good work/life balance, offering support for personal challenges and fostering open communication and a supportive team environment where team members feel comfortable discussing any concerns or challenges.

At Group level, experts in our HR Health and Vitality Team monitor the overall health of our colleagues. They are responsible for ensuring that Group-wide vitality services remain relevant to their evolving needs. We monitor absenteeism on a regular basis and act whenever we notice a significant change in a business unit, department or team, and conduct an employee engagement survey that includes questions on how colleagues perceive their work environment and whether they feel they can live a healthy lifestyle when working at NN. For further details on how we assess employee engagement, see 'employee engagement'.

Physical and mental health

In 2025, a NN Vitality Platform will be available that allows employees to take care of their physical and mental health. We encourage employees to prioritise both their mental and physical health through regular exercise, a healthy and balanced diet, relaxation and sufficient sleep. We also recognise the importance of taking regular breaks and incorporating physical activity into the workday to promote productivity and reduce stress.

We want our people to feel fit and energised, both at work and in their personal lives and believe that both physical and mental health are essential to overall well-being. We stimulate colleagues to monitor and optimise their mental health by reflecting on topics such as whether they feel supported by their environment and if they feel they have a sense of purpose. We aim to create a safe environment where colleagues can discuss any concerns.

Leave of absence

NN informs colleagues about their leave options, supports them in the field of vitality and aims to prevent absenteeism. If an employee is unable to continue in their job, NN ensures alternative employment on the basis of good employment practices. We will consider unpaid breaks (sabbaticals) of two to six months if an employee has been continuously employed for five years, and subject to business needs and local regulations.

As part of the Collective Labour Agreement in the Netherlands, employees may take 'vitality leave' to promote long-term vitality and enhance permanent employability, allowing them to take paid leave for two months while receiving 50% of their salary.

Personal health support

In the Netherlands, we have the following personal health support in place:

- The Personal Health Check, giving employees insights into their lifestyle, blood pressure, cholesterol, work stress and more. The personal health report contains a risk assessment and recommendations on how to improve health
- The Zorggenoot support line, which provides information to employees who are also caregivers about different forms of support, helps them with administrative work and supports them in finding a good balance between their own life, caregiving and work
- As many as one in four working Dutch people experiences sleep problems, recognising associated symptoms. In 2024, we introduced the possibility of employees using the HalloSlaap programme free of charge for support in this area
- Each quarter, NN Group provides information sessions for pregnant colleagues, where they receive practical information about our policy regarding pregnancy, including appropriate workplace conditions. They also receive tips to stay healthy and vital and prevent complaints associated with pregnancy

Work/life balance

We believe that a healthy work/life balance is essential for employees to perform at their best and contribute to the success of the Bank. To that end we offer flexible employment opportunities, allowing people to work at times and locations that suit them within the limits imposed by the nature of their work, their personal situation and the interests of their team, manager and other stakeholders. Our HR Framework lays out guidelines on working hours, overtime, rest breaks and travel time to ensure that employees are treated fairly and equitably.

A safe and healthy work environment

Because we adopt a hybrid approach, allowing employees to work from home or the office, we support them in making their workspace safe and well-equipped by giving them information, advice and financial help.

We complete an annual checklist, part of the Working Conditions Act (Arbowet), which allows our Health and Vitality department to pass on any suggestions for mitigating potential health and safety risks. Additionally, we also have local workplace accident prevention policies in place to ensure employees are aware of, and adhere to, local laws and regulations.

Secure and fair employment

We are committed to providing secure and fair employment to all our employees and understand that a safe and supportive work environment is essential for their well-being and success. In this section, we discuss our efforts to prioritise workers' rights, promote social dialogue and ensure that our employees are treated with respect and dignity.

European Works Council

We have a European Works Council (EWC) in place as part of this commitment, to secure employment, social dialogue, and workers' rights of all our employees.. The rights and obligations of EWC members are outlined in the EWC agreement, aiming to ensure that employee representation is integrated into corporate governance.

The EWC plays a vital role in fostering social dialogue by addressing issues that affect workers across different countries. Important topics discussed in the council range from data and AI to upskilling, reskilling, strategic workforce planning and the European Pay Transparency Directive. These discussions not only facilitate the sharing of information, experiences and best practices but also create a platform for consultation on significant matters affecting employees, thus promoting a culture of transparency and collaboration. A formal meeting takes place twice a year in the presence of the executive and the member of the Management Board responsible for NN International Insurance, ensuring that the highest levels of management are engaged in these critical dialogues.

The framework for worker representation, including the EWC and local works councils, supports workers' rights by providing a structured mechanism for employees to express their views and concerns. The EWC agreement specifies that important transnational matters are discussed within the EWC, fostering a sense of security among employees knowing that their voices are heard in decisions that may impact their working conditions. If the EWC is consulted on an important transnational issue, its opinion can still have a significant impact on the decision to be made.

The EWC meets with the Head of HR International as well as internally, without the presence of the executive. The executive is supported by an employee of NN HR Legal & Labour Relations, who also serves as a liaison between the executive and the EWC.

Local works councils

In accordance with local customs, laws and regulations, NN Bank has a local Works Council. We have a long tradition of participation, with the Works Council and trade unions having separate functions.

Collective Labour Agreement

Under NN Group we have a Collective Labour Agreement (CLA) in place, negotiated with Works Councils and trade unions where applicable. These agreements not only enhance job security but also reinforce our commitment to adequate wages and equitable working conditions for all employees.

Adequate wages

We are committed to providing market-competitive rewards through a clear and transparent remuneration framework. This framework is built on several key elements, including a 'total compensation' approach that aligns pay with relevant local market conditions. It differentiates based on business needs and individual performance, and considers the competencies and experience required for each role. The remuneration system is designed to attract, hire and retain talent while aiming to ensure consistency with NN Group's strategic positioning and development goals, reflecting the Bank's values and its role in society. This focus on competitive pay also relates to secure employment by providing financial stability for employees, essential for long-term job satisfaction and retention.

Based on NN Group's annual assessment of the hourly wage per individual, all NN Bank employees were paid an adequate wage in 2024. For this assessment, the compensation per individual based on a full-time equivalent was compared to 60% of the Dutch median income, aligning with the disclosure requirements in the ESRS and using data available from Eurostat to the extent possible.

Data privacy

We value the privacy and security of our employees and recognise that personal data must be handled with care. We do this in line with legislative data protection requirements; the EU General Data Protection Regulation (GDPR) being the most important of these.

Living our values

We have implemented several measures to encourage our employees to exhibit appropriate and expected behaviour and actions. Please refer to the section 'Talented people'.

Monitoring progress on material topics

By monitoring progress on these material topics through tools such as engagement surveys and benchmarks, we can track our performance and identify areas for improvement.

Engagement survey

Acknowledging that engaged colleagues are key to obtaining our strategic ambition, we conduct engagement surveys twice a year and have set a clear ambition to sustain high levels of engagement across the organisation. Therefore it is important that we listen carefully to what our colleagues experience, think and feel. We communicate this ambition internally and externally as part of our strategic ambitions. The engagement scores and progress are made public on a semi-annual basis. The HR department is responsible for coordinating this process.

We currently partner with Peakon to survey our employee engagement. The Peakon platform automatically translates information into the desktop language setting of the participant, which is usually their native language. We also manually review translations to ensure their accessibility and quality, and thus their comprehension, as well as the reliability of the results. For employees who have difficulty reading, Peakon supports the in-browser text-to-speech functionality, allowing them to listen to survey questions and feed back. Survey responses deliver insights that help us create a mutually optimal working environment.

We invite all NN employees with a fixed-term and permanent contract, as well as third-party contractors, to take part in the survey. Participation is voluntary. High participation rates are obtained in both the mid-year and year-end survey, ensuring reliable results.

The survey contains no gendered language, and we may add up to five closed-ended items and three open-ended questions to ensure the content suits our needs. Closed-ended items are scored on a scale from one to ten; open-ended questions that are included allow for written feedback. To support data interpretation, NN Group includes internal and external benchmark information alongside survey results; responses are confidential and individuals cannot be identified through the results. Peakon uses the Net Promoter Score methodology to give additional insights.

The survey is designed to measure employee engagement as well as a broad range of employee experience topics. Items included in the survey are grouped into drivers. These include engagement, accomplishment, autonomy, freedom of opinion, goal setting, growth, management support, meaningful work, organisational fit, peer relationships, recognition, reward, strategy and workload. Specific items within NN Group's standard set of questions represent the four material topics detailed below.

- We evaluate **'Equal treatment and opportunities for all'** by asking if people from all backgrounds are treated fairly in the employee's business unit, and how confident they are that reporting unethical behaviour would lead to subsequent action
- **'Human capital development and attraction'** is rated by asking if the respondent feels they are growing professionally, if they are encouraged and supported to do so and whether they are enabled to learn and develop new skills
- **'Employee well-being'** is captured by asking employees if they feel they can live a physically healthy lifestyle and to what extent they find their workload manageable
- **'Secure and fair employment'** is assessed by asking employees if they feel their opinions are valued and to what extent they experience open discussions about acting in accordance with Bank values

All these items are consistently scored favourably and therefore not considered for action planning. However, depending on the results, they may be included in unit or team action plans.

Additional data analysis showed health and professional and personal growth to be areas for improvement, so we have introduced an NN vitality platform to boost the vitality of all our colleagues across NN. We also plan to optimise talent management processes through digitalisation and better use of data, increase the visibility of internal development opportunities and determine the reskilling and upskilling needs of the workforce.

Analysing the data obtained through the survey leads to recommendations and the development of data-driven action plans to improve the employee experience and achieve business goals. The Peakon platform facilitates this, as well as the necessary analytical capabilities to gain actionable insights. All managers are asked to share the survey outcomes with their team(s), and initiate dialogue with them to discuss what is going well and what could be improved. Likewise, business units are asked to create an action plan which details what actions they will take to improve results for their unit. The Management Board discusses the results on a Group level, determining priorities and actions, which range from launching new initiatives to updating policies and processes.

NN Group's 2025 ambition is to achieve an employee engagement score of 8 or higher, which was derived from the financial benchmark of Peakon. In 2024, NN Group stayed at a stable 7.9 with a participation rate of 83%. Our 2024 NN Bank score increased from 7.6 (2023) to 7.8 and our participation rate was 82%. For 2025, our ambition is to achieve a 7.9 score or higher on employee engagement.

S1-6

Employees
An employee is an individual who is in an employment relationship with NN. Employee data is reported in headcount at the end of the reporting period. ‘Employees’ does not generally include interns. The number of interns is reported separately.

Gender
NN discloses employees in three categories: female, male and other. ‘Other’ includes all gender identifications other than ‘female’ and ‘male’, and includes employees whose gender is not specified.

Interns
The headcount in the table is excluding the total number of interns: 8 (2024) and 9 (2023).

Employees by gender and by contract type and full-time/part-time

2024	Female		Male		Other		Total	
	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Permanent employees	395	93%	605	92%	0	0%	1,000	92%
Temporary employees	32	7%	53	8%	0	0%	85	8%
Non-guaranteed hours employees	0	0%	0	0%	0	0%	0	0%
Total number of employees	**427**	**100%**	**658**	**100%**	**0**	0%	**1,085**	**100%**
Full-time employees	322	75%	624	95%	0	0%	946	87%
Part-time employees	105	25%	34	5%	0	0%	139	13%
Total number of employees	**427**	**100%**	**658**	**100%**	**0**	0%	**1,085**	**100%**

2023	Female		Male		Other		Total	
	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Permanent employees	392	92%	588	91%	0	0%	980	92%
Temporary employees	34	8%	57	9%	0	0%	91	8%
Non-guaranteed hours employees	0	0%	0	0%	0	0%	0	0%
Total number of employees	**426**	**100%**	**645**	**100%**	**0**	0%	**1,071**	**100%**
Full-time employees	321	75%	607	94%	0	0%	928	87%
Part-time employees	105	25%	38	6%	0	0%	143	13%
Total number of employees	**426**	**100%**	**645**	**100%**	**0**	0%	**1,071**	**100%**

Employee turnover

	2024	2023
Employee turnover (headcount)	93	79
Total number of employees (headcount)	1,085	1,071
Employee turnover rate (%)	9%	7%

S1-8

Employees covered by collective labour agreements and workers' representation

	Covered by collective bargaining agreements (%)		Covered by workers' representatives (%)	
	2024	2023	2024	2023
The Netherlands	98%	99%	100%	100%

S1-9

Employees by age category

	2024		2023	
	Headcount	Percentage	Headcount	Percentage
<30 years of age	120	11%	119	11%
30-50 years of age	608	56%	609	56%
>50 years of age	365	33%	352	33%
Total number of employees	**1,093**	**100%**	**1,080**	**100%**

Gender distribution at top management level

	Base year (2021)	Target 2025
	Percentage	Percentage
Number of females in top management	50%	40%

	2024		2023	
	Headcount	Percentage	Headcount	Percentage
Number of females in top management	6	60%	7	70%
Number of males in top management	4	40%	3	30%
Number of other in top management				
Total number of employees in top management	**10**	**100%**	**10**	**100%**

S1-13

Spend on training and development per employee

	2024	2023
	(EUR)	(EUR)
Spend on training and development per employee (EUR)	1,373	1,302

NN provides insights to enable an understanding of the training and skills development-related activities that have been offered to employees. The total amount spent on training and development is expressed in euros and divided by the total number of employees (including interns) in headcount at the end of the reporting period.

S1-14

Employees covered by health and safety systems

	2024	2023
	Percentage	Percentage
Employees covered by H&S system	100%	100%

S1-17

Incidents and complaints

Incidents and complaints are reported at NN Group level and there are no reports available on entity level. Therefore the NN Group numbers are used in this table.

	2024	2023
Incidents of discrimination, incl. harassment (# of cases)	10	8
Complaints filed through channels for people in NN's own workforce to raise concerns (incl. grievance mechanisms) (# of cases)	40	31
Total amount of fines, penalties and compensation for damages as a result of work-related incidents and complaints (EUR million)	0	0
Total number of severe human rights incidents (# of cases)	0	0
Total amount of fines, penalties and compensation for damages regarding identified cases of severe human rights (EUR million)	0	0

Value chain estimations

This Annual Report's social-related metrics rely on data solely derived from direct internal sources within its own operations.

The table below provides a high-level summary of preparation methods and sources used.

Scope and category	Calculation method	Activity data	Source
Employees	Employee headcount of an individual who is in an employment relationship with NN.	Number of employees	Internal sources
Gender	Headcount categorised as Female, Male, or Other.	Total gender distribution headcount and total gender distribution ratio	Internal sources
Turnover	Employees who left NN Bank in 2024 compared to the headcount year-end. Interns are excluded.	Employees who have left undertaking	Internal sources
Covered by collective bargaining agreements	Percentage is determined based on working conditions and terms of employment influenced by collective bargaining agreements.	Percentage of total employees covered by collective bargaining agreements	Internal sources
Workers' representation	Percentage is based on the extent to which NN's employees are represented in social dialogue. In this context, NN has a European Works Council (EWC).	Percentage of total employees covered by workers' representatives	Internal sources
Age	Headcount per age group at year-end. Interns are included in the numbers for age categories.	Employee age groups	Internal sources
Health and safety systems	Percentage is based on the coverage of employees at year-end.	Percentage of total employees covered by health and safety systems	Internal sources
Gender distribution at top management level	Total number of employees (at headcount, at year-end) that hold positions in the Management Team of NN Bank, consisting of its three statutory Management Board members, the CTO and six other senior management positions.	Total number of employees who hold a position at top management level categorised by gender	Internal sources
Training and development	The total amount spent on training and development is expressed in euros and divided by the total number of employees (including interns) in headcount at the end of the reporting period.	Total amount spent on training and development	Internal sources
Incidents, complaints and severe human rights issues	'Incidents' refers to any work-related event that has occurred, and has been formally registered, and that relates to discrimination including harassment. 'Complaints' are those that are formally registered. They must relate to a complaint between the employee who reports the complaint and NN Bank. An incident can be classified as a severe human rights impact if it meets these two criteria: it covers one of three incident categories (forced labour, human trafficking, child labour); it meets the definition of 'severe' by virtue of one or more of the characteristics scale, scope and irremediability.	Number of reported incidents, complaints and severe human rights issues	Internal sources

S2

Workers in the value chain

We strive to contribute to the well-being of people and planet and to create sustainable long-term value for all our stakeholders. In our key roles as employer, business partner and financial services provider, we affect the lives of many people across a wide range of sectors, geographies and value chains.

As an entity of NN Group, we also acknowledge the importance of creating sustainable long-term value for all our stakeholders. Nonetheless, NN Bank does not pursue individual actions related to the approach towards workers in the value chain since we follow NN Group's approach.

Our DMA identified 'workers in the value chain' as a sustainability matter in the role as a business partner. However, in the context of workers in the value chain, NN Group identified the role of business partner and investor as material. For more information on NN's role as investor we refer to NN Group's Sustainability Statement chapter in its FY24 Annual Report.

We used the outcomes of NN Group's 2023 salience assessment as input for the 2024 DMA, including the DMA outcome since NN Bank is committed to the same values and sustainability efforts as NN Group. For investment activities, the identification was based on three underlying salient issues: non-discrimination and equality, living wage, and child and forced labour. As a business partner, the identification was based on two underlying salient issues: equal pay, and freedom of association and collective bargaining. These salient issues were reconfirmed during the 2024 DMA of NN Group. For more information on the salience assessment, please refer to the Sustainability Statement in the 2024 NN Group Annual Report.

As a business partner, we procure goods and services in categories that include IT, professional services and facility management; each with its own value chain and with its own human rights risks, usually location- and work-specific. Across all these activities, in both roles, we may be

Policy name	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN commits to through implementation
Procurement and Outsourcing Policy	Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all).	To describe the objectives and requirements around managing the risks related to procuring goods and services and outsourcing functions or activities.	Agreements between NN Group and its suppliers, and to all entities under the managerial control of NN Group. The agreements that are not in scope of this policy are: a) Intra-group outsourcing b) The order-to-pay process c) All other arrangements for categories not listed above, such as reinsurance, mandated brokers, mandatory memberships, investment and asset management, fund management, banking services and financial securities and Sales and Purchase Agreements related to mergers and acquisitions	The Chief Procurement Officer is accountable for creating and implementing this policy. The policy is reviewed at least once every year. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	
Supplier Code of Conduct	Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all).	To outline our expectations of the sustainability policies and practices of our suppliers and subcontractors.	Agreements between NN Group and those suppliers who went through our Supplier Qualification process (with a spend above EUR 100,000) or that signed the NNTC24. The policy applies to NN Group.	The Chief Procurement Officer is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our external website.	• The Strategic Framework for Paris Alignment • UN's Guiding Principles on Business and Human Rights • The OECD's Guidelines for Multinational Enterprises

Policy name	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN commits to through implementation
NN Terms & Conditions	Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all).	To establish in a contractual manner the commitments outlined in the Supplier Code of Conduct and the Sustainable Procurement Statement. Includes the most important standards in our approach to the environment and human rights, which our suppliers agree to when doing business with us.	Agreements between NN and its suppliers, and all entities under the managerial control of NN Group.	The Chief Procurement Officer is accountable for creating and implementing this policy. The policy is reviewed at least once every two years, in cooperation with Group Legal. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available both on our intranet and external website.	• The UN's Guiding Principles on Business and Human Rights • The OECD's Guidelines for Multinational Enterprises
Whistleblower Standard for Dutch Business Units and Head Office of NN Group	Potential negative impact of the corporate culture of our own operations. Potential negative impact of corruption and bribery in our own operations.	To provide requirements aiming to ensure the protection of whistleblowers, foster an open culture and enable whistleblowers to speak up and report (suspected) wrongdoing by or within NN Group.	Employees of NN Group or reporting persons in the Netherlands who acquire information about concerns and/or breaches in a work-related context with NN Group.	The Chief Compliance Officer is accountable for implementing this standard. The standard is reviewed annually. If the review indicates that an update is necessary, the standard is revised accordingly. It is made available on our external website.	• Directive (EU) 2019/1937, the Whistleblower Protection Directive • The Whistleblowers Protection Act (Wet bescherming klokkenluiders)

linked with potential negative impacts on people's lives.

In the following paragraphs we describe our policies, processes, actions and targets to help mitigate potential negative impact on workers in the value chain, addressing each topic first from our role as business partner.

For information on how the interests, views and rights of workers in the value chain inform our strategy and business model, see the connectivity table in section SBM-3.

See the table above for an overview of the relevant policies for workers in the value chain.

S2-1

Policies

As a business partner, we are committed to making sustainable procurement decisions and we encourage our own suppliers to do the same. We are a key client for many of our suppliers and try to work together to drive socio-economic issues and inclusiveness throughout our supply chain. We ask suppliers to share details of their labour policy as part of our supplier qualification process so we can determine if working conditions for their employees are in line with our expectations. We also assess human rights risks in our supply chain by asking suppliers to disclose the measures they take to prevent modern slavery and human trafficking in their own business and supply chain.

Our Procurement and Outsourcing Policy governs our approach to, and minimum requirements for, sourcing and contract management. The policy refers to our Sustainable Procurement Statement, which explains how we address environmental impacts and human rights issues related to our purchasing decisions and supply chain. NN Group's Terms and Conditions include our most important standards on these issues and by signing them our suppliers agree to meet the standards we have included on human rights, environmental care, labour rights, and anti- bribery and corruption. When agreements are based on supplier terms and conditions, a thorough check is conducted to ensure that the standards are included.

Our Supplier Code of Conduct (SCC) outlines what we require from suppliers in terms of policies and practices covering the environment, human rights, diversity and inclusion, integrity and ethics, including compliance with, among other things, the core conventions of the International Labour Organisation (ILO). By either acknowledging the minimum standards laid out in the SCC, or confirming that they have in place a code of conduct of a similar nature, suppliers commit to all existing and future relationships with NN Group being subject to these standards. If these minimum requirements are not reached, suppliers shall inform their primary NN contact and agree on a timeframe to take compliance measures. We offer support where the supplier is unable to take these measures on its own. Consequences for non-compliance with the action plan are decided on a case-by-case basis. In 2025, we aim to investigate the possibility of defining a standardised approach.

Our Human Rights Statement highlights our requirements on human rights not only for suppliers but for all stakeholders. This year, our Terms and Conditions, SCC, Sustainable Procurement Statement and Human Rights Statement were revised and updated to include human rights policy commitments relevant to workers in the value chain, as well as to meet the requirements of the CSRD.

NN expects suppliers not only to adhere to the standards but to actively encourage these principles in their own supply chains.

S2-2

Processes

Identifying and addressing impacts

In our role as business partner, we reviewed our due diligence process to identify and remediate (potential) adverse human rights impacts. As a result, we have revised the onboarding process for new suppliers to embed salient issues in contracts, and scan current suppliers to identify high-risk pockets of activity (taking a risk-based approach based on sector geography and an understanding of the value chain). In addition, we have set up supplier engagement with relevant suppliers, and revised the SCC and other relevant policies to increase focus on salient issues.

NN's Terms and Conditions require suppliers to perform regular due diligence in their value chain, and if adverse impacts occur to take action and inform NN. Suppliers are also required to update our supplier qualification questionnaire every year and provide us with information related to the outcomes of their own due diligence process. This is part of NN Group's overall Supplier Risk Management process.

This year we launched a Supplier ESG Engagement Programme, assessing selected suppliers on the human rights-related strategies and policies they have in place and on how they report on gender equality and equal pay. We asked those suppliers we found lacking to commit to providing a timeline for correcting the gap.

For 2025, the programme will also include assessments on freedom of association and collective bargaining for suppliers where it is found to be relevant. The supplier engagement occurs during the lifetime of the contract execution, and implementation of action plans are followed up during the regular performance meetings that contract managers have with the relationship managers on the supplier side. These regular meetings can be quarterly, semi-annual or annual, depending on the criticality of goods or services that the supplier delivers, and the spend.

The Chief Procurement Officer is operationally responsible for the programme. While we do not engage directly with all value chain workers, we consider the vendor representative and their sustainability teams to be reliable proxies for the salient issues identified. In 2024 the scope of the programme was limited to suppliers of the Dutch business units and NN Group support functions, representing more than 25% of the spend in the Netherlands. For NN Bank the spend was 32%. In 2025, NN Group will expand the scope to include other operating countries and to cover 30% of the spend of NN Group.

S2-3

Remediating negative impacts

One way we help remediate negative impacts is by having mechanisms in place for employees, contractors, subcontractors and suppliers to report concerns around human rights wherever they occur across the value chain, including in NN itself. We do not restrict value chain workers from using these mechanisms. While we do not currently assess if value chain workers are aware of, or trust, these mechanisms for raising and addressing their concerns, in 2025 we aim to look at how we can establish a process to improve efficient communication and adequate trust.

We acknowledge that the preferred route is to ensure suppliers have their own mechanisms for reporting human rights concerns, as recommended by the OECD guidelines on due diligence. We assess whether suppliers have such mechanisms in place during the supplier onboarding process. All suppliers who sign our SCC commit to enabling their employees and other stakeholders to report concerns, including potentially unlawful practices, in the workplace.

Procurement does not yet have established processes in place to provide or enable remedy in the event of material negative impacts. Over the course of 2025, we plan to establish a Target Operating Model Sustainable Procurement, which will include such processes.

S2-4

Acting on material impacts and mitigating material risks

When it comes to our role as business partner, no severe human rights issues or incidents connected to NN's upstream value chain have been reported or identified via negative news screening.

We currently do not have a documented process to identify what action is needed and appropriate in response to actual or potential negative impact on value chain workers. If impacts are identified they will be treated on a case-by-case basis. During 2025, we will investigate the need of establishing a documented process.

Our Supplier ESG Engagement Programme works as our mitigating strategy for potential impacts on value chain workers. One of the steps in the programme is to request suppliers in scope to commit to establishing action plans to improve their current policies and strategies around gender equality and equal pay in their workforce. For 2025, our focus will expand to encourage suppliers to respect the right to freedom of association and collective bargaining for their employees. We will measure the effectiveness of the Supplier ESG Engagement Programme by yearly monitoring of suppliers in scope, from the moment they joined the programme until the engagement is considered complete. As the programme launched in 2024, we have not yet been able to assess its effectiveness. We train all procurement professionals to consider sustainability and human rights issues when selecting a new supplier. Our terms and conditions are applicable to all new contract and renewals, and they outline our minimum environmental and social requirements.

NN's Procurement Sustainability Officers regularly join peer learning groups to support the development of collaborative action.

S2-5

Targets

We do not yet have specific targets for managing material negative impacts, advancing positive impacts or managing material risks and opportunities for our role as investor or business partner. As part of our social roadmap, NN plans to investigate establishing targets, tracking our progress against them and identifying possible areas and related actions for improvements.

S4

Consumers and end-users

Our customers are at the heart of everything we do. From students and young professionals to business owners and pensioners, we support them all through expected and unforeseen changes by offering high-quality financial products and services that meet their needs. With this commitment, we help our customers care for what matters most.

We operate in a rapidly changing world. People are living longer, digital technologies are evolving at pace and climate change is a growing concern. We assist our customers in navigating this complex environment by offering products and services that address their changing needs as well as societal issues. By leveraging our digital capabilities, we meet our customers' expectations for a seamless and efficient digital experience.

NN Bank is committed to managing our impact on society and the environment. As part of this commitment, we have identified material sustainability matters that are important to our stakeholders, including customers and end-users. The focus is on our retail customers using our products and services and we have identified three key material sustainability matters related to them: (data) privacy, access to quality information and access to products and services (financial inclusion).

This section provides an overview of how these topics align with our strategy, policies and processes for engaging with customers and addressing negative impacts. It also highlights the actions taken to manage material impacts and opportunities related to customers and end-users. Additionally, we outline our KPIs and targets designed to manage these impacts and to promote positive outcomes.

S4.SBM-2

NN Bank adheres to the NN Group Statement of Living our Values: **'Care, Clear, Commit'.**

That is why at NN, we:

- Believe that working together and diversity of thinking leads to better results
- Respect human rights, promote equal opportunities and increase inclusiveness
- Avoid, or responsibly manage, any negative impact our business activities may have on people or the environment and seek positive change in society

To achieve these, we closely monitor changes in customer needs and respond to these changes by adapting products, services and customer processes. Our customers and business partners are involved in many of these improvements. All product and process developments comply with Dutch laws and regulations to protect customer rights. Before introduction or implementation of new products and processes, these will be challenged by the Product Approval Committee, the Communication Approval Committee and both Compliance and Legal Affairs.

S4.SBM-3

Types of consumers subject to IROs

All NN Bank customers fall under the scope of the general disclosure requirements outlined in Chapter 1 under ESRS 2.

The types of customers and/or end-users that are subject to the material impacts from our own operations or through our value chain are limited to retail customers as NN Bank only serves retail customers. Furthermore:

1. None of our products are inherently harmful or increase risks for chronic diseases, as we only offer intangible products
2. Customers may face potentially negative impacts regarding privacy and data protection, as the provision of personal data is a prerequisite for accessing our services
3. Customers are often reliant on the clarity and accessibility of the information NN Bank provides them through nn.nl and other means of communication, such as terms and conditions and product brochures, due to a general knowledge deficit about our services
4. Some customers, especially older ones with limited digital skills, are more vulnerable to privacy impacts

Origination and dependencies IROs

The connectivity table in section SBM-3 provides an overview of the identified impacts and risks associated with each material topic linked to our products and services. To date, we have not yet identified opportunities that are sufficiently material or mature to include in this disclosure. The sections below outline more information on the IROs per material topic.

Privacy

The material impacts related to the topic of ‘privacy’ are linked to NN Bank’s strategic pillar ‘Digital & data driven organisation’ and links to our business model since data processing is part of our own operations. Potential impacts related to privacy impact our strategy and business model as we use technology and data to transform our business and drive operational excellence. By securing the prevention of data breaches and misuse of personal information we strengthen our focus on being a digital and data-driven organisation.

Additionally, the potential negative impacts of causing harm to our customers are related to individual incidents of data breaches and misuse of personal information.

If a data breach does occur, or if customer data is misused by NN Bank, then all our customers can be equally affected. However, we have not assessed whether particular groups of customers are at greater risk.

Banking is fundamentally information based. NN Bank’s operations depend on customer information, but the collection and use of this data also creates risks. If NN Bank does not adequately secure this data, it could fall into the wrong hands. For instance, a data breach exposing sensitive customer information could result in financial harm to customers, particularly if criminals misuse the data.

Moreover, there is a risk that NN Bank may inadvertently collect unauthorised customer data, or use it inappropriately. This could lead to accusations of discrimination and subsequent reputational or financial damage.

Data breaches or misuse of customer information can lead to legal, reputational and financial damage for NN Bank. The risk of financial or reputational damage arising from the privacy-related impacts relates to all customers and is not limited to a specific group.

Access to quality information

This impact is connected to our strategic commitment ‘Contribution to society’ which covers, among other things, our commitment to be inclusive for our customers.

Communicating in understandable language makes our products accessible to customers that would otherwise have difficulties in understanding the documentation and communication regarding our products. Customers that do not understand these communications would be at risk of applying for products that are unsuitable, or not applying for products that they actually need.

NN Bank has implemented a communication approval process to ensure all external communications are written in B1-level language, improving accessibility for customers. Employees involved in creating customer communications receive training on writing at this level. However, there is a risk that legally mandated information may not be presented as prescribed. Simplifying contractual terms, for instance, could undermine their legal enforceability. Such lapses could lead to financial or reputational damage for NN Bank, including fines or customer claims.

The material risk related to the topic of ‘Access to quality information’ arises from the dependency on the banking business model of NN Bank. The risk comes from an impact on customers. Although the risk is greater for customers that have more complex products with NN Bank (like mortgages or pension products), it does relate to all our customers.

Financial inclusion

Impact 1: **Accessibility of our products**

NN Bank offers products and services to customers with special requirements in various ways. By staying engaged with our customers we have discovered that a specific group require personal guidance on how to use our NN app and, as a result, we have introduced a (temporary) solution where our employees can personally visit those customers to offer special assistance. The positive impact on financial inclusion originates from our business model. Our products are available to the broader (Dutch) banking market, and we consider the interests of our customer base in developing products and services.

NN Bank strives to offer products and services in ways that meet the diverse needs of our customers. For example:

1. Allowing customers to purchase products online without requiring physical presence
2. Providing multiple communication channels to accommodate both digitally literate and digitally limited customers
3. Offering accessible products for various societal groups

Impact 2: **Offering sustainable solutions**

The impact of life events on customers is outside NN Bank's strategy or business model. However, NN Bank's approach is to help customers retain their homes through sustainable solutions. NN Bank's strategy prioritises sustainable solutions to address these challenges. Data from the Forbearance Report guides decisions on appropriate actions.

By addressing financial challenges, NN Bank enhances customer financial health while reducing the likelihood of repeated difficulties. This proactive approach helps mitigate risks of financial loss and reputational damage for failing to meet our duty of care. NN Bank is able to offer sustainable solutions that prevent material damage to customers who face financial difficulties. Please see page 101 for more information.

The risk of financial loss because customers can no longer pay their mortgage arises directly from our dependency on our customers. Twice a year, NN Bank assesses the macro trends in the Dutch market relating to inflation, unemployment and house prices to determine whether this risk is more or less likely. The risk of financial loss because customers can no longer pay their mortgage is more likely to happen in the case of older customers who are more often faced with bereavement. Nonetheless, the material damage is often nil.

Impact 3: **Supporting clients with knowledge and partner networks**

This impact is connected to our strategic commitment 'Contribution to society'. Among other issues, this covers our commitment to help customers become financially self-reliant. Providing customers with the knowledge, tools and relevant research can enable those customers to make better decisions and to take greater control over their personal financial situation.

NN Bank supports our customers with tools and information to make informed financial decisions by doing the following:

1. Providing calculation tools to help customers understand their financial options, such as tax-free savings limits, and to help them make financial choices about products provided by NN Bank
2. Ensuring customers receive timely updates about their products, such as expiring mortgage fixed-rate periods or upcoming pension decisions
3. Offering comprehensive information on platforms like 'Wonen' and 'Beter met Geld', equipping customers with resources for better financial choices

S4-1

To manage the IROs related to our customers, we have adopted multiple policies.

Name of policy	Related IRO	General objective	Monitoring process	Scope	Value chain component	Affected stakeholders	Function accountable for implementation	Availability
NN Group Data Protection Policy	• Data breach • Misuse of information • Risk of financial and reputational damage	This aims to ensure compliance with the (European) Data Protection Law principles and its obligations for management and employees of NN Group and its majority owned entities ('NN') to which the GDPR* is applicable, to mitigate risks associated with non-compliance.	Risk assessment to identify risks and their impact. The Risk Control Framework describes how we mitigate risks. Monitoring for risks is in place to verify if the process is effective.	This policy applies to all NN entities established in the EU that process personal data in the context of their business activities or NN entities that process personal data within the EU, regardless of whether they are established in the EU where the processing activities are related to (a) the offering of goods and services or (b) the monitoring of their behaviour.	Own operations	Management and employees (temporary or permanent) of NN, all businesses and (staff) departments in scope under NN's management control, and all persons or entities who act on NN's behalf.	Head of Group Legal, CEO responsible	Policy house
NN Group Incident Management Standard	• Data breach • Misuse of information • Risk of financial and reputational damage	The objective of this is to: • Ensure adequate and timely reaction to incidents and near misses to limit impact • Create a feedback loop, allowing learning to strengthen the Effective Control Framework (ECF) and avoid repetition • Enable disclosure to regulatory bodies if appropriate/required	Risk assessment to identify risks and their impact. We monitor if processes are in place. The feedback loop ensures that learning from incidents leads to strengthening of the ECF and avoidance of repetition.	This standard applies to all processes including supporting technology and other resources within NN Group.	Own operations	All First-, Second- and Third-Line staff, involved in activities as part of the ECF.	Head of Non-Financial Risk	Policy house
NN Group Record Retention Standard	• Data breach • Misuse of information • Risk of financial and reputational damage	The purpose of this standard is to provide: • Guidance for meeting legal and regulatory obligations for record retention • A foundation for sound record retention tools and procedures	Risk assessment to identify risks and their impact. The Risk Control Framework describes how we mitigate risks. Monitoring for risks is in place to verify if the process is effective.	This standard applies to all NN entities.	Own operations	Management of NN Group and its majority owned NN businesses.	CEO NN Bank	Policy house

* EU Regulation 2016/679 of 27 April 2016 on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data, and repealing Directive 95/46/EC.

Name of policy	Related IRO	General objective	Monitoring process	Scope	Value chain component	Affected stakeholders	Function accountable for implementation	Availability
NN Bank Product Policy	• Clear written communication • Reputational and legal risk • Accessible products • Supporting clients with knowledge and partner networks	This policy is based on the NN Group Product Policy. The objective is to: • Help the business to identify and manage key product risks. This contributes to offering and servicing products that are acceptable for our Bank, customers, and society during the product lifetime • Customer suitability (or: Non-Financial Risks): help the business to ensure customer suitability during the relationship • Enable NN Bank to be agile in developing new distribution-deals for products across existing and new markets • Outline how agile product innovation can leverage specific pilot-status and sandbox-environment	The policy is translated to the NN Bank Guidelines for Product Introductions and Product Changes. This policy is reviewed on an annual basis.	Product Risk applies to NN Bank, specifically: • All new and existing products that are 'open-for-sale' provided by NN Bank. These are defined by this policy as products for which NN Bank still accepts new contracts or renews existing contracts • Conversion projects of existing contracts to other (new or existing) products • All 'closed-book' products. These are defined by this policy as products for which NN Bank does not accept new contracts or renew existing contracts	Customers and end-users	• Customer journey experts/ product managers • Pricing teams • Sales (quality) staff • Second Line control functions (including Legal, Compliance, ORM, CRM, MRM) • Product owners • Business information Security Officers • Sourcing and Demand Managers • Internal control	CEO	Policy house
NN Bank guidelines, product introductions and product changes	• Clear written communication • Reputational and legal risk • Accessible products • Supporting clients with knowledge and partner networks	The goal of the PAR process is to minimise product risk and ensure that our products are suitable for customers. Risks are minimised through effective design of these products, responsible customer acceptance and adequate pricing. The PAR process follows from, and should be read in conjunction with, the NN Bank Product Policy . In the PAR process, requirements are set for the risk profile of the product to ensure that NN Bank's products are in line with NN Bank's strategy. With the process, we guarantee that the interests of the customer are considered from the start of product development, and we ensure that the product reaches the intended target group. The process also ensures that the product can be effectively managed throughout its life. We carry out the PAR process to ensure that our products meet the needs of our customers and to ensure that our products provide fair value. We only develop products that benefit the customer, now and in the future.	No product can be introduced without approval in a PAR-process. The NN Bank PAR Committee has oversight of the planning of regular PAR-reviews via the PAR-calendar. NN Group periodically monitors NN Bank's adherence to its own PAR-calendar.	This document describes the governance of NN Bank's PAR process and provides further details. It describes the processes to be followed in: • Introducing a new product (including Pilots and Sandboxes) • Material modification of existing product (including discontinuation of a product) • Periodically reviewing products for both 'open-for-sale' and 'closed-book' products It also explains the processing of non-material (product) changes that do not need to be approved by NN Bank PARC. This document covers all product introduction and modification processes. These are: • All 'open-for-sale' products (see definition above) • All 'closed-book' products for which no new contracts or accounts are concluded and renewals or extensions are no longer permitted, but there are still current contracts or accounts	Customers and end-users	• Customer journey experts/ product managers • Pricing teams • Sales (quality) staff • Second Line control functions (including Legal, Compliance, ORM, CRM, MRM) • Product owners • Business information Security Officers • Sourcing and Demand Managers • Internal control	CEO	Policy house

Name of policy	Related IRO	General objective	Monitoring process	Scope	Value chain component	Affected stakeholders	Function accountable for implementation	Availability
NN Bank Customer Feedback Policy	• Clear written communication • Reputational and legal risk • Accessible products • Supporting clients with knowledge and partner networks	This policy describes how we handle customer feedback within NN Bank.	A framework of standards is used to monitor the progress and collect evidence.	This policy outlines how we handle customer feedback. Customer feedback includes compliments, signals, and complaints provided by customers, advisors, and third parties in relation to Nationale-Nederlanden Bank.	Customers and end-users	• Customer journey experts/ product managers • Pricing teams • Sales (quality) staff • Second Line control functions (including Legal, Compliance, ORM, CRM, MRM) • Product owners • Internal control • Customer contact and operational teams	Knowledge and Complaints Manager	Policy house
Forbearance Policy	• Sustainable solutions • Risk of financial loss	The objective of this policy is to document NN Bank's interpretation and application of Annex V Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014.	The policy is reviewed annually, and every six months an efficiency report is written and discussed in the CRC.	The scope of the policy encompasses all NN Bank's consolidated assets, i.e., including those managed and/or administered by third parties such as Quion1 and Vesting Finance, except for asset types to which no forbearance measures are granted.	Customers and end-users	Provisioning/ Accounting	CRO	Policy house

Changes in our policies

Our policies cover all our end-users, and are not limited to a specific target group.

No changes have been made in the NN Group policies, including Data Protection, Incident Management and the Retention Standard/NNB Retention Schedule, in 2024. For 2025, improvements are likely to be made in terms of the simplification of text to improve readability and comprehension.

There have been no changes in the Product Policy or Customer Feedback Policy in 2024, although an actualisation of the text and data has taken place and will become effective from January 2025.

The process flow has been updated in the Product Introductions Guidelines, but only for internal clarification matters. This has not affected customers or end-users.

Human rights commitments

As NN Bank is a part of NN Group, we are committed to the same purpose. Within our Human Rights Statement we express commitments relevant to multiple actors, including our customers.

In 2024, NN Bank explicitly incorporated alignment with, and adherence to, these principles into our Product Policy that oversees the development and periodic review of products.

These principles include NN's commitment to respect human rights as outlined in the International Bill of Human Rights, which consists of:

- The Universal Declaration of Human Rights
- The International Covenant on Economic, Social and Cultural Rights
- The International Covenant on Civil and Political Rights

They also reflect NN Group's commitment to supporting principles and standards that protect and promote environmental standards, as defined in:

- The OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises
- The United Nations Global Compact

Compliance with these requirements will be monitored through the PAR-governance process, with plans to incorporate these in the next financial year.

Respect for human rights

NN Bank respects, and is committed to protect, our customers' data. We continuously monitor the regulations regarding data privacy and have security measures in place to protect customer data.

Furthermore, NN Bank is committed to prevent financial crime, including money laundering and the funding of terrorism and criminal activities. These activities can have an adverse effect on the communities in which they occur.

Finally, as a mortgage provider, we take responsibility for providing our customers with their right to adequate housing. When a customer becomes unable to meet their financial obligations to us, we always try to seek a solution so the customer does not lose their house.

Engagement with customers and end-users

We are committed to openness and transparency in our business practices. NN Bank provides various channels for (potential) customers to engage with us. These channels are designed to capture their perspectives on our products and services, business performance, societal role and other areas of importance.

This input informs both our strategy and decision-making processes, ensuring that the interests of our stakeholders best align with those of our business. We also engage with stakeholders through memberships of various international organisations and networks.

Measures to address human rights impacts

NN Bank's measures for addressing human rights impacts, such as access to adequate housing, include forbearance measures. NN Bank has a Forbearance Policy to assist customers facing financial difficulties who default on their loan commitments. Forbearance measures (also known as FB measures) are concessions provided to customers experiencing challenges in meeting their financial commitments.

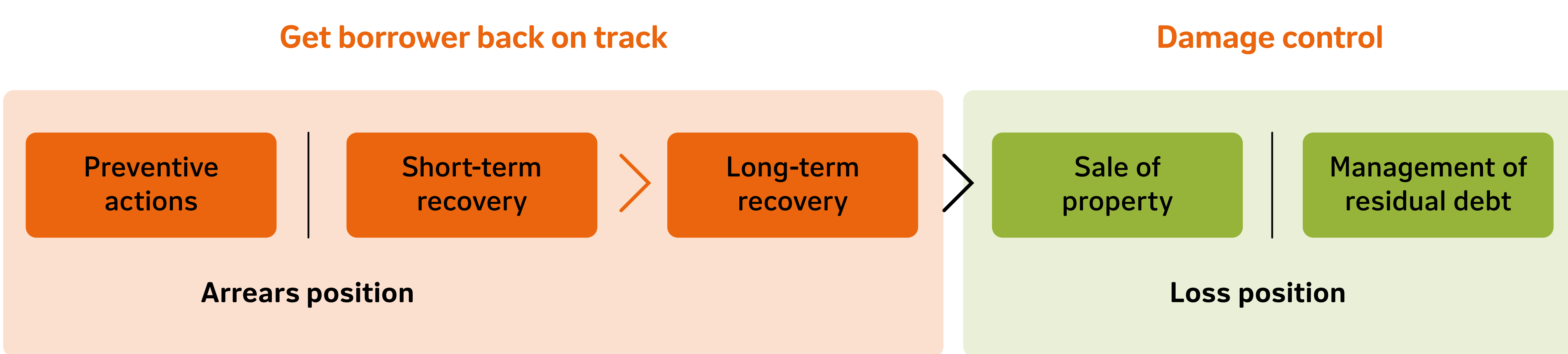
The measures we offer are described on the following page.

Debt recovery, collections and financial health

At NN Bank, we have established arrears management policies to assist customers who are experiencing financial difficulties with their mortgage payments. Our priority is to help customers in a sustainable and respectful manner, with the goal of finding solutions that enable them to remain in their homes as long as possible before considering last resorts. Our approach to arrears management reflects our commitment to treating customers fairly and responsibly, while also maintaining the financial stability of our business.

Arrears Management Teams

The Arrears Management Department has been split into the following separate teams.



A. Prevention	Proactively approach customers where payment issues can be expected in the forseeable future. Additionally, we actively help customers that approach us when they expect a payment issue.
B. Short-Term Recovery	Proactively approach customers who have just entered into an arrears position.
C. Long-Term Recovery	If the customer is still in arrears after one or two months, or when there are problematic debts, the file is transferred to the Long-Term Recovery Team. This focuses on intensive management and a long-term solution with the final goal to restore the customer's financial health.
D. Damage Control	When no successful solution has been found and financial health cannot be restored, the property is sold on the open market through an estate agent either by customers themselves - monitored by us - or through a power of attorney given to the Bank (e.g., in case of divorce). If the property cannot be sold in the open market, a public auction of the property will take place.
E. Residual Debt Management	When the loan cannot be paid back in full after selling the property, we will try to find a payment plan with the customer for retrieving the residual debt in full or partially within the financial capacities of the customer for a dedicated period of time.

A. Prevention

Although currently inactive, NN Bank plans to reactivate the Prevention Team. The goal is to identify and assist customers facing potential payment issues, helping them sustain mortgage affordability with viable solutions to retain their homes.

Working with our specialist preventive management employees, we will seek:

- To help customers who contact us because of (possible) payment problems
- To encourage customers to get in touch by using helpful and easy-to-understand communications, or via our website
- To identify customers facing (potential) payment issues
- To actively approach customers showing signs of difficulty
- To help customers with any changes in the future that will impact mortgage affordability
- To help younger customers achieve their financial goals and avoid problems in the future by offering them useful content and advice (pilot)

In the case of preventive management, NN Bank distinguishes between the following situations:

- Reactive preventive management (reported by the customer)
- Active preventive management
- Active preventive management based on early detection model
- Active preventive management based on signals of impending payment problems

Customers who contact NN Bank about existing or expected payment problems fall under the category of **reactive preventive management.**

Active customer management is carried out by Mortgage Management. Hypotheken Beheer offers customer solutions within regular acceptance and management standards.

B. Short-Term Recovery

This team works to resolve arrears within two months. Cases requiring more extensive solutions, or where the customer does not uphold an agreement, are transferred to Long-Term Recovery.

C. Long-Term Recovery

The Long-Term Recovery Team helps customers achieve sustainable financial health allowing them to meet their obligations for the remaining contract period. This is achieved through tailored solutions such as income analysis, budget coaching, or restructuring mortgages. In cases of non-cooperation or financial infeasibility, the case is transferred to the Damage Control Team.

D. Damage Control

For customers unable to regain financial health, NN Bank assists with property sales, aiming for the best outcome in an acceptable period while minimising financial impact. This can occur at an early stage.

E. Residual Debt Management

NN Bank supports customers in repaying residual debt, offering repayment plans tailored to their financial capacity based on NIBUD[6] standards.

[6] National Institute for Family Finance Information gives private households information and advice on financial matters.

Within the Intensive Management (IB) Team, we follow treatment paths to ensure that customers at the same stage of arrears are treated equally.

Additional support measures

NN Bank offers assistance such as job coaching, budget coaching and loan restructuring, aligned with its commitment to the values of 'Care, Clear, Commit', generally funded by the Bank. These measures aim to restore financial stability for customers while minimising additional costs. In the event of fees being charged these are clearly communicated to the customer in writing. NN Bank does not charge interest on late payment of the monthly instalments, nor do we charge any administration costs in the event of a conversion for loans that need to be restructured to restore the payment rhythm or to prevent future payment problems.

Alignment with international standards

NN Bank's existing policies are not yet fully aligned with internationally recognised instruments relevant to customers and end-users, including the UN Guiding Principles on Business and Human Rights. However, NN Bank's investment policies align with the NN Group Responsible Investment Framework, which adheres to the UN Global Compact and OECD principles.

NN Group does not currently track cases of non-compliance with the UNGP, ILO Declaration on Fundamental Principles and Rights at Work, or OECD Guidelines for Multinational Enterprises in its downstream value chain. NN Bank follows NN Group's approach in this regard.

S4-2

Engaging consumers and end-users

Passive engagement

- NN Bank engages with customers through our customer service by addressing questions, requests and complaints. These inquiries are categorised and analysed quarterly to detect potential patterns. This helps us identify actual impacts on our customers
- We actively monitor (social) media to identify potential or emerging impacts

Active engagement

- We proactively inform customers at key times, for example notifying interest rate changes
- Our trained employees conduct aftercare follow-ups with customers to discuss whether the solutions we provided were effective and met their expectations
- NN Bank participates in discussions with consumer organisations either directly, or as a member of the Dutch Banking Association

Incorporating customer perspectives

The perspectives of our customers are integral in our decisions and actions to manage their impacts, and the consequences of a decision made clear for all stakeholders, including the customer.

Customers are indirectly represented through various stakeholders such as Sales (Intermediaries and Customers), Compliance and Operations. These stakeholders take customer feedback into account when reviewing proposals for decision-making.

In specific cases, we validate decisions with target customer groups. For example, we may conduct customer focus groups to gather their input. NN Bank structurally monitors customer and intermediary feedback, using it to identify and address potential impacts effectively.

In processes where we engage (product development, concept testing), we do so directly with customers. In certain cases, we also discuss issues with consumer organisations that represent a broad range of customers. Engagement takes place in the development phase of a product or in the testing phase of a concept. These are one-off engagements without a set frequency. The director of the product value chain is the most senior role within the NN Bank with operational responsibility for ensuring engagement with relevant stakeholders. These directors are ultimately responsible for achieving the objectives for the products, production and the portfolio (agreements, customers) that are within that chain. This also affects the impact on customers and the return made.

The effectiveness of our engagement process with our customers is measured in multiple ways, including our Aftercare, Net Promoter Score (NPS) and Customer Effort Score (CES), and in doing so we gather insights about how we can improve our engagement process. The NPS measures customer satisfaction but also offers the opportunity to ask customers about their interaction with our employees and whether the proposed solutions were appropriate. With CES, we can discover more about the amount of effort required for a customer to use our products and services. Insights from these scores allows us to improve our accessibility.

Furthermore, our Aftercare is supported with a sample survey conducted by phone (under 10% of the people active during a period) which aims to get more detailed insights into the customer engagement.

Our products and services do not have different impacts on more vulnerable consumers.

S4-3

Identifying impacts and providing remedies

At NN Bank, actual impacts are mainly identified through passive stakeholder engagement, feedback received via our established channels for raising concerns.

To address identified negative impacts, we have implemented a formal Customer Feedback Policy. This policy guides our complaints process, enabling customers to raise issues online or via phone. These complaints are monitored and followed through until resolved.

Every quarter, complaint categories are analysed to identify trends and determine where NN Bank may have caused a negative impact. Remedies are provided by adjusting services or products to prevent future recurrence and compensating affected customers. Compensation is guided by legal requirements and our core values.

To assess the effectiveness of remedies, we compare the results of complaint analyses over time. A significant decrease in recurring complaints related to a specific issue indicates that our approach has been successful.

Addressing complaints and the resolution process

While negative impacts are often identified through recurring issues over time, usually a three-month period, NN Bank also addresses complaints immediately via a structured process:

1. **Registration:** Record the issue
2. **Aftercare:** Follow up with customers
3. **Satisfaction Survey (NPS):** Gauge customer satisfaction
4. **Compensation or leniency:** In exceptional cases, sending a gift or offering financial redress

Channels for raising concerns

NN Bank provides customers with multiple accessible channels to lodge concerns and complaints, including:

- Telephone
- Mail and email
- Web and paper complaint forms
- Relationship managers
- Social media (public or private messages)
- Arbitrators and mediators (Kifid)
- Autoriteit Persoongegevens

Details about the concerns and complaints procedures are available on our website https://www.nn.nl/Contact/Klachten.htm.

Our Customer Data Platform, supported by a third-party system, monitors and registers concerns that have been raised. Complaints are either resolved immediately or escalated to our Second Line for detailed analysis and resolution. We provide an appropriate solution if NN Bank causes an issue. If caused by the customer, we advise them about the options available.

Availability of channels

NN Bank ensures that customers are informed about their right to lodge complaints, and how to do so, through multiple communication methods. Complaints are received, monitored, and resolved via the following process:

A complaint may be received through different channels and by different teams. All compliments, signals and B-complaints are handled in the business teams (complaints about credits are handled by Vesting Finance). With B-complaints we refer to customers who think that something went wrong: the customer is clearly dissatisfied and expresses their dissatisfaction about the issue.

A-complaints, management complaints, and Kifid complaints are handled by the Complaint Management Teams of Mortgages & Consumer Credit and Savings, Investments & Bancassurance. A-complaints require extra care since these refer to an increased risk of failure for NN Bank. For example, the customer requests an answer from management or makes a threat.

Measuring effectiveness

To ensure quality, we measure the effectiveness of our complaints processes through:

1. **Speed of resolution:** We seek to resolve a complaint to the customer's satisfaction within ten business days
2. **Aftercare:** Direct follow-ups with 10% of customers after complaint resolution to gather feedback
3. **Net Promoter Score (NPS):** Customers rate their experience, and we use this feedback to improve services, processes and products

Awareness and communication

NN Bank ensures that customers are informed about their right to lodge complaints, and how to do so, through multiple communication methods:

- Written communication via letters or the customer portal (mijn.nn)
- Telephone calls
- WhatsApp or SMS for customer outreach
- Website advisories encouraging customers with potential payment issues to reach out

Our communications adhere to the following principles:

- Written in B1-level understandable language
- Use of icons where possible to enhance clarity

Trust and protection

Aftercare allows us to receive direct feedback from our customers on how they rate our complaints process and whether, and where, they see any room for improvement.

Although NN Bank does not specifically assess whether customers are aware of, or trust, these mechanisms, employees are bound by the Banker's Oath, which ensures that duties are performed with integrity and diligence, aligning with applicable laws, regulations and codes of conduct.

NN Bank does not currently have specific policies to protect individuals from retaliation when raising concerns, but remains committed to acting with care, integrity and fairness.

S4-4

Action on material IROs

The following paragraphs address the actions to manage the material IROs per topic. When preparing this disclosure, no issues or incidents regarding human rights violations have been reported.

Privacy

A data breach is caused by a breach of security leading to the accidental or unlawful alteration, unauthorised disclosure of, or access to, personal data. As such, a data breach can have a negative impact on our customers, causing reputational, legal and financial risks for NN Bank.

The following paragraphs describe the actions taken during the reporting year, and for the future, to handle and prevent data breaches. These actions do not have a specific time horizon for completion but are ongoing to ensure minimal impact and future prevention. The actions noted are focused on how to handle customer data, and include activities in both our own operations and downstream activities.

Incident Management Standard

The Incident Management Standard aims to ensure adequate and timely reaction to incidents and near misses to limit their impact, create a feedback loop for learning and improvement and to enable disclosure to regulatory bodies if appropriate or required. The standard applies to all processes, including supporting technology and other resources within NN Group. NN Group defines an incident as an occurred event with an adverse impact, being either financial loss/gain, reputational or regulatory damage, or one which has not led to loss, damage, or personal injury, but where — given a slight shift in time or position — such impact easily could have occurred (near miss) due to inadequate or failed internal processes or systems, controls, mistakes by/or (mis)conduct of people, or external events. This includes any material breaches of laws, regulations, internal policies frameworks, statements and standards. The effectiveness of, and compliance with, the standard are monitored through regular reporting, monitoring of key performance indicators and regular assessment of the incident management process.

NN Bank must, and will always, respect the fundamental rights and freedoms of persons when processesing their personal data. The measures taken by NN Bank are being monitored by the Data Protection Officer (DPO). The DPO is an independent function, and monitors compliance of NN Bank with the GDPR.

Despite NN Bank's robust control framework, incidents can still occur. To prevent a recurrence, and to learn from these incidents, the following measures have been implemented based on NN Group's Incident Management Standard:

1. Timely reporting, updating and closing of incidents
2. Improved controls
3. Regular trend analysis
4. Root Cause Analysis
5. Registering lessons learned
6. Evaluating the risk levels

The NN Privacy Statement describes how NN ensures that it handles customers' personal data with care. It describes the personal data NN Bank processes, to what end this data is processed, and how NN Bank takes care of this data.

It specifically details the following points:

We ensure good security

We spend a lot of time and attention on the security of our systems and the personal data we store. Each business unit also has a dedicated team that oversees the security and use of personal data. We monitor the security of our data traffic on an ongoing basis. If something does go wrong, we take immediate action. We try to prevent data breaches from occurring and, if they have occurred, immediately halt the situation that caused their occurrence and try to mitigate any negative consequences. We report all data breaches that bring a risk for the persons involved to the Data Protection Authority and, in case of a high risk, also to the persons involved.

How we process personal data is overseen by:

- The Autoriteit Persoonsgegevens Dutch Data Protection Authority (DPA) acts as the leading supervisory authority for NN Group and NN Bank
- The Netherlands Authority for Consumers and Markets (ACM) and the DPA supervise how we handle cookies, direct marketing via email and telemarketing
- The Dutch Central Bank (DNB), the European Central Bank (ECB) and the Authority for the Financial Markets (AFM) generally supervise the financial sector and therefore also Nationale-Nederlanden Bank
- Internally, the DPO supervises the way in which we handle personal data. The DPO of NN Bank is available via email: fg-bank@nn.nl

Confidentiality Agreements

All our employees have signed a Confidentiality Agreement and taken an oath. We handle data that has been entrusted to us with care. Only authorised personnel are allowed to view and process this data.

E-learnings

Through e-learning programmes, NN educates all employees about the risks, impacts, processes and policies designed to prevent and avoid data breaches. The programmes also outline the steps required to ensure an adequate and timely response to incidents and near misses, thereby minimising their impact. Additionally, they ensure the necessary disclosures are made to regulatory bodies if, and when, appropriate or required.

The expected outcomes of these actions are to ensure that our employees know how to act if, and when, a data breach occurs to minimise the negative impact on our customers, but also for them to have sufficient knowledge to prevent a data breach in the first place.

Together, these outcomes contribute to the objectives of our relevant 'privacy' policies which focus on an adequate and timely reaction to incidents, compliance with the principles of the (European) Data Protection Law, and on the creation of sound record retention tools and procedures.

Since this is a potential negative impact, we have not taken actions to provide or enable remedy. In 2024, no data breaches regarding customer data were reported to the Authority of Personal Information (AP).

No additional actions or initiatives are in place with the primary purpose of positively contributing to improved social outcomes.

Impact 1: **Data breach**
Customer complaints and incidents are used as input for the design of our products and are part of the periodic product review cycle.

Impact 2: **Misuse of customer data**
Product approval process, in which Second Line risk representatives (legal, compliance) assess whether proposed/required data can be collected, stored and used by NN Bank.

Target setting
The aim is to have zero data breaches per year. This is not a formal target within NN Bank, but we are committed to remaining within the thresholds stated in the ECF for the number of data breaches reported to DPA and the number of GDPR issues. If a data breach occurs, we refer back to our Incident Management Standard (see: 4.1).

Resources
We primarily use SECA as a tool to assess and document the personal data that can be collected and stored. Additionally, our DPO is dedicated to ensuring the described actions are executed as intended.

Any actions undertaken did not require significant operational expenditures (OpEx) and/or capital expenditures (CapEx).

Access to quality information
The following paragraph describes action taken during the reporting year, and for the future, to ensure our customers access to quality information. This means that the action does not have a specific time horizon for completion, and that the process described will continue to improve over time. The described action is focused on ensuring access to quality information and therefore covers our activities in both our own operations and downstream activities.

Communication Approval Process (CAP)
To ensure quality, NN Bank follows a CAP. The CAP team includes a communications specialist as well as legal and compliance experts. As well as reviewing all communications, it provides recommendations allowing the business to make well-informed decisions. All documentation and decisions are recorded.

The following actions are taken to mitigate the risk of financial or reputational damage for NN Bank, including fines or customer claims. Communications are tested on small groups of customers before broader dissemination, with adjustments made based on their feedback. Lessons learned from complaints are incorporated in ongoing improvements.

The expected outcome of this action is to produce and share understandable information with our customers so they can make the best decision possible for themselves, and/or fully comprehend updates relating to our products and services.

This action also contributes to the objectives in relevant ‘access to quality information’-related policies since the outcomes are focused on customer suitability, providing mandatory legal information in an understandable language and ensuring our products provide fair value.

No additional actions or initiatives are in place with the primary purpose of positively contributing to improved social outcomes for our customers.

The effectiveness of delivering intended outcomes is monitored by the PAR Committee which ensures timely follow-up and completion of outstanding action points. Outstanding actions are monitored by the PAR Committee and/or registered in the Risk Monitoring application.

The outcome of the communication test on small groups of customers provides us with feedback on how to improve our communications and quality information.

Target setting
NN Bank has not set targets to evaluate the effectiveness of the actions that are described above.

Resources
The following resources are allocated to manage this material impact: Communications Department, Second Line checks by Compliance and Legal Departments.

The implementation of these actions did not require significant operational expenditures (OpEx) and/or capital expenditures (CapEx).

Financial inclusion
The following paragraphs describe the actions taken during the reporting year to ensure financial inclusion, which will continue in the future. These actions do not have a specific time horizon for completion, and the processes described will continue to improve over time while remaining compliant with mandatory legislation. The described actions are focused on increasing financial inclusion and therefore cover our activities in both our own operations and downstream activities.

Impact 1: **Accessibility to our products and services**
The NN Bank PAR Process addresses the suitability of our products and distribution channels, including their periodic review. In the design of our products, we ensure that no potential customer is excluded based on grounds other than the suitability of the product.

The expected outcome of this action is to improve our products and services over time in such a way that they continue to meet the needs of our customers. In addition, we aim to increase the accessibility and availability of our products and services to a broader range of customers.

The outcomes of this action contribute to the objectives of the relevant ‘financial inclusion’-related policies as they are focused on customer suitability, meeting the needs of our customers and ensuring that our products provide fair value, all enabling NN Bank to be agile in the development of new distribution-deals for products across existing and new markets.

No additional actions or initiatives are in place with the primary purpose of improving the accessibility of our products.

The effectiveness of our action is assessed in our regular product reviews in which NN Bank evaluates whether products reach the intended target groups.

Based on our review of customer complaints we determine whether we unintentionally exclude customers from our products.

The PAR Process, which often includes feedback from our customers, is specially designed as an action to determine the needs of our customers. Based on the outcomes, specific adjustments are made to our products and services to ensure suitability.

Target setting
NN Bank has not set targets to evaluate the effectiveness of the actions that are described above.

Resources
The following resources are allocated to manage this material impact: Customer Journey Experts and Product Specialists.

Impact 2: **Sustainable solutions**
In order to continue to offer sustainable solutions for customers who cannot pay off their mortgage, we have actions in place, better known as forbearance measures, which are focused on preventing foreclosures and to let customers keep their house at the lowest possible expense.

All measures are implemented with the aim of allowing the customer to live sustainably in their home.

Page 101 provides more in-depth information on the actions we take to address this impact.

The expected outcome of this action is to improve the financial stability of our customers enabling them to meet their financial obligations to the Bank.

The outcome of this action contributes to the relevant ‘financial inclusion’-related policy since it is focused on realising forbearance measures according to Annex V Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014.

Forbearance reporting shows us the effectiveness of the measures. After the forbearance period, the client is monitored for two further years.

A personal and honest conversation with our customers who can no longer meet their financial obligations to NN Bank allows us to determine the forbearance measure that suits them best, and can be sustained.

We are currently already taking action to mitigate the risk of financial loss if customers can no longer pay their mortgage. Refer to the Forbearance Policy for more information.

Target setting
At present we have not set a target to evaluate the effectiveness of our actions. We decide per case whether it has been effective for the customer or not.

Resources
The following resources are allocated to manage this material impact: Dedicated Support Team. NN Bank has a specialised team to support customers who can no longer meet their financial obligations. This team is trained on an ongoing basis to ensure they can offer suitable and sustainable solutions tailored to customers’ needs.

The implementation of these actions did not require significant operational expenditures (OpEx) and/or capital expenditures (CapEx).

Impact 3: **Supporting customers with knowledge and partner networks**
To support customers with specific knowledge and access to our expert partner network regarding financial health and digital inclusion, we use the following approach.

Customer tools and insights
Investment customers are provided with tools and insights to understand and influence the development of their investments.

‘Aflossingsblij’ campaign
First launched five years ago, the ‘Aflossingsblij’ campaign remains relevant today. NN Bank periodically contacts customers, on a risk based approach, to assess whether their mortgages will remain affordable in the future. If affordability issues are identified, customers are provided with actionable suggestions to improve their financial situation.

We have the following additional initiatives in place with the primary purpose of making a positive contribution to improved social outcomes for our customers.

We provide investment customers with tools and insights regarding the expected development of their investments and how to influence that development. Customers are also periodically asked to fill out a questionnaire regarding their financial and personal risk appetite.

The expected outcomes of these actions are to support customers with specific knowledge regarding financial health and digital inclusion.

The outcome of this action does not specifically contribute to the relevant ‘financial inclusion’-related policies, however it does support customers in building their knowledge and therefore helps them to make better decisions.

To access the effectiveness of our action we track whether customers respond to the questionnaire although, after a period, it becomes mandatory for this to be completed.

Incoming questions, and actual cases of people who can no longer meet their financial obligations, provide us the input to address financial and digital inclusion. The specific actions we undertake to support our customers in building knowledge are based on customer feedback and market research.

Target setting
NN Bank has not set targets to evaluate the effectiveness of the actions that are described above.

Resources
The following resources are allocated to manage this material impact: Customer journey experts, Product specialists.

The implementation of these actions did not require significant operational expenditures (OpEx) and/or capital expenditures (CapEx).

S4-5

Targets
The paragraphs below address information on the progress of target setting to manage the material IROs per topic.

Privacy
Impact 1: **Data breach**
Our risk appetite is to avoid all material breaches. If a data breach occurs, NN Bank strives to minimise the impact. Our approach is described in the NN Group Incident Management Standard. To manage the risk of reputational and financial damage due to the consequences of a data breach, we have not set a specific target. Nonetheless, NN Bank strives to eliminate the impact of a possible data breach. Even though NN Bank does not set a formal target on privacy, we track our performance against our objective of having zero data breaches. We report data breaches as level 1 category: 'Improper handling of inside information or personal data risk'.

Additionally, the objective of the NN Group Incident Management Standard is to create a feedback loop, which ensures that learnings from incidents leads to ECF improvement and prevents repetition of the incident.

Impact 2: **Misuse of customer data**
NN Bank complies with laws and regulations regarding the collection, storage and use of personal information from customers. We do not have specific targets regarding this impact.

Access to quality information
NN Bank strives to pursue its positive impact and mitigate its risks regarding access to quality information. Nonetheless, we do not have specific targets regarding this impact and risks.

Financial inclusion
NN Bank continues to focus on keeping its products accessible to retail customers, sustainable solutions for customers that cannot pay their mortgage and supporting customers with specific knowledge including a partner network that offers guidance regarding financial health and digital inclusion. Nonetheless, we do not have specific targets regarding the impacts and risks related to financial inclusion.

Chapter 4: Governance information

Introduction

At NN Bank, we are committed to fostering a strong corporate culture based on integrity, accountability and ethical conduct. Our governance framework is designed to promote and safeguard these values, ensuring that all employees and stakeholders operate within a structured and responsible environment.

To reinforce our corporate culture, we have formal policies in place that ensure compliance with regulatory requirements and promote responsible business practices, including the NN Code of Conduct and Whistleblower Standard, which provide clear guidance on expected behaviours. These policies are supported by awareness initiatives, such as e-learnings, that enhance employees' understanding of ethical business conduct.

Monitoring compliance and identifying areas for improvement are integral to our governance approach. Our mature Risk Management Framework (RMF) enables us to oversee business and employee conduct through risk assessments, self-evaluations and dashboarding tools. This structured oversight ensures that our governance principles are upheld and continuously strengthened.

In addition, we have robust and transparent reporting and investigation mechanisms to address instances of misconduct. Employees and external stakeholders are encouraged and empowered to speak up about unethical behaviour through designated channels that ensure confidentiality and protection against retaliation.

By embedding these governance measures into our daily operations, NN Bank maintains a corporate culture that is aligned with our values — Care, Clear, Commit — while meeting regulatory and ethical standards.

Value chain	Governance matters	
	Corporate governance	
Upstream		
Own operations	+ By adhering to our core values 'Care, Clear, Commit', we can have an **actual positive impact** both on individuals and the environment. Our values are the foundation of our culture, serve as a compass for decision-making, guide us in all our interactions and are an integral part of our strategic framework. By adhering to them, we aim to create sustainable long-term value for our stakeholders. Through this approach, we foster a culture of responsibility and sustainability, helping people protect what they value most.	− If we do not live up to our values of 'Care, Clear, Commit', we have a **potential negative impact** on our stakeholders. Poor decision-making or failure to address highlighted areas of concern and recommendations for improvement can undermine trust and damage relationships.
Downstream		

O Financial opportunities
R Financial risks
+ Positive impacts
− Negative impacts

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In this chapter, we describe our approach to promoting and safeguarding our corporate culture, values and related behaviours. We structure this approach around three key areas:

Prevention: The NN Code of Conduct and awareness initiatives support and promote our NN Values and beliefs. They are both designed to foster a positive corporate culture and good business conduct.

Detection: We use dashboards and our Risk Management Framework (RMF) to monitor business and employee conduct. Our RMF involves risk assessment by our First and Second Lines on items using tools such as dashboarding and maturity reflection. The maturity reflection is a self-assessment by First and Second Line on items from our RMF which facilitates dialogue with management on managing and improving our compliance culture. Together, these tools help us assess the effectiveness of our policies and identify areas for improvement.

Response: We have reporting and investigation mechanisms in place to address instances of misconduct. These include clear policies and processes for reporting unethical behaviour and protecting whistleblowers.

The table below gives an overview of the relevant policies relating to our corporate culture.

Policy name	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN commits to through implementation
Code of Conduct including Manager Annex	Potential negative and actual positive impact of our corporate culture on own operations. Potential negative impact of corruption and bribery in own operations.	To outline our views and expectations related to how NN Group interacts, handles information and (personal) data, deals with conflicts of interest, fraud, financial economic crime, and competition law, uses equipment and the Internet, reports breaches and addresses them. The Manager Annex explains NN Group's expectations on these topics for managers and Board members.	All employees employed by NN Group under an employment agreement and anyone representing NN Group in any capacity. The Manager Annex applies to all managers and Board members.	The Chief Compliance Officer is accountable for implementing this policy. The policy is reviewed once a year. If the review indicates that an update is necessary, the policy is revised accordingly. Additionally every year employees must formally acknowledge that they have read and agree to follow the NN Code of Conduct. Managers and Board members acknowledge that they have read and agree to follow the Manager Annex. The policy is made available on our intranet and our external website.	• DNB SIRA Good Practices • The Dutch Corporate Governance Code Directive 2009/138/EC • Solvency II Directive • Financial Supervision Act (Wet op het financieel toezicht, Wft)
Whistleblower Standard for Dutch Business Units and Head Office of NN Group	Potential negative impact of the corporate culture of our own operations. Potential negative impact of corruption and bribery in our own operations.	To provide requirements aiming to ensure the protection of whistleblowers, foster an open culture and enable whistleblowers to speak up and report (suspected) wrongdoing by or within NN Group.	Employees of NN Group or reporting persons in the Netherlands who acquire information about concerns and/or breaches in a work-related context with NN Group.	The Chief Compliance Officer is accountable for implementing this standard. The standard is reviewed annually. If the review indicates that an update is necessary, the standard is revised accordingly. It is made available on our external website.	• EU Directive 2019/1937, the Whistleblower Protection Directive • The Dutch Whistleblowers Protection Act (Wet bescherming klokkenluiders)

The NN Code of Conduct

Founded on our Bank values, the NN Code of Conduct and Manager Annex are directly linked to the NN statement of Living our Values and other relevant underlying policies and standards. The Manager Annex includes additional expectations for our business leaders, including managers and board members, so they can help everyone to embody our values and meet our standards. Together, the NN Code of Conduct and Manager Annex include guidelines for how we interact with colleagues and customers, handle information and (personal) data, manage conflicts of interest, fraud, bribery and corruption, address financial economic crime, use equipment, the internet and AI and report and deal with breaches.

Each year, we review and update the NN Code of Conduct and Manager Annex, along with the underlying policies and standards. All internal employees must formally acknowledge their understanding of the NN Code of Conduct and their commitment to applying the underlying policies and standards on an annual basis. All managers also need to formally acknowledge the Manager Annex annually.

Formal acknowledgement has been mandatory for several years and in 2024 we achieved a 100% acknowledgement score (excluding staff on long-term or sick leave). External employees and contingent workers are to comply with the NN Code of Conduct as part of their contract.

Awareness and e-learnings

We raise engagement and awareness among employees on people- and business-conduct-related topics through e-learnings. Our internal SharePoint, Conduct Matters, which is available in all local languages, supports our NN Code of Conduct by providing e-learnings around conduct as well as additional conduct-related resources such as lists of contacts in particular situations and dilemma exercises. To improve employees' understanding of the NN Code of Conduct and improve their ability to recognise and act on integrity-sensitive situations, we also introduced The Code and the Basics e-learning. We also offer mandatory e-learnings on different topics to raise risk awareness around confidential and price-sensitive information. These include Confidential Matters on confidentiality, Trading Matters for all NN insiders that focuses on market abuse/insider trading, Conflicting Matters covering bribery, corruption and conflicts of interest, Speaking Up Matters that encourages speaking up, and Data Matters on the use of data and confidential information. The Code, the Basics, Conflicting Matters, Speaking Up Matters and Data Matters are available in all local languages.

In 2023, we launched an e-learning on financial economic crime (FEC) in the Netherlands for all NN employees. We also introduced additional e-learnings on FEC and sanctions for specific employee groups. At the start of 2024, these were rolled out to all international business units in local languages.

These e-learnings are mandatory for all NN Group employees and are integrated into the onboarding process of new joiners and will be regularly updated. The Integrity Dashboard monitors employee participation in these mandatory learnings.

Digital Compliance Dashboards

In 2024, we continued developing the Integrity Dashboard and Compliance Dashboard, used by all NN business units to facilitate a more data-driven compliance function. Initially rolled out in 2023, the Integrity Dashboard provides detailed information for First Line management to raise and monitor awareness among team members on compliance topics and related behaviour. Similar to the Compliance Dashboard, it includes a clear overview of outstanding tasks regarding mandatory e-learnings, the mandatory Oath for all employees, and other compliance topics such as the numbers of insiders, approvals of received and offered gifts and entertainment, potential conflicts of interest and NN Code of Conduct acknowledgment percentages.

In 2024, we introduced the Pre-Employment Screening Dashboard for monitoring pre-employment screening. We also enhanced our Integrity and Compliance Dashboards to improve usability and integrated relevant compliance risk metrics into the Group Risk Dashboard at business unit level, providing a better overview of compliance status and integrity-related activities. This year, we added new data sources for our risk management system, business continuity management system and the system that presents legal structures. These additions are important for compliance with the Digital Operational Resilience Act (DORA), which mandates the disclosure of certain information. By incorporating these additional data sources, we have enhanced our reporting capabilities, providing a more comprehensive view of how we monitor our compliance with policies and standards across the organisation.

Risk Maturity Reflection

The Risk Maturity Reflection is the integrated framework of the Risk Culture Check-in[1] and the Maturity Assessment of business unit control functions. It forms the basis for constructive dialogue with NN senior management on how we manage the risk culture within the Bank and where we can improve. Feedback from this dialogue underpins the People Conduct & Business Culture Statement. The process is led by Group Risk in close cooperation with Group Legal and Group Compliance. The Risk Maturity Reflection is performed across business units every two years. It was last executed in 2024.

Reporting misconduct (whistleblowing)

By living up to our values, we aim to create a safe working environment for colleagues and business partners, where everyone feels welcome, valued and respected. In doing so, we build and protect the reputation and integrity of our Bank while adhering to applicable laws and regulations. At NN, we encourage the internal reporting of (potential) concerns and breaches of local and European Union (EU) regulations, NN Core Values and NN policies through various channels. Whenever (potential) work-related concerns or breaches are reported, NN takes them seriously and carefully assesses each report to determine whether further investigation or action is needed. The report includes work-related issues around human rights and equal treatment and opportunities for all.

1 NN Bank performs a self-assessment of the risk culture (including the independent view of local control functions) in cooperation with Head Office control functions.

NN uses the Speak Up system, which allows every employee and certain external parties (contractors, subcontractors, suppliers), to report concerns and breaches arising from within our organisation outside the regular reporting channels. Speak Up allows reports to be made anonymously and in the reporter's preferred language. The system is designed, established and operated securely to ensure the confidentiality of a reporter's identity if so desired, with access restricted to a very limited group of authorised NN staff members who are well-trained reporting officers, NN Reporting Officer/Chief Compliance Officer or delegated person, NN Global Head Security and Investigation or delegated persons. The Speak Up system also supports (anonymous) communication between the reporter and the reporting officers when needed. NN takes appropriate measures, like maintaining the confidentiality of the reporter, educating relevant staff about retaliation during the process, ensuring proper follow up with the reporter and prohibiting any form of retaliation against reporters to protect individuals. NN also defines the forms of retaliation, and imposes strict disciplinary measures against any employee who attempts retaliation.

Through the Speak Up system, reporters are always informed of their rights and how they are protected against potential retaliation. They are also reminded of their obligation to report in good faith and to maintain the confidentiality of their report. We give reporters feedback on whether their report falls within the scope of the International Whistleblower Policy or the Whistleblower Standard for Dutch Business Units and Head Office of NN Group. If it does, we investigate further and take follow-up actions or disciplinary measures as appropriate. These measures are designed to ensure that the remedy is effective and to incorporate key learnings into our existing processes and policies. The Speak Up system keeps reporters informed and updated on the progress of their report; if the report is outside the scope of any of the above standards, then the reporter is directed to other internal procedures. Reports are recorded and periodically reported by the Chief Compliance Officer to the NN Group Management Board and Risk Committee of the NN Group Supervisory Board.

In 2023, changes to the whistleblowing regulation in the Netherlands narrowed the scope of concerns that can be reported using the Speak Up system. Consequently, we follow up on reports that fall outside the new scope through alternative but aligned channels. In 2024, the Compliance Function continued to raise awareness to foster a culture of open dialogue and speaking up through training and communication, both in the Netherlands and internationally, in close cooperation with the HR and Communication departments. This training and communication gives clarity on different reporting channels, processes and protection against retaliation. The Speak Up e-learning is mandatory for all employees. Additionally, reporting officers receive regular training on how to handle reports.

The NN engagement survey is conducted twice a year. The survey asks employees to give a score for the statement: 'If I experienced any kind of misconduct or unethical conduct at work, I am confident NN Group would take action to address the situation'. This data point, along with other assessments, enables us to evaluate the perceived effectiveness of our reporting channels by employees and identify areas for improvement. See section S1 Own workforce for more information on the survey.

EU Taxonomy

1 Our approach to EU Taxonomy reporting

The EU Taxonomy Regulation (EUT) is a published regulation in the Official Journal (Regulation (EU) 2020/852 of 18 June 2020) of the European Commission (EC). The EUT contains a unified classification system for sustainable ('green') economic activities. Taxonomy-eligible economic activities are those activities that are described under one of the six environmental objectives covered by the EUT. Eligibility under the EUT identifies activities within its scope but does not consider the different technical criteria and minimum safeguards required to qualify as environmentally sustainable (i.e., 'Taxonomy aligned').

NN Bank's activities of residential real estate lending, specifically providing mortgage loans to retail customers in the Netherlands, directly correspond to the EUT definition of 'acquisition and ownership of buildings'. For the environmental objective Climate Change Mitigation (CCM), this activity is categorised under activity 7.7.

To have Taxonomy-aligned economic activities under EUT, an economic activity must fulfil three criteria:

- Substantial contribution: The activity must make a substantial contribution to one of the environmental taxonomy objectives, based on the criteria for substantial contribution
- Do No Significant Harm (DNSH): The activity must not significantly harm other environmental objectives
- Minimum safeguards: The activity should meet minimum social and governance safeguards

Application of the EUT

NN Bank collaborates with industry peers in the Dutch Energy Efficient Mortgages Netherlands Hub (EEM NL Hub) and the NVB to apply the EUT to the Dutch residential real estate financing market.

NN Bank has defined relevant terms and indicators, organised our own data and collected additional data to meet the technical screening criteria (TSC) and minimum safeguards (MS). These additional data include, for example:

- Energy labels from The Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland [RVO]) as published on EP-online
- Building permit dates from Basic Registration Addresses and Buildings (Basisregistratie Adressen en Gebouwen)
- Climate Impact Atlas data from Climate Adaptation Services (Stichting CAS)

NN Bank does not have significant climate change mitigation activities categorised under 7.2 to 7.6. For example, activity 7.2 renovation with PED improvement, excludes renewable energy sources such as solar panels which are commonly used in renovations by retail customers. For activity 7.3 installation of solar panels or heat pumps, NN Bank needs to verify if manufacturers of this equipment and any related service providers comply with both the technical screening criteria and the MS. NN Bank, as a credit institution, does not have a relation with these manufacturers or service providers. In practice renovations or energy efficiency improvements are often financed by customers' own financial means and not via a mortgage loan. The technical requirements for these activities are challenging and there is no Dutch market consensus on their implementation. NN Bank does not have data for compliance with the alignment requirements for activities 7.2–7.6. Therefore, these activities have to be considered as eligible (not aligned).

Reporting structure

The following sections outline NN Bank's definitions and fulfilment of the three criteria for Taxonomy alignment. In addition, the NN Bank's Green Asset Ratio (GAR) is presented and explained. The full EUT Tables for all Environmental Delegated Acts are included in Appendix EU Taxonomy Tables.

Important notes

In the Appendix EU Taxonomy Tables, the 'of which use of proceeds' column matches the 'Taxonomy aligned' column. This is because NN Bank's retail customers are listed as 'households', with the exception of the items listed as 'financial undertakings'.

NN Bank does not have a trading book, financial guarantees, or assets under management, so these additional KPIs are not applicable.

The fees and commission income KPI and Trading Book KPI are not required for 2024.

NN Bank's Finance department oversees the production of these data, Taxonomy Tables and the GAR ratio.

2 Definitions

The following definitions, assumptions and interpretations are most relevant for the application of EUT in the Dutch residential real estate market:

Term	Definition
Energy Performance Certificate (EPC)	A document or digital record describing the energy performance of a building (unit) with a verifiable validity date, regardless of the methodology. In the Dutch market, this refers to an energy label with a ten-year validity, registered on RVO's EP-Online site, the official national database of energy performance certification.
Energy Performance Certificate (EPC) class A	All valid Energy Performance Certificates with any of the following values: A, A+, A++, A+++, or A++++, irrespective of the EPC methodology.
Building	Any building unit meeting the categorisation criteria of 'buildings' as used in RVO's EP-Online, combined with a Primary Energy Demand (PED) and a defined building type. NN Bank does not have large non-residential buildings or buildings larger than 5,000 m² in its portfolio.
Building type	Building types are distinguished as ground-bound (*grondgebonden*) and non-ground-bound (*niet-grondgebonden*).
Building year	The year when building was originally completed or structurally finished. If available, the building year as registered in the national Basic Registration Addresses and Buildings (*Basisregistratie Addressen en Gebouwen [BAG]*) is used. If that is not available, the building year in the mortgage administration is applied.
Building permit date	The date when the building permit was granted. This is based on the document date of the building life cycle stage permit granted in the national BAG.
Built before 31 December 2020	The construction of the building unit was completed before 31 December 2020, or after, but the building permit application was dated and submitted before that date. As the Dutch market lacks permit application dates, NN Bank uses the permit granting date as a pragmatic approach.
Built after 31 December 2020	Construction of the building unit was completed after 31 December 2020 and the building permit was also granted after this date.
Gross carrying amount	Amortised cost measurement in accordance with IFRS-EU, as applied in NN Bank's Annual accounts. GAR assets are defined according to the prudential consolidation of NN Bank and are excluding impairments. Fair value hedged items are reported in line with FinRep under 'Derivatives'.
PED	Primary Energy Demand. PED refers to the total energy required for a building from fossil fuels such as gas and electricity.
PED at least 10% lower.	PED is at least 10% lower than the threshold set for the Nearly Zero-Energy Building (NZEB) requirements as of 1 January 2021 onwards. For buildings with construction year and permit date from 2021 onwards: ground-bound (*grondgebonden*) buildings: ≤ 27 kWh/m2 PED; non-ground-bound (*niet-grondgebonden*) buildings: ≤ 45 kWh/m2 PED.
Top 15% of the national or regional building stock, as an alternative for EPC class A.	Defined as building within the top 15% of the national building stock based on operational PED and supported by adequate evidence. NN Bank's top 15% definition aligns with the CFP Green Buildings study, also applied in NN Bank's Green Bond Framework. In this definition, the top 15% of the stock is based on the Dutch Building Regulation, EPC scores and PED on national level. The Dutch Building Regulation sets out energy efficiency requirements for different building types using an EPC score. Over time, the regulation became more stringent in energy efficiency and sustainability requirements for buildings, resulting in a more efficient PED. Therefore, new buildings built according to the most recent regulations have improved efficiency compared to older buildings complying with older regulations. For this reason, the building's year of construction can be used to define the top 15% of most energy-efficient residential buildings in the Netherlands. Buildings constructed in the period 2006-2020 comprise 12.3% of the total residential building stock, built before 31 December 2020, which is within the top 15% prescribed by the EUT.
Technical Screening Criterion CCM activity 7.7, Acquisition and ownership of buildings.	NN Bank's activities providing mortgage loans to retail customers align with this criterion supporting the Climate Change Mitigation objective. Contracts qualifying for constructing new buildings are assessed under activity 7.1. In most cases for this activity, NN Bank is unable to assess Taxonomy alignment as there is not sufficient data during the construction phase.
'Do no significant harm' (DNSH) CCM activity 7.7, Acquisition and ownership of buildings.	Mortgage loans linked with 'acquisition and ownership of buildings' must not significantly harm the Climate Change Adaptation (CCA) objective.
Green Asset Ratio.	Calculated by dividing EUT aligned assets by the total covered assets.

3 Substantial contribution

Providing mortgage loans is directly linked to the economic activity 'acquisition and ownership of buildings' (activity 7.7 of the EU Taxonomy criteria). As a result, the mortgage loans are EUT-eligible. For an economic activity to be aligned, it must make a substantial contribution to environmental objectives as defined by the technical screening criteria (TSC).

The criteria for substantial contribution (SC) are as follows:

- EPC class A: For buildings with a construction year 2020 or earlier
- PED at least 10% lower: For buildings constructed after 31 December 2020, PED must be at least 10% lower than the threshold for NZEB in the Dutch market
- Top 15% of the Dutch building stock: As an alternative to EPC class A, this applies to buildings built before 31 December 2020 and within the top 15% of the Dutch building stock based on PED

Buildings meeting relevant criteria are considered to substantially contribute to climate change mitigation under activity 7.7. Additional substantial contribution criteria applies for climate change mitigation (CCM) activity 7.7, however these criteria were determined not to be applicable to NN Bank's portfolio.

4 Do no significant harm

The next step in the EU alignment process for climate change mitigation activity 7.7 is to ensure that the economic activities do no significant harm (DNSH) to climate change adaptation objectives.

NN Bank applies the framework of the EEM NL Hub DNSH technical screening criteria for DNSH assessments of residential real estate buildings. The EEM NL Hub worked on a shared agreed upon view on DNSH technical screening criteria based on shared experiences and lessons learned, which was recorded in a framework DEEMF on the application of the technical screening criteria for DNSH. The DEEMF DNSH is a broadly shared view that each party can deviate from with reasoned argumentation.

Assessment process

1. Relevant physical climate risks: The first step identifies which physical climate risks that may affect the performance of the economic activity during its expected lifetime
2. Materiality assessment: Relevant physical climate risks are assessed for materiality concerning the economic activity

This DNB Climate Risk Materiality Assessment determined that the material physical climate risks for NN Bank's mortgage portfolio are limited to flood risk. However the climate risks wildfire, foundation deterioration ('*paalrot*' and '*verschilzetting*') and heavy rainfall can be material for some individual customers, and are therefore considered relevant climate risks for the economic activity.

Using the DEEMF DNSH technical screening criteria, NN Bank measures the exposure of buildings in our portfolio to these climate risks based on metrics derived from various data sources and thresholds.

Operationalisation

Climate risks are primarily operationalised using Climate Impact Atlas data from Climate Adaptation Services (CAS). Mortgage and building collateral data are connected to climate risk data by location details. When a climate risk for a specific building exceeds the DEEMF DNSH threshold, the loan associated with that building is deemed to be not aligned with Climate Change Adaptation (CCA) objectives.

Future refinements

NN Bank will follow the future developments on climate change adaptation and, as more data on Dutch climate risks, building characteristics and adaptation solutions becomes available, NN Bank will further refine the DNSH approach.

5 Minimum safeguards

The EU Taxonomy regulation includes minimum safeguards to ensure that Taxonomy-aligned environmentally sustainable activities meet minimum governance standards and uphold social norms, including human and labour rights.

For the economic activity 'acquisition and ownership of buildings', households act as building owners while NN Bank finances this ownership through mortgage loans. Since NN Bank's GAR is based on retail customers, NN Bank does not need to verify compliance with minimum safeguards by those retail customers. Additionally, NN Bank does not consider activities under 7.2–7.6 as Taxonomy-aligned, hence adequate documentary evidence for compliance with relevant technical screening criteria and minimum safeguards is not obtained.

Consequently, in line with regulation and interpretations, minimum safeguards are not applicable when evaluating Taxonomy alignment for the economic activity 7.7 'acquisition and ownership of buildings'.

6 Green Asset Ratio

NN Bank's assets, EUT eligibility and alignment are summarised in the following table:

Summary of the main EUT metrics – based on turnover

EUR millions	Gross carrying amount 2024	EUT eligible 2024	EUT aligned 2024	Gross carrying amount 2023	EUT eligible 2023	EUT aligned 2023
Loans and advances, debt securities and equity instruments not Held for Trading						
Financial corporations[1]	972	505	0	1,049	521	
Households[1]	22,922	22,890	5,187	22,266	22,228	5,209
Local governments financing				-	-	-
Total assets in numerator and denominator of GAR	**23,894**	**23,395**	**5,187**	**23,315**	**22,749**	**5,209**
Assets excluded from the numerator, covered in the denominator						
Non-EU country counterparties not subject to NFRD disclosure obligations[1]	260			352		
Derivatives[1]	-768			-943		
On-demand interbank loans	1			18		
Other assets[1]	121			231		
Total assets excluded from the numerator, covered in the denominator	**-386**			**-342**		
Total GAR assets	23,508	23,395	5,187	22,973		
Green Asset Ratio (GAR)			22.1%			22.7%

1. The presentation in comparative information was changed to better align with current period presentation.

Investment securities are included in the Green Asset Ratio (GAR) assets and assessed as either 'Taxonomy eligible' or 'Taxonomy non-eligible' activities. For the Taxonomy alignment assessment, NN Bank relies on public data provided by external data vendors. Since not all companies have published EUT disclosures, NN Bank was unable to assess taxonomy alignment of all investment securities. NN Bank does not use estimates and considers counterparties as 'non-eligible' and 'not aligned', when the underlying counterparty has not yet disclosed its Taxonomy eligibility and alignment.

The full required EUT tables can be found in Appendix EU Taxonomy Tables of this report.

The reconciliation of 'Total GAR assets' to the IFRS balance sheet is as follows:

Amounts in thousands of euros	2024	2023
Total GAR assets	23,508,039	22,973,163
Other assets not covered for GAR calculation:		
- Central governments and Supranational issuers	40,808	77,771
- Central banks' exposure	1,975,075	2,155,834
Subtotal Other assets not covered for GAR calculation	2,015,883	223,361
Total Gross carrying amount	25,523,922	25,206,768
Impairments	2,240	3,330
Carrying amount	25,521,682	25,203,438

Conformity statement

The Management Board is required to prepare the Annual accounts and the Report of the Management Board of Nationale-Nederlanden Bank N.V. for each financial year, in accordance with applicable Dutch law and those International Financial Reporting Standards that were endorsed by the European Union (IFRS-EU).

Conformity statement pursuant to section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

The Management Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, and for making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures that ensure that all major financial information is known to the Management Board, so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his knowledge:

- The Nationale-Nederlanden Bank N.V. 2024 Annual accounts, as referred to in section 2:361 of the Dutch Civil Code including the relevant additional information as referred to in section 2:392 paragraph 1 of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of Nationale-Nederlanden Bank N.V. and the entities included in the consolidation taken as a whole

- The Nationale-Nederlanden Bank N.V. 2024 Report of the Management Board, as referred to in section 2:391 of the Dutch Civil Code, gives a true and fair view of the position at the balance sheet date, and the development and performance of the business during the financial year 2024 of Nationale-Nederlanden Bank N.V. and the entities included in the consolidation taken as a whole, together with a description of the principal risks Nationale-Nederlanden Bank N.V. is confronted with

- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going-concern basis

- The Nationale-Nederlanden Bank N.V. 2024 Report of the Management Board includes those material risks and uncertainties that are relevant to the expectation of Nationale-Nederlanden Bank N.V.'s continuity for the period of 12 months after the preparation of the Report

The Hague, 7 April 2025

The Management Board

P.C.A.M. (Pieter) Emmen, CEO ad interim and CRO
N.A.M. (Nadine) van der Meulen, CFO

Annual accounts

Consolidated annual accounts

Consolidated statement of financial position

Amounts in thousands of euros, unless stated otherwise

Consolidated statement of financial position

	notes	2024	2023
Assets			
Cash and balances at central banks	2	1,975,075	2,155,834
Amounts due from banks	3	231,253	260,317
Financial assets at fair value through profit or loss:			
– non-trading derivatives	4	0	39,098
Investment securities	5	699,350	900,827
Loans*	6	22,406,757	21,519,157
Intangible assets	7	20,077	23,180
Assets held for sale	8	0	40,388
Deferred tax assets	25	0	169
Other assets	9	189,169	266,073
Total assets		**25,521,681**	**25,205,043**
Liabilities			
Amounts due to banks	10	200,000	0
Customer deposits and other funds on deposit	11	17,491,543	16,464,651
Financial liabilities at fair value through profit or loss:			
– non-trading derivatives	4	2,626	0
Other borrowed funds	12	275,000	305,000
Deferred tax liabilities	25	2,097	0
Provisions	13	2,364	11,357
Debt securities issued	14	6,182,875	7,083,011
Subordinated debt	15	45,000	85,000
Other liabilities	16	84,766	99,650
Total liabilities		**24,286,271**	**24,048,669**
Equity			
Shareholders' equity		1,235,410	1,156,374
Total equity	17	**1,235,410**	**1,156,374**
Total equity and liabilities		**25,521,681**	**25,205,043**

* The comparative figures changed. Reference is made to Note 6 ‘Loans’.

References relate to the notes starting on page 124. These form an integral part of the Consolidated annual accounts.

Consolidated statement of profit or loss

Amounts in thousands of euros, unless stated otherwise

Consolidated statement of profit or loss

	notes		2024		2023
Interest income		1,301,170		1,072,330	
Interest expenses		915,343		666,074	
Net Interest income	18		385,827		406,256
Gains and losses on financial transactions and other income	19		302		-7,259
– fee and commission income		83,211		83,007	
– fee and commission expenses		17,719		18,172	
Net fee and commission income	20		65,492		64,835
Valuation results on non-trading derivatives	21		-32,720		-22,128
Total income			**418,901**		**441,704**
Impairment charges on financial instruments			-2,294		-5,025
Staff expenses	22		155,218		152,660
Regulatory levies	23		6,608		18,213
Other operating expenses	24		106,797		104,546
Total expenses			**266,329**		**270,394**
Result before tax			**152,572**		**171,310**
Taxation	25		39,381		44,224
Net result			**113,191**		**127,086**
Attributable to:					
Shareholder of the parent			113,191		127,086

Consolidated statement of comprehensive income

Amounts in thousands of euros, unless stated otherwise

Consolidated statement of comprehensive income

	2024	2023
Net result	**113,191**	**127,086**
– unrealised revaluations on investment securities at fair value through other comprehensive income	19,233	26,548
– macro fair value hedge accounting effect on investment securities at fair value through other comprehensive income transferred to the statement of profit or loss	-9,481	-18,749
Items that may be reclassified subsequently to the statement of profit or loss	9,752	7,799
Total other comprehensive income	**9,752**	**7,799**
Total comprehensive income	**122,943**	**134,885**
Comprehensive income attributable to:		
Shareholder of the parent	122,943	134,885
Total comprehensive income	**122,943**	**134,885**

Consolidated statement of changes in equity

Amounts in thousands of euros, unless stated otherwise

Consolidated statement of changes in equity (2024)

	Share capital	Share premium	Reserves	Total equity
Equity - 1 January 2024	**10,000**	**481,000**	**665,374**	**1,156,374**
Unrealised revaluations on investment securities at fair value through other comprehensive income	0	0	19,233	19,233
Macro fair value hedge accounting effect on investment securities at fair value through other comprehensive income transferred to the statement of profit or loss	0	0	-9,481	-9,481
Total amount recognised directly in equity (Other comprehensive income)	**0**	**0**	**9,752**	**9,752**
Net result	0	0	113,191	113,191
Total comprehensive income	**0**	**0**	**122,943**	**122,943**
Dividend paid	0	0	-44,000	-44,000
Change in employee share plans	0	0	93	93
Equity - 31 December 2024	**10,000**	**481,000**	**744,410**	**1,235,410**

Consolidated statement of changes in equity (2023)

	Share capital	Share premium	Reserves	Total equity
Equity - 1 January 2023	**10,000**	**481,000**	**550,390**	**1,041,390**
Unrealised revaluations on investment securities at fair value through other comprehensive income	0	0	26,548	26,548
Macro fair value hedge accounting effect on investment securities at fair value through other comprehensive income transferred to the statement of profit or loss	0	0	-18,749	-18,749
Total amount recognised directly in equity (Other comprehensive income)	**0**	**0**	**7,799**	**7,799**
Net result	0	0	127,086	127,086
Total comprehensive income	**0**	**0**	**134,885**	**134,885**
Dividend paid	0	0	-20,000	-20,000
Change in employee share plans	0	0	99	99
Equity - 31 December 2023	**10,000**	**481,000**	**665,374**	**1,156,374**

Consolidated statement of cash flows

Amounts in thousands of euros, unless stated otherwise

Consolidated statement of cash flows

	notes	2024	2023
Result before tax		152,572	171,310
Adjusted for:			
– amortisation and disposals of intangible assets	7	4,378	8,449
– amortisation of mortgage premium	6	10,670	16,180
– amortisation of investment securities premium	5	5,411	7,097
– modifications	6	-922	-1,018
– net impairment charges on financial instruments		-2,294	-5,025
– fair value change and amortisations on hedged items	6/14	-130,864	-338,330
– fair value change on hedging instruments	21	137,368	352,287
– fair value change on assets held for sale	8	0	7,179
Taxation paid		-39,153	-51,971
Changes in:			
– amounts due to banks	10	200,000	-245,000
– non-trading derivatives	4/27	-95,644	-345,912
– loans	6	-682,638	-683,329
– other assets	9	117,292	-89,285
– customer deposits and other funds on deposit	11	1,026,892	237,109
– net addition to provisions	13	679	2,873
– other liabilities	16	-24,784	-1,857
– change in employee share plans	17	93	99
– increase (decrease) deferred tax	25	-1,124	117
Net cash flow from operating activities		**677,932**	**-959,027**
Investments and advances:			
– investment securities	5	0	-6,499
– intangible assets	7	-1,275	-4,443
Disposals and redemptions:			
– investment securities	5	222,001	158,015
Net cash flow from investing activities		**220,726**	**147,073**
Repayments of subordinated debt	15	-40,000	0
Proceeds from issuance of debt securities	14	0	1,496,807
Repayments of debt securities	14	-994,481	-768,545
Proceeds from other borrowed funds	12	250,000	305,000
Repayments of other borrowed funds	12	-280,000	-318,000
Dividend paid	17	-44,000	-20,000
Net cash flow from financing activities		**-1,108,481**	**695,262**
Net cash flow		**-209,823**	**-116,692**

Interest included in net cash flow from operating activities

	2024	2023
Interest received	1,299,787	1,068,082
Interest paid	-828,339	-537,737
Interest received and paid	**471,448**	**530,345**

Cash and cash equivalents

	2024	2023
Cash and cash equivalents at beginning of the period	2,416,151	2,532,843
Net cash flow	-209,823	-116,692
Cash and cash equivalents at end of the period	**2,206,328**	**2,416,151**

	2024	2023
Cash and balances at central banks	1,975,075	2,155,834
Amounts due from banks	231,253	260,317
Cash and cash equivalents at end of the period	**2,206,328**	**2,416,151**

Notes to the Consolidated annual accounts

Nationale-Nederlanden Bank N.V. (NN Bank) is a public limited liability company (*naamloze vennootschap*) incorporated under Dutch law. NN Bank has its official seat and its office address in The Hague, the Netherlands. NN Bank is recorded in the Commercial Register, no. 52605884. Amounts in the annual accounts are in thousands of euros, unless stated otherwise.

NN Bank's principal activities are providing retail customers with mortgage loans, (online) savings, bank annuities, bancassurance, consumer lending and retail investment products. In addition, NN Bank provides mortgage administration and management services to Nationale-Nederlanden Levensverzekering Maatschappij N.V. (NN Life), Nationale-Nederlanden Schadeverzekering Maatschappij N.V. (NN Non-life), NN Insurance Belgium N.V. (NN Belgium) and other third parties.

1 Accounting policies

NN Bank prepares its Consolidated annual accounts in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU) and Part 9 of Book 2 of the Dutch Civil Code. In the Consolidated annual accounts, the term IFRS-EU is used to refer to these standards, including the decisions NN Bank made with regard to the options available under IFRS-EU. NN Bank applies fair value hedge accounting to portfolio hedges of interest rate risk (macro hedging) under the EU 'carve-out' of IFRS-EU.

NN Bank's accounting policies are fully aligned with IFRS-EU and do not contain other significant accounting policy choices made by NN Bank. The accounting policies that are most material to NN Bank are included in the section 'Material accounting policies and estimates'.

The preparation of the Consolidated annual accounts requires the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of the assets and liabilities and the amounts of the contingent liabilities at the balance sheet date, as well as reported income and expenses for the year. The actual outcome may differ from these estimates.

The presentation of, and certain terms used in, the Consolidated statement of financial position, Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of cash flows, Consolidated statement of changes in equity and the Notes were changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the respective notes, when significant.

Upcoming changes to IFRS-EU

There are no upcoming changes to IFRS-EU that were issued by the International Accounting Standards Board (IASB), that are effective after 2024 and are material to NN Bank.

Changes in accounting policies

Upcoming changes in IFRS-EU that were issued by the IASB but are effective after 2024 and are relevant to NN Bank mainly relate to IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 and responds to investor demand for better information about an entity's financial performance. The standard sets out the general and specific requirements for the presentation of annual accounts and for disclosures in the notes. The IFRS 18 standard is effective for annual periods beginning on or after 1 January 2027. The standard is expected to impact presentation and disclosure requirements for the annual accounts, but will not materially impact our results.

Other changes in IFRS effective in 2024

The following amendments to IFRS became effective in the current reporting period with no significant impact for NN Bank:

- Amendments to IAS 1 'Presentation of Financial Statements': Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements
- Amendments to IAS 16 'Leases': Lease liability in a sale and leaseback

Material accounting policies and estimates

NN Bank has identified the accounting policies that are most material to its business operations and to the understanding of its results. These material accounting policies are those that involve the most complex or subjective judgements and assumptions, and relate to impairments and the determination of the fair value of financial assets and liabilities. In each case, the determination of these items is fundamental to the financial condition and results of operations, and requires management to make complex judgements based on information and financial data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgements as to future events and are subject to change, as the use of different assumptions could produce materially different results. All valuation techniques used are subject to internal review and approval. For further details on the application of these accounting policies, reference is made to the applicable notes in the Consolidated annual accounts and the information below.

Reference is made to Note 39 'Risk management' for a sensitivity analysis of certain assumptions as listed below.

Notes to the Consolidated annual accounts continued

Impairments

IFRS 9 contains multiple impairment models for different portfolios. These are applied to all financial assets measured at amortised cost and at fair value through 'Other comprehensive income' (Equity). The expected-loss impairment model requires at balance sheet date accounting for expected credit losses within the 12 months following the time when financial instruments are first recognised, and recognising full lifetime expected losses in case of a significant increase in credit risk or default (i.e., Stage 3). For further details on the accounting policy pertaining to this estimate, reference is made to 'General accounting policies' under the heading 'Impairment'.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is based on unadjusted quoted market prices at the balance sheet date, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. When an exchange price is not available, market prices may be obtained from independent market vendors, brokers or market-makers. In general, positions are valued taking the bid price for a long position and the offer price for a short position. In some cases, positions are marked at mid-market prices. For further details on the accounting policy pertaining to this estimate, reference is made to 'General accounting policies' under the heading 'Fair value of financial assets and liabilities'.

General accounting policies

Consolidation

NN Bank comprises Nationale-Nederlanden Bank N.V. and all its subsidiaries. The Consolidated annual accounts of NN Bank comprise the accounts of Nationale-Nederlanden Bank N.V. and all entities over which NN Bank has control. NN Bank has control over an entity when NN Bank has existing rights that give it the ability to direct the relevant activities, and is exposed to, or has rights to, variable returns from its involvement with the entity. NN Bank can affect those returns through its power over the entity. The assessment of control is based on the substance of the relationship between NN Bank and the entity, and considers existing and potential voting rights that are substantive. For a right to be substantive, the holder must have the practical ability to exercise that right.

NN Bank's activities involve transactions with structured entities in the normal course of business. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in determining who controls the entity. For example, when any voting rights relate only to administrative tasks and the relevant activities are directed by means of contractual arrangements. NN Bank uses a structured entity for its Covered Bond Programme. In the past, the Bank has used structured entities for residential mortgage securitisation transactions. NN Bank consolidates these entities in its financial statements based on the economic relationship between NN Bank and the structured entities, as NN Bank has the power to control those entities.

For interests in investment entities, the existence of control is determined while taking into account both NN Bank's financial interests for its own risk and in its role of managing mortgage assets.

The net result of the operations and the net assets of subsidiaries are included in the statement of profit or loss and the statement of financial position from the date control commences to the date control ceases. On disposal, the difference between the sales proceeds, net of directly attributable transaction costs and the net assets, is included in 'Net result'.

All intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Where necessary, the accounting policies used by subsidiaries are changed to ensure consistency with NN Bank policies. The reporting dates of subsidiaries are the same as NN Bank's reporting date.

A list of principal subsidiaries is included in Note 34 'Principal subsidiaries'.

Foreign currency translation

Functional and presentation currency

The Consolidated annual accounts are presented in euros, which is NN Bank's functional and presentation currency.

Transactions and balances

NN Bank does not conduct transactions in foreign currencies.

Recognition and derecognition of financial instruments

Financial assets are generally (de)recognised at trade date, which is the date on which NN Bank commits to purchasing or selling the asset. Settlement date accounting is generally applied for financial liabilities. Loans and receivables are recognised at settlement date, which is the date on which NN Bank receives or delivers the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, or when NN Bank has transferred substantially all risks and rewards of ownership. If NN Bank neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognises the financial asset if it no longer has control over the asset.

Realised gains and losses on investments are determined as the difference between the sales proceeds and (amortised) cost. For debt securities, the cost is determined by specific identification, generally First In, First Out (FIFO).

Classification and measurement financial assets

IFRS 9 contains a classification and measurement approach for financial assets that reflect the business model in which assets are managed, as well as their cash flow characteristics. Financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less any impairment losses. Transaction costs (including qualifying fees and commissions) are part of the amortised cost. Subsequent measurement of financial assets depends on the classification, driven by cash flow characteristics and the business model in which an asset is held. The standard contains three principal classification categories for financial assets: measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any impairment losses.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The investment securities portfolio is divided into two sub-portfolios. The objective of the 'hold-to-collect' sub-portfolio is to hold and maintain critical mass in high-quality liquid assets in order to meet liquidity and capital needs. This portfolio is measured at amortised cost. The other sub-portfolio is measured at fair value through 'Other comprehensive income (FVOCI)', since the objectives are both 'hold-to-collect' and selling investment securities.

Financial liabilities are initially recognised at fair value incurred and are subsequently measured at amortised cost. Any difference between the proceeds (transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the financial liability using the effective interest method.

Impairments of financial assets

Measurement of expected credit losses (ECL)

The recognition and measurement of impairments under IFRS 9 is forward-looking. The IFRS 9 impairment requirements apply to all financial assets measured at amortised cost and at fair value through 'Other comprehensive income' (Equity). Initially, a provision is required for credit losses expected within the next 12 months. This is referred to as 'Stage 1'. If there is a significant increase in credit risk between the moment of origination and the reporting date, but the exposure is not in default, the exposure is in 'Stage 2'. If the exposure is in default, this is referred to as 'Stage 3'. For both 'Stage 2' and 'Stage 3', a provision is required for expected credit losses over the remaining lifetime of the financial asset.

The lifetime expected credit losses are calculated based on different macro-economic scenarios (up, neutral, down) with individual weights for the probability that these scenarios will occur. Those weights are influenced by the macro-economic outlook. The economic outlook remains uncertain due to the current geopolitical situation and its impact on financial stability. As a result, the weight of the macro-economic down scenario is set to 40%. The neutral and up scenario are weighted 50% and 10%, respectively.

Inputs into measurement of expected credit losses

NN Bank uses the following components to calculate the expected credit losses:

- Probability of Default (PD): the statistically determined likelihood that a customer will experience a default event over a 12-month horizon. This probability is modelled over a time horizon that encompasses a full economic cycle, i.e., Through-The-Cycle (TTC)
- Exposure at Default (EAD): the expected exposure amount in the case of default
- Loss Given Default (LGD): the percentage of the EAD that is expected to result in a loss, taking into account the potential that the defaulted customer will be able to cure, and the potential proceeds of primary and/or secondary collateral. As with PD, LGD is determined on a TTC basis

In the IFRS 9 model, these components are transformed from TTC for regulatory purposes to Point in Time (PIT) for accounting purposes, in order to present the current state of the economy. TTC PD represents the credit worthiness of a customer in an average economy, while the PIT PD represents the credit worthiness of a customer in the economy at a certain point in time. The further modelling is clarified in the paragraph below.

Definition of default

The Capital Requirements Regulation (CRR) refers to 'default', while IFRS refers to 'credit-impaired', and there are potential differences between these two concepts. In addition, the European Banking Authority (EBA) often refers to 'Non-performing exposures' (NPE). In order to align definitions, NN Bank has implemented these three definitions in exactly the same way. A customer at NN Bank is credit-impaired, non-performing and in default if:

- The customer is more than 90 days past due, or
- The customer was in default the previous month, and the minimum holding period (MHP) is active, or
- The customer is deemed to be unlikely to pay

The Days Past Due (DPD) counter is based upon the EBA's Regulatory Technical Standards on the materiality threshold for credit obligations past due under Article 178 of Regulation (EU) No 575/2013' as well as the EBA Q&A. The DPD counter is based on the number of days between the reporting period and the date the arrears amount breached the threshold.

Notes to the Consolidated annual accounts continued

The conclusion of NN Bank is that DPD is calculated differently for two purposes:

- For the default classification, the Days Past Due counter starts counting when the arrears amount is greater than or equal to EUR 100 and the arrears amount is greater than 1% of the carrying value
- For all other purposes, the Days Past Due counter starts on the first day after any amount that is greater than or equal to EUR 100 has not been paid

The amount past due is calculated on a First In, First Out (FIFO) basis. This means that if a customer misses one payment and continues with regular and full payments of single monthly terms, it is assumed that the last payment is used to catch up on the delinquent amount. The calculation of the amount past due includes missed payments on secondary collateral, such as pledged savings or insurance policies.

The main criterion for lifting the default status will be that no arrears greater than EUR 250 occurred during the MHP. For defaulted customers that are classified as 'distressed restructuring', the MHP is 12 months. For all other defaulted customers, the MHP is 3 months.

Write-offs

A loan or part of the loan is written off when the Problem Loans department assesses that recovery is highly improbable. As a result of the write-off, the loan or part of the loan is derecognised, and the provision is released. The claim on the customer continues to exist after the write-off. Based on the customer's situation, an agreement is made to repay the residual debt. Any inflows on the residual debt are reported as recoveries.

Purchased or Originated Credit-Impaired (POCI) assets

POCI assets are financial assets that are credit-impaired on initial recognition and stem from mortgage portfolio transfers from ING Bank. Impairment on a POCI asset is determined based on lifetime 'expected credit loss' (ECL) from initial recognition. POCI assets are recognised initially at an amount net of impairments and are measured at amortised cost using a credit-adjusted effective interest rate. In subsequent periods, any changes to the estimated lifetime ECL are recognised in the statement of profit or loss. Favourable changes are recognised as an impairment gain if the lifetime ECL at the reporting date is lower than the estimated lifetime ECL at acquisition of the asset.

Credit risk grades

The PD model for mortgages consists of two sub-models, a model for customers without payment arrears and a model for delinquent customers. All PDs are mapped to a Master Rating Scale.

Determination significant increase of credit risk

For IFRS 9, a lifetime expected loss needs to be calculated for Stage 2 and 3 loans. Credit-impaired loans are placed in Stage 3. A loan will be placed in Stage 2 if a Significant Increase in Credit Risk (SICR) has been observed. A threshold is set for this significant increase. To determine whether a significant increase in credit risk has occurred, two lifetime PDs are calculated:

- Lifetime PD at reporting date
- Lifetime PD determined at initial recognition with a horizon from reporting date to maturity date

For these lifetime PDs, a relative threshold of 50% and an absolute threshold of 5% are determined. Both the absolute and relative differences are monitored. When both thresholds are breached, the loan is placed in Stage 2.

In addition, the following backstops exist:

- Loans that are >30 days past due, or
- Forborne performing customers, or
- Bridge loans that are active for longer than the contractually agreed time (>2 years), or
- Loans that have an interest-only portion above 70% and have either:
  - an LTV above 100%, or
  - an LTV above 80% and the loan is within five years from maturity or the borrower is within five years of retirement

Mortgage offers are assumed to always have a low credit risk profile, without the possibility to experience a significant increase in credit risk. Therefore, only a 12-month ECL is calculated for mortgage offers.

Term structure of default probabilities

An important methodological component is the determination of the lifetime PD. For the mortgage portfolio, NN Bank uses migration matrices to create PD forecasts. Migration matrices are matrices that show migration probabilities. At NN Bank, migration matrices are constructed based on the rating changes in a 12-month period. These 12-month migration matrices are referred to as 'PIT migration matrices'. Using historical rating observations of customers, NN Bank is able to create a time series of historical Point in Time (PIT) migration matrices.

NN Bank links historically observed migration matrices to macro-economic factors. Subsequently, NN Bank forecasts the development of macro-economic factors. Thereafter, using the historically observed relationship between the macro-economic factors and migration matrices, and the forecasted macro-economic factors, NN Bank can forecast migration matrices. The first forecasted migration matrix contains the forecasted 12-month PDs. By multiplying consecutive migration matrices, lifetime PD estimates are obtained. Finally, the forecasted migration matrices can be used to calculate marginal PD forecasts. These marginal PDs are the PDs that serve as input in the IFRS 9 mortgage ECL model.

Notes to the Consolidated annual accounts continued

Forward-looking information

IFRS 9-adjusted input parameters are estimated over the remaining lifetime of the asset. A macro-economic forecast is used to estimate the future development of PD and LGD. The following macro-economic time series are taken into consideration:

- Unemployment rate (PD model of mortgages as well as consumer lending)
- Gross Domestic Product (LGD model of consumer lending)
- Housing price index (LGD model of mortgages)

Unemployment rate

The unemployment rate is defined as the unemployed labour force as a percentage of the total labour force. NN Bank has chosen to follow Statistics Netherlands (Centraal Bureau voor de Statistiek, [CBS]) figures. The unemployed labour force refers to persons without work who are actively searching for paid work and who are directly available to work. The labour force refers to persons willing to work at least twelve hours per week, and requires availability for the labour market within a period of three months.

Gross domestic product

Gross domestic product (GDP) expresses the size of an economy. The volume change of GDP during a reference period expresses the growth or shrinkage of the economy. NN Bank has chosen to follow the expenditure approach of GDP, as this definition is also used in the forecasts of, amongst others, CPB and DNB. In the expenditure approach, GDP is the sum of final uses of goods and services by resident institutional units (final consumption and gross capital formation), plus exports and minus imports of goods and services. The GDP growth refers to the relative change of GDP compared with the year before.

Housing prices

Calculation of the housing price index is based on the housing price index of existing homes. The housing price index of existing homes is based on the Kadaster (the Dutch land registry)'s registration of sales of homes in the Netherlands. The housing price index is corrected for various characteristics of the homes, such as size and location.

Consumer lending

NN Bank's consumer lending consists of second mortgages in which another financial institution holds the first charge. In the event of a forced sale, the owner of the first charge needs to be fully compensated first. Only mortgages with low Loan-To-Value ratios result in a (partial) compensation for the owner of the second mortgage. That is why the credit risk for these loans is comparable with loans without a cover (Instalment Loans and Revolving Loans) or lower as a result of the increasing house prices. Most second mortgages are interest-only loans; they do not have a maturity date.

The set of macro-economic factors used to calculate future PDs and LGDs is limited for consumer lending. Unemployment rate has been used to project PDs, and GDP has been used to project LGDs. The relationship between the macro-economic factors and PD and LGD has been estimated on the basis of historical correlations in combination with expert opinion. Rather than using migration matrices, the future values are derived on a marginal basis (e.g., PD curve).

Non-retail book

NN Bank applies a simple approach to calculate the ECL for its investments in bonds, securitisations and other similar publicly traded securities. In determining the level of sophistication of the selected approach, we considered entity factors (including credit quality, size, business model, complexity, cross-border activity, use of SA or IRB approach in regulatory reporting) and portfolio factors (including complexity, materiality and available data). Given these factors, we concluded that it is appropriate to use a simple approach to calculate ECLs for non-retail assets.

Following the investment mandate regarding Investment securities, only investment-grade assets are held in the non-retail portfolio. The assets in the non-retail portfolio always have a low credit risk, as a significant increase in credit risk would place these securities outside the investment mandate and are to be divested. Therefore, only a 12-month ECL is calculated for assets in the non-retail portfolio.

Loan loss provisions do not apply to derivatives. The rationale is that all interest rate swaps are cleared through a Qualified Central Clearing Party, through two separate clearing brokers. Over-collateralisation is taken into account, leading to a situation in which initial margins posted are no longer considered to be exposure. In addition, the total credit risk exposure has regulatory risk weight of 2% in regulatory reporting. Hence, the risk on this exposure is deemed to be very low.

Private banking portfolio

The private banking portfolio from the former Delta Lloyd Bank is a run-off portfolio with a small number of loans and marginal exposure. The calculation of lifetime expected losses is based on the same approach as regular mortgages.

Revenue from contracts with customers

NN Bank originates and services mortgage loan portfolios for other NN Group companies and third-party investors and services investment portfolios for retail customers. In addition, NN Bank provides bancassurance services where we act as broker for NN Non-life retail insurance products in the direct channel. In this capacity, NN Bank is active in servicing and retaining retail customers and in the acquisition of new customers. Revenue from contracts with customers is recognised when services are transferred to the customer at an amount that reflects the consideration NN Bank expects to be entitled in exchange for those services.

Revenue related to servicing mortgage loan, investment and bancassurance portfolios is recognised over time, since customers simultaneously receive and consume the benefits provided by NN Bank's performance of the services. The revenue of the services is a variable consideration, since the remuneration fluctuates based on the number of mortgages or investments serviced over a specified period. At the end of this period, when the invoice is issued, it is highly probable that any significant revenue reversal would not occur. The servicing fees are recognised as revenue at the end of the period and presented in the line item 'Service management fee' under 'Net fee and commission income'.

Revenue related to origination of mortgage loans is recognised as soon as the origination of mortgage loans has been completed. Revenue related to the acquisition of new customers as part of bancassurance is recognised at a point in time as soon as the acquisition has been completed. The criteria for over-time recognition are not met. The origination fees and fees for acquisition of new customers are presented in the line item 'Brokerage and advisory fees' under 'Net fee and commission income'.

In certain contracts, NN Bank is allocating the agreed transaction price to origination and servicing as performance obligations. In line with the Bank's allocation objectives, subsequent changes in the transaction price following behaviour in the underlying portfolio are assigned to servicing fees and recognised as 'Service management fee' or as a reduction of this fee.

Certain contracts regarding origination of mortgages contain a significant financing component, since the payment of the origination fee is done over the lifetime of mortgages, even though the performance obligation is satisfied at a point in time. The fee is split into a consideration for the origination service and a consideration for the financing service. In the statement of profit or loss, the fee for the financing service is presented under 'Interest income on loans' in Note 18 'Net interest income'.

Partial transfer of mortgage loans

NN Bank and related parties are involved in the issuance of savings mortgages. Initially, one party recognises the full savings mortgage loan. The customer saves the total amount to redeem the savings mortgage at maturity date at the other party. If the savings amount increases, consequently, the share of ownership of the savings mortgage by the other party increases. NN Bank has arrangements to transfer savings mortgage parts when mortgages are sold, leading to the situation that mortgage and savings are at different parties. In certain arrangements, NN Bank receives the mortgage parts. In other arrangements, NN Bank transfers the mortgage parts. Transferred mortgage parts are recognised and derecognised at their nominal value. Following these arrangements, the changes are added or deducted from the amount of 'Loans'.

For the former Delta Lloyd Bank portfolio, these objectives are realised through sub-participation agreements. The mechanism is the same as described above, but the ownership is not transferred. NN Bank has a receivable when there are arrangements to transfer mortgage parts in an intercompany account, or NN Bank has a payable that represents the claim on related parties at the level of built-up savings premiums for the former Delta Lloyd Bank portfolio.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities with the same party are offset, and the net amount is reported in the statement of financial position, when NN Bank has a current, legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to realise the asset and settle the liability at the same time.

Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are based on unadjusted quoted market prices at the balance sheet date, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. The quoted market price used for financial assets held by NN Bank is the current bid price. The quoted market price used for financial liabilities is the current offer price. When an exchange price is not available, market prices may be obtained from external market vendors, brokers or market-makers. In general, positions are valued taking the bid price for a long position and the offer price for a short position. In some cases, positions are marked at mid-market prices. When markets are less liquid, there may be a range of prices for the same security from different price sources. Selecting the most appropriate price requires judgement and could result in different estimates of the fair value.

For certain financial assets and liabilities, quoted market prices are not available. For these financial assets and liabilities, fair value is determined using valuation techniques, based on market conditions existing at each balance sheet date. These valuation techniques range from discounting of cash flows to valuation models, where relevant pricing factors including the market price of underlying reference instruments, market parameters (volatilities, correlations and credit ratings) and customer behaviour are taken into account.

Valuation techniques are subjective in nature, and significant judgement is involved in establishing the fair value for certain financial assets and liabilities. Valuation techniques involve various assumptions regarding pricing factors. The use of different valuation techniques and assumptions could produce significantly different estimates of the fair value.

Reference is made to Note 26 'Fair value of financial assets and liabilities' for the basis of determination of the fair value of financial assets and liabilities.

Maximum credit risk exposure

The maximum credit risk exposure for items in the statement of financial position is generally the carrying value, not considering any impairments or loan loss provisions, for the relevant financial assets. For the off-balance-sheet items, the maximum credit exposure is the maximum amount that could be required to be paid. Reference is made to Note 32 'Contingent liabilities and commitments' for these off-balance-sheet items. Collateral received is not taken into account when determining the maximum credit risk exposure. As a large part of the loans on NN Bank's statement of financial position consists of loans secured by mortgages, the actual credit exposure is significantly lower. The manner in which NN Bank manages credit risk and determines credit risk exposures is explained in Note 39 'Risk management'.

Leases

The accounting model for lessees is not applicable, since NN Bank has no significant contracts with group companies and external parties that qualify for lease accounting.

Taxation

NN Bank is part of the Dutch fiscal unity of NN Group for corporation tax purposes, making it jointly and severally liable for the total tax payable by the fiscal unity. The tax receivables and payables concern the receivables and payables to NN Group.

Income tax on the result for the year consists of current and deferred tax. Income tax is generally recognised in the statement of profit or loss but is recognised directly in equity if the tax relates to items that are recognised directly in equity.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the statement of financial position. Deferred tax is determined using tax rates (and laws) applicable that have been enacted or substantively enacted at the balance sheet date, and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognised when it is probable that future taxable profits will be available, against which the temporary deductible differences or tax losses can be used. Deferred tax is provided on temporary differences arising from investments in subsidiaries, except when the timing of the reversal of the temporary difference is controlled by NN Bank and it is probable that the difference will not reverse in the foreseeable future. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be used.

Offsetting deferred tax assets with deferred tax liabilities is allowed when there is a legally enforceable right to offset current tax assets against current tax liabilities together with the intention to do so and the deferred taxes relate to income taxes levied by the same taxation authority on the same entity or on the same fiscal unity.

Employee benefits

Defined contribution pension plans

For defined contribution plans, NN Bank pays contributions to the NN CDC Pensioenfonds and BeFrank on a contractual basis. NN Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as staff expenses in the statement of profit or loss when they are due.

Share-based payments

Share-based payment expenses are recognised as staff expenses over the vesting period. A corresponding increase in equity is recognised for equity-settled share-based payment transactions. The fair value of equity-settled share-based payment transactions is measured at the grant date. For cash-settled share-based payment transactions, a liability is recognised at fair value. This fair value is remeasured at every balance sheet date.

Interest income and expenses

Interest income and expenses are recognised in the statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability, and of allocating the interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying value of the financial asset or financial liability. When calculating the effective interest rate, NN Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options), but does not consider future credit losses. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. In the event of a change in the interest rate during the fixed interest period (interest mediation), the gross carrying amount is adjusted, reflecting a revised estimate of receipts of cash flows in the original effective interest calculation including a receivable based on the estimated future penalty cash flows.

Once a financial asset, or a group of similar financial assets, has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income and expenses from non-trading derivatives are classified as interest income and interest expenses in the statement of profit or loss, except for interest income and expenses on derivatives for which no hedge accounting is applied. The latter is classified in ‘Valuation results on non-trading derivatives’, together with the changes in the (clean) fair value of these derivatives.

Statement of cash flows

The Consolidated statement of cash flows is prepared in accordance with the indirect method, classifying cash flows as cash flows from operating, investing and financing activities. In the net cash flow from operating activities, the result before tax is adjusted for those items in the statement of profit or loss, and changes in items in the statement of financial position, which do not result in actual cash flows during the year.

Cash and cash equivalents comprise deposits at (central) banks on demand and investment securities with less than three months’ maturity from the date of acquisition. Investments qualify as ‘cash equivalent’ if they are readily convertible into a known amount of cash and are not subject to significant risk of changes in value.

The net cash flow shown in respect of ‘Loans’ relates only to transactions involving actual payments or receipts. The ‘Addition to loan loss provisions’, which is deducted from the item ‘Loans’ in the statement of financial position, has been adjusted accordingly from the ‘Result before tax’ and is shown separately in the statement of cash flows.

Notes to the Consolidated annual accounts continued

Accounting policies for specific items

Financial assets and liabilities at fair value through profit or loss (Notes 4 and 12)

A financial asset or liability is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or if designated by management as such. Management will make this designation only if this eliminates a measurement inconsistency or if the related assets and liabilities are managed on a fair-value basis. Transaction costs on initial recognition are expensed as incurred. Interest income from debt securities and receivables classified as at fair value through profit or loss is recognised in the statement of profit or loss using the effective interest method.

Derivatives and hedge accounting

Derivatives are initially recognised and subsequently measured at fair value. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. In general, NN Bank designates certain derivatives as hedges of the fair value of recognised assets or liabilities or firm commitments. NN Bank applies this fair value hedge accounting, whereby the movement in measurement of derivatives is offset by the movement in measurement of the hedged item in statement of profit or loss. NN Bank has designated derivatives as fair value hedge accounting on the interest rate risk inherent in its mortgage portfolio and High-Quality Liquid Assets (macro hedge), as well as on the interest rate risk related to debt securities issued (micro hedge). Hedge accounting is used for derivatives designated in this way, provided certain criteria are met.

At the inception of the hedge transaction, NN Bank documents the relationship between hedging instruments and hedged items, its risk management objectives, together with the methods selected to assess hedge effectiveness. In addition, NN Bank documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of the hedged items. NN Bank applies fair value hedge accounting to portfolio hedges of interest rate risk (macro hedging) under the EU ‘carve-out’ of IFRS-EU. The EU ‘carve-out’ macro hedging enables a group of derivatives (or proportions) to be viewed in combination and jointly designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging deposits and under-hedging strategies. Under the IFRS-EU ‘carve-out’, hedge accounting may be applied to deposits, and ineffectiveness only arises when the revised estimate of the amount of cash flows in scheduled time buckets falls below the designated amount of that bucket. In further Notes, macro fair value hedge accounting is referred to as ‘Fair value hedge accounting’.

IFRS 9 and hedge accounting

The IFRS 9 hedge accounting requirements aim to simplify hedge accounting. As these simplifications currently exclude macro hedge accounting under the EU ‘carve-out’ of IFRS-EU, the impact on NN Bank is limited. NN Bank has chosen to continue applying IAS 39 for macro fair value hedge accounting.

Fair value hedge accounting

Changes in the fair value of derivatives that are designated and qualify as fair value hedge accounting are recognised in the statement of profit or loss, together with fair value adjustments to the hedged item attributable to the hedged risk. If the hedge relationship no longer meets the criteria for hedge accounting, the cumulative adjustment of the hedged item is, in the case of interest-bearing instruments, amortised through the statement of profit or loss over the remaining term of the original hedge, or recognised directly when the hedged item is derecognised.

Reference is made to Note 26 ‘Fair value of financial assets and liabilities’ for the basis of determination of the fair value of derivatives.

Loans (Note 6)

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs. Subsequently, loans are carried at amortised cost using the effective interest method less any impairment losses. Interest income from loans is recognised in ‘Net interest income’ in the statement of profit or loss using the effective interest method. When a change of interest tenor prior to the end of the current interest period occurs (interest rate averaging), a receivable under ‘Loans’ is accrued and is based on the change in net present value of the contract.

Intangible assets (Note 7)

Intangible assets consist mainly of computer software that has been purchased or generated internally for own use, and is stated at cost less amortisation and any impairment losses. Amortisation is calculated on a straight-line basis over its useful life. This period will generally not exceed five years. Amortisation is included in ‘Other operating expenses’.

At each reporting period, NN Bank assesses whether there is an indication that an intangible asset may be impaired. Irrespective of whether there is an indication of impairment, intangible assets with an indefinite useful life and intangible assets not yet available for use are tested annually for impairment. This is done by comparing the carrying value with the best estimate of the recoverable amount of the individual intangible asset. Impairment, if applicable, is included in the statement of profit or loss under ‘Other operating expenses’.

Assets held for sale (note 8)

Assets are classified as ‘held for sale’ if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is only the case when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which is expected to occur within one year from the date of classification as ‘held for sale’.

Upon classification as ‘held for sale’, the carrying amount of the assets is compared to their fair value less cost to sell. If the fair value less cost to sell is lower than the carrying value, this expected loss is recognised through a reduction of the carrying value of any goodwill related to the disposal group or the carrying value of certain

Notes to the Consolidated annual accounts continued

other, non-current, non-financial assets to the extent that the carrying value of those assets exceeds their fair value. Any excess of the expected loss over the reduction of the carrying amount of these relevant assets is not recognised upon classification as 'held for sale', but is recognised as part of the result on disposal if and when a divestment transaction occurs.

Classification into or out of 'held for sale' does not result in a restating of comparative amounts in the balance sheet.

Other assets (Note 9)

Other assets include among others a receivable for origination fees, which is a non-current asset and relates to origination fees to be received following a long-term contract. Its measurement is based on a discounted cash flow calculation.

Customer deposits and other funds on deposit (Note 11)

Customer deposits and other funds on deposit are non-derivative financial liabilities that are not quoted in an active market. They are carried at amortised cost using the effective interest method. Interest expenses on customer deposits and other funds on deposit are recognised in 'Interest expenses' in the statement of profit or loss using the effective interest method.

Other borrowed funds, debt securities issued and subordinated debt (Notes 12, 14 and 15)

Other borrowed funds, debt securities issued and subordinated debt are recognised initially at their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the statement of profit or loss over the period of the borrowings, using the effective interest method.

Financial liabilities include only instruments of which the terms and conditions represent a contractual obligation to pay interest and/or principal. Instruments that are similar in substance, but of which the terms and conditions do not include a contractual obligation to pay interest and principal, are classified as equity.

Provisions (Note 13)

Provisions consist of restructuring provisions and other provisions. Restructuring provisions include employee termination benefits when NN Bank is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Provisions are discounted when the effect of the time value of money is significant, using a before-tax discount rate. The determination of provisions is an inherently uncertain process involving estimates regarding amounts and timing of cash flows.

Net fee and commission income (Note 20)

Fees and commissions are generally recognised as the service is provided. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts when the service is provided.

Notes to the Consolidated annual accounts continued

2 Cash and balances at central banks

Cash and balances at central banks

	2024	2023
Amounts held at central banks	1,975,075	2,155,834
Cash and balances at central banks	**1,975,075**	**2,155,834**

'Amounts held at central banks' reflects the demand balances. 'Amounts held at central banks' includes a mandatory reserve deposit of EUR 76.6 million (2023: EUR 78.6 million), which is not freely disposable to NN Bank. Reference is made to Note 30 'Assets not freely disposable'. The remainder of 'Amounts held at central banks' is at NN Bank's free disposal.

3 Amounts due from banks

Amounts due from banks

	2024	2023
Bank balances	1,454	17,947
Collateral posted	229,799	242,370
Amounts due from banks	**231,253**	**260,317**

'Bank balances' comprises current accounts and accrued interest with banks.

'Collateral posted' concerns posted collateral regarding centrally cleared swaps. The decrease in 'Collateral posted' from EUR 242.4 million to EUR 229.8 million is caused by lower initial margin requirements by the central clearing party, despite slightly increased net swap positions. 'Collateral posted' is not freely disposable.

4 Financial assets and liabilities at fair value through profit or loss

Non-trading derivatives

	2024	2023
Derivatives held for fair value hedge accounting	-2,626	39,098
Non-trading derivatives	**-2,626**	**39,098**

For further clarification on 'Derivatives held for fair value hedge accounting', reference is made to Note 27 'Derivatives and hedge accounting'.

5 Investment securities

Investment securities by type 31 December 2024

	AC[1]	FVOCI[2]	2024
Government bonds[3]	0	196,553	196,553
Covered bonds	0	482,903	482,903
Corporate bonds	0	12,311	12,311
Asset backed securities	7,618	0	7,618
Investment securities - before loss provisions	**7,618**	**691,767**	**699,385**
Investment securities loss provisions	0	-35	-35
Investment securities - after loss provisions	**7,618**	**691,732**	**699,350**

1. AC = Amortised Cost.
2. FVOCI = Fair Value through Other Comprehensive Income.
3. 'Government bonds' includes supranational and government bonds from European Union member states and Great Britain.

Investment securities by type 31 December 2023

	AC[1]	FVOCI[2]	2023
Government bonds[3]	52,699	191,218	243,917
Covered bonds	0	636,982	636,982
Corporate bonds	0	12,363	12,363
Asset backed securities	7,616	0	7,616
Investment securities - before loss provisions	**60,314**	**840,563**	**900,877**
Investment securities loss provisions	-11	-39	-50
Investment securities - after loss provisions	**60,304**	**840,523**	**900,827**

1. AC = Amortised Cost.
2. FVOCI = Fair Value through Other Comprehensive Income.
3. 'Government bonds' includes supranational and government bonds from European Union member states and Great Britain.

Changes in investment securities

	2024	2023
Investment securities – opening balance	900,877	1,023,712
Additions	0	6,499
Amortisation	-5,411	-7,097
Changes in unrealised revaluations	25,921	35,778
Disposals and redemptions	-222,002	-158,015
Investment securities – closing balance	**699,385**	**900,877**

There were only sales from the FVOCI portfolio, and the sales did not have an impact on the business model classification.

Notes to the Consolidated annual accounts continued

In 2024, unrealised gains on investment securities amounted to EUR 25.9 million (after tax: EUR 19.2 million). An amount of EUR 12.8 million (after tax EUR 9.5 million) of these unrealised gains is hedged by macro fair value hedge accounting. Reference is made to the Statement of comprehensive income.

6 Loans

Loans by type

	2024	2023
Loans secured by mortgages, guaranteed by public authorities	5,995,200	5,757,304
Loans secured by mortgages	16,867,822	16,442,867
Loans secured by mortgages, hedged items	-768,443	-980,873
Consumer lending	8,688	12,220
Group companies	305,695	290,919
Loans – before loan loss provisions	**22,408,962**	**21,522,437**
Loan loss provisions	-2,205	-3,280
Loans	**22,406,757**	**21,519,157**

'Loans secured by mortgages' includes Purchased or Originated Credit-Impaired loans.

'Group companies' relates to a receivable, following arrangements to transfer mortgage parts in a current account for the former Delta Lloyd Bank portfolio.

Loans by stage 31 December 2024

	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit-Impaired	No allocated stage	2024
Loans - before loan loss provisions	22,138,000	873,684	104,666	27,832	-735,220	22,408,962
Loan loss provisions	-226	-660	-1,267	-52	0	-2,205
Loans - after loan loss provisions	**22,137,774**	**873,024**	**103,399**	**27,780**	**-735,220**	**22,406,757**

'No allocated stage' relates mainly to mortgage premium and fair value changes of hedged items.

Loans by stage 31 December 2023

	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit-Impaired	No allocated stage	2023
Loans - before loan loss provisions	21,410,242	959,106	92,106	26,871	-965,888	21,522,437
Loan loss provisions	-336	-1,954	-932	-58	0	-3,280
Loans - after loan loss provisions	**21,409,906**	**957,152**	**91,174**	**26,813**	**-965,888**	**21,519,157**

No individual loan has terms and conditions that significantly affect the amount, timing or certainty of the Consolidated cash flows of NN Bank. For additional details, see Note 39 'Risk management'.

Reference is made to Note 26 'Fair value of financial assets and liabilities', for disclosure by fair value hierarchy and Note 39 'Risk management' for NN Bank's credit risk exposure and on significant credit risk exposures.

Notes to the Consolidated annual accounts continued

Changes in loans by stage

	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit-Impaired	No allocated stage	2024	2023
Loans – opening balance	21,410,242	959,106	92,106	26,871	-965,888	21,522,437	20,313,715
Mortgage portfolio transfer	380,086	26,295	3,813	1,707	0	411,901	51,641
Partial transfer of mortgage loans	8,033	1,037	-192	0	0	8,878	62,187
Origination	2,335,003	42,367	4,429	0	0	2,381,799	2,765,644
Premium new mortgages	0	0	0	0	2,172	2,172	-2,479
Amortisation mortgage premium	0	0	0	80	-10,750	-10,670	-16,180
Fair value change hedged items	0	0	0	0	212,430	212,430	542,340
Other changes[1]	-47,807	35,752	9,240	-3	25,894	23,076	-70,557
Modifications[2]	0	0	0	0	922	922	1,018
Redemptions	-1,975,176	-137,432	-30,552	-823	0	-2,143,983	-2,066,708
Reclassifications to assets held for sale	0	0	0	0	0	0	-58,186
Transfers to[3]:							
– Stage 1	0	-459,203	-1,595	0	0	-460,798	-121,414
– Stage 2	-411,138	0	-14,484	0	0	-425,622	-663,038
– Stage 3	-22,041	-19,860	0	0	0	-41,901	-34,277
Transfers from[3]:							
– Stage 1	0	411,138	22,041	0	0	433,179	657,952
– Stage 2	459,203	0	19,860	0	0	479,063	136,525
– Stage 3	1,595	14,484	0	0	0	16,079	24,254
Loans – closing balance	**22,138,000**	**873,684**	**104,666**	**27,832**	**-735,220**	**22,408,962**	**21,522,437**

1. 'Other changes' mainly reflects the differences that result from 'Transfers to/Transfers from', which are based on year-to-date (YtD) and other movements based on month-to-date (MtD). The transfers are based on the YtD methodology to avoid double-counting movements where a loan can change stages multiple times a year. Additionally, it reflects changes in the drawn amounts of the construction deposits, and changes in 'Other loans'.
2. 'Modifications' relates to the impact of the modification of the outstanding mortgage loans as a result of the amended interest rate pricing system for NN and former Delta Lloyd mortgage portfolios.
3. 'Transfers to' shows the outflow from the stage in the column to the stage stated on row level. 'Transfers from' shows the inflow from stage on row level to the stage in the column. Differences between 'Transfers to' and 'Transfers from' arise due to changes in balance amount between the moment of outflow and inflow.

Up to and until 2024, NN Bank had a mortgage purchase program with ING Bank. In 2024, the mortgage portfolio transfer from ING Bank amounted to EUR 412 million and is presented under 'Mortgage portfolio transfer'. The increase is higher than last year due to the one-off acquisition of the remaining portfolio in September 2024, which finalised the purchase program with ING Bank.

The percentage of the total loans to customers in Stage 3 slightly increased by EUR 13 million to EUR 105 million (0.5% of total outstanding) compared to 2023, due to a slight increase in customers with delinquencies > 90 days. As for Stage 2, we observe a decrease of EUR 85 million to EUR 874 million (3.9% of total outstanding) due to a slight decrease in customers with delinquencies ≤ 90 days.

The movement of 'Fair value change hedged items' is due to increasing interest rate curves. Reference is made to Note 21 'Valuation results on non-trading derivatives' and Note 27 'Derivatives and hedge accounting'.

Purchased or Originated Credit-Impaired loans (POCI)

	2024	2023
POCI - opening balance	26,871	29,025
Mortgage portfolio transfer	1,707	0
Amortisation value adjustment	80	76
Redemptions	-823	-2,240
Unfavourable changes in credit quality	-33	-30
Favourable changes in credit quality	30	40
POCI - closing balance	**27,832**	**26,871**

Purchased or Originated Credit-Impaired (POCI) loans are purchased from ING Bank and recognised initially at an amount net of impairments. They are measured at amortised cost using a credit-adjusted effective interest rate. In subsequent periods, any deteriorating changes to the estimated lifetime ECL are recognised in the statement of profit or loss.

Notes to the Consolidated annual accounts continued

Loan loss provisions by type

	2024	2023
Loans secured by mortgages	1,928	2,957
Consumer lending	277	323
Loan loss provisions by type	**2,205**	**3,280**

For loan loss provisions on ‘Consumer lending’ reference is made to Note 8 ‘Assets held for sale’.

In 2024, the loan loss provisions decreased by EUR 1.1 million to EUR 2.2 million. For mortgages, the provision decreased by EUR 1.0 million due to the release in the management overlay related to rising interest rates and high inflation. The management overlay was released, as interest rates and inflation decreased in combination with increasing wages. The release in provision was partly offset by a housing price decrease between the third quarter of 2023 and the third quarter of 2024[1] (11.1%[2]). For consumer loans, the provision decreased by EUR 46 thousand to EUR 0.3 million due to a decrease in the size of the portfolio.

Macro-economic scenarios
The assumptions on future macro-economic variables such as GDP, unemployment and housing prices are used as input in the calculation of the expected credit losses under IFRS 9, where it is required to use forward-looking information. Various institutions published adjusted economic outlooks and scenarios. We have taken the most recent scenarios published by the CPB, DNB and other institutions into account. The economic outlook remains uncertain due to the current geopolitical situation and its impact on financial stability.

As a result, the weights of the macro-economic scenarios remain higher for the downturn scenario of 40%. The scenario weights are assigned as follows: neutral scenario 50%, upside 10%, downside 40%. These assumptions will be continuously assessed and adjusted, if necessary, based on the further developments of the geopolitical situation and other macroeconomic developments. To provide an indication of the expected credit losses’ sensitivity to the macro-economic environment, the table also shows the impact on mortgages and consumer lending ECL of applying a 100% weighting to each scenario.

In 2024, the Dutch economy showed modest growth, with unemployment rates remaining low. The trend of rising house prices, which started in the second half of 2023, continued throughout 2024. House prices are now substantially higher than the most recent peak in mid-2022. In the neutral scenario, we expect the economy to grow by 1% in 2025. In later years, we expect growth to remain low. The unemployment rate is expected to be 4% in 2025 in the neutral scenario and is expected to remain relatively low. In this scenario, we expect housing prices to increase by 5% in 2025.

To provide an indication of the expected credit losses’ sensitivity to the macro-economic environment, the column ‘Unweighted ECL’ shows the impact on mortgages and consumer lending ECL of applying a 100% weighting to each scenario. The expected credit losses are relatively insensitive, because the mortgage portfolio is well-collateralised with an average LTV of 54%.

Scenario / Weighting	Macro-economic variable	2025	2026	2027	Long-Term Rate	Unweighted ECL	Weighted ECL
	Unemployment	3.2%	2.3%	3.2%			
Up / 10%	Housing Price index growth	15.0%	22.6%	12.5%		2,129	
	GDP growth	1.7%	4.4%	3.2%			
	Unemployment	4.0%	4.1%	4.1%	4.1%		
Neutral / 50%	Housing Price index growth	5.0%	2.4%	2.4%	2.4%	2,179	2,205
	GDP growth	1.0%	2.0%	2.0%	2.0%		
	Unemployment	4.5%	5.5%	4.8%			
Down / 40%	Housing Price index growth	5.0%	-2.2%	0.1%		2,255	
	GDP growth	-1.9%	-6.2%	-2.1%			

[1] Fourth quarter figures were unavailable per year-end 2024.

[2] Based on CBS

Notes to the Consolidated annual accounts continued

Changes in loan loss provisions by stage – Loans secured by mortgages

	Stage 1 12-month ECL non-credit impaired	Stage 2 Lifetime ECL non-credit impaired	Stage 3 Lifetime ECL credit impaired	Purchased or Originated Credit-Impaired	2024	2023
Loan loss provisions – opening balance	185	1,796	918	58	2,957	5,439
Addition (release from) to the loan loss provisions	1	-1,141	-209	-6	-1,355	-1,225
Changes in models and methodologies	0	0	0	0	0	-1,517
Transfers to[1]:						
– Stage 1	0	-301	-3		-304	-215
– Stage 2	-6	0	-106		-112	-310
– Stage 3	-1	-43	0		-44	-53
Transfers from[1]:						
– Stage 1	0	271	276		547	602
– Stage 2	5	0	219		224	213
– Stage 3	0	15	0		15	23
Loan loss provisions – closing balance	**184**	**597**	**1,095**	**52**	**1,928**	**2,957**
Write-offs	0	0	1,005	0	1,005	293
Recoveries	0	0	-941	0	-941	-979

1. ‘Transfers to’ shows the outflow from the stage in the column to the stage stated on row level. ‘Transfers from’ shows the inflow from stage on row level to the stage in the column. Differences between ‘Transfers to’ and ‘Transfers from’ arise because the provision changes as a result of the change in stage.

Changes in loan loss provisions by stage – Consumer lending

	Stage 1 12-month ECL non-credit impaired	Stage 2 Lifetime ECL non-credit impaired	Stage 3 Lifetime ECL credit impaired	2024	2023
Loan loss provisions – opening balance	151	158	14	323	4,642
Addition (release from) to the loan loss provisions	-107	-133	147	-93	-3,989
Transfers to[1]:					
– Stage 1	0	-15	0	-15	-567
– Stage 2	-2	0	0	-2	-288
– Stage 3	0	0	0	0	-27
Transfers from[1]:					
– Stage 1	0	53	11	64	413
– Stage 2	0	0	0	0	92
– Stage 3	0	0	0	0	47
Loan loss provisions – closing balance	**42**	**63**	**172**	**277**	**323**
Write-offs	0	0	-261	-261	1,196
Recoveries	0	0	-826	-826	-1,993

1. ‘Transfers to’ shows the outflow from the stage in the column to the stage stated on row level. ‘Transfers from’ shows the inflow from stage on row level to the stage in the column. Differences between ‘Transfers to’ and ‘Transfers from’ arise because the provision changes as a result of the change in stage.

Write-offs minus reversals were EUR -1.0 million, of which EUR 0.1 million was for mortgages. Write-offs were low, as the portfolio is well-collateralised and unemployment remains low. In addition, the write-offs were negative (EUR -1.1 million) for the consumer loan portfolio due to administrative corrections.

Change in comparative figures

In 2024, the presentation of the Note 6 ‘Loans’ and Note 9 ‘Other assets’ are adjusted in order to provide relevant information and better align with current period presentation. The adjustments relate to incorrect accounting of mover loans. These updates have no impact on ‘Shareholders’ equity’ or ‘Net result’ over any year and are therefore assessed as a non-material omission of the 2023 annual accounts. The impact of these updates on the balance sheet line items are stated below:

Effect on balance sheet as at 31 December 2023	2023 before restatement	Restatement	2023 after restatement
Loans	21,524,697	-5,541	21,519,157
Other assets (parent company: receivable from group companies)	260,533	5,541	266,073
Assets at balance	**21,785,230**	**0**	**21,785,230**

Notes to the Consolidated annual accounts continued

7 Intangible assets

Intangible assets

	2024	2023
Intangibles	**20,077**	**23,180**

	2024	2023
Intangibles – opening balance	23,180	27,186
Additions	1,275	4,443
Amortisation	-3,457	-3,537
Impairments	-921	-4,912
Intangibles – closing balance	**20,077**	**23,180**
Gross carrying value	33,159	38,356
Accumulated amortisation	-13,082	-15,176
Net carrying value	**20,077**	**23,180**

‘Additions’ to the intangible assets relate to renewal and expansion of our core banking platform and to strategic initiatives. Updated insights in efficiency improvements and higher expenses have led to an impairment of EUR 0.9 million (2023: EUR 4.9 million) of intangible assets. Intangible assets include internally developed software amounting to EUR 19.8 million (2023: EUR 20.3 million), of which the entire EUR 19.8 million (2023: EUR 18.6 million) relates to projects in progress. The amortisation period is generally five years from the date of full implementation of the new systems.

8 Assets held for sale

As at 31 December 2023, ‘Assets held for sale’ relate to the sale of part of the consumer lending portfolio. In April 2024, NN Bank completed the sale transaction. All the consumer lending contracts were legally transferred and the sale proceeds were received. In 2023, NN Bank sold an exposure of EUR 54.9 million. The remaining exposure at 31 December 2024 of EUR 8.7 million is included in Note 6 ‘Loans’.

Assets held for sale

	2024	2023
Consumer lending loans	0	40,388
Total assets	**0**	**40,388**

9 Other assets

Other assets

	2024	2023
Accrued interest mortgages	52,678	50,179
Accrued interest other	2,287	3,403
Current account other group companies	27,196	103,083
Debtors	104,637	104,089
Other	2,371	5,319
Total other assets	**189,169**	**266,073**

‘Debtors’ include a long-term receivable in the amount of EUR 68.7 million (2023: EUR 70.2 million) relating to origination fees to be received following a long-term contract, which are capitalised according to IFRS 15 ‘Revenue from contracts with customers’.

10 Amounts due to banks

‘Amounts due to banks’ includes non-subordinated debt due to banks, other than amounts in the form of debt securities issued, including accrued interest with banks.

Amounts due to banks by type

	2024	2023
Interest-bearing	200,000	0
Amounts due to banks	**200,000**	**0**

The increase in ‘Amounts due to banks (interest-bearing)’ of EUR 200 million relates to new loans with third parties and our participation in the main refinancing operation (MRO) offered by the central bank.

As at 31 December 2024, NN Bank had unused credit facilities available of EUR 10 million (31 December 2023: EUR 10 million).

11 Customer deposits and other funds on deposit

Customer deposits and other funds on deposit by type

	2024	2023
Savings	7,719,594	7,445,540
Bank annuities	7,847,555	7,184,281
Bank annuities related to mortgages	1,807,863	1,712,204
Group companies	116,531	122,626
Customer deposits and other funds on deposit	**17,491,543**	**16,464,651**

'Group companies' relates to a payable, following arrangements to transfer mortgage parts in a current account for the former Delta Lloyd Bank portfolio.

In 2024, many customers continued to move their savings from daily withdrawable accounts to term deposit accounts, due to rising interest rates.

The interest payable on savings accounts is contractually added to the accounts and is presented in the balance as such.

Customers have not entrusted any funds to NN Bank on terms other than those prevailing in the normal course of business.

Changes in customer deposits and other funds on deposit

	2024	2023
Customer deposits and other funds on deposit – opening balance	16,464,651	16,227,542
Deposits received	4,688,106	4,239,937
Withdrawals	-3,661,214	-4,002,828
Customer deposits and other funds on deposit – closing balance	**17,491,543**	**16,464,651**

12 Other borrowed funds

Other borrowed funds

	2024	2023
Other borrowed funds	275,000	305,000
Other borrowed funds	**275,000**	**305,000**

	2024	2023
Other borrowed funds – opening balance	305,000	318,000
Issuances	250,000	305,000
Redemption	-280,000	-318,000
Other borrowed funds – closing balance	**275,000**	**305,000**

Funds received from third parties amounted to EUR 250 million, while EUR 280 million was repaid in 2024, resulting in a decrease in 'Other funds' to EUR 275 million (2023: EUR 305 million).

In 2024, NN Group provided a revolving credit facility commitment to NN Bank, up to an amount of EUR 250 million (2023: EUR 250 million). The facility was fully undrawn at 31 December 2024.

The Central Clearing Borrowing Facility provided by NN Group was undrawn and was terminated in March 2024 (2023: EUR 1,300 million).

Notes to the Consolidated annual accounts continued

13 Provisions

Provisions

	2024	2023
Provision for client compensation schemes	1,250	8,441
Restructuring provisions	861	2,916
Other provisions	253	0
Provisions	**2,364**	**11,357**

Changes in provisions

	Provision for client compensation schemes		Restructuring provisions		Other provisions	
	2024	2023	2024	2023	2024	2023
Provisions - opening balance	8,441	23,127	2,916	4,237	0	30
Additions	449	8,325	1,576	9,652	253	0
Releases	-682	-7,801	-918	-7,274	0	-30
Charges	-6,958	-15,210	-2,713	-3,699	0	0
Provisions - closing balance	**1,250**	**8,441**	**861**	**2,916**	**253**	**0**

‘Provision for client compensation schemes’ is mainly recognised for the interest compensation consumer credit, which is a compensation scheme regarding revolving consumer credit with a floating interest rate. In 2024, the actual payments for client compensation amounted to EUR 6.2 million.

‘Restructuring provisions’ are recognised for expected future redundancy costs. The additions are mainly the result of a reorganisation within NN Bank’s mortgages & consumer loans department. The releases mainly resulted from staff that NN Bank was able to transfer to another internal position and staff leaving the Bank. The remaining restructuring provision at the balance sheet date represents the best estimate of the expected future redundancy costs and is expected to be sufficient to cover the remaining costs of the restructuring programme.

‘Additions’ or ‘Releases’ are recognised in the statement of profit or loss.

14 Debt securities issued

‘Debt securities issued’ relates to debentures and other issued debt securities with either fixed or floating interest rates. NN Bank does not have debt securities that are issued on terms other than those available in the normal course of business. The maturities, based on the earliest contractual payment date of the debt securities, are as follows:

Debt securities issued – maturities 31 December 2024

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
Covered bonds	496,471	764,838	765,151	510,724	473,385	2,094,798	5,105,367
Fixed rate unsecured debt securities	499,120	0	32,452	476,236	19,924	24,808	1,052,540
Floating rate unsecured debt securities	0	24,968	0	0	0	0	24,968
Debt securities issued	**995,591**	**789,806**	**797,603**	**986,960**	**493,309**	**2,119,606**	**6,182,875**

Debt securities issued – maturities 31 December 2023

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
Covered bonds	990,420	489,425	764,694	763,088	495,487	2,525,808	6,028,922
Fixed rate unsecured debt securities	0	491,448	0	32,430	460,562	44,702	1,029,142
Floating rate unsecured debt securities	0	0	24,947	0	0	0	24,947
Debt securities issued	**990,420**	**980,873**	**789,641**	**795,518**	**956,049**	**2,570,510**	**7,083,011**

Notes to the Consolidated annual accounts continued

Secured debt securities

	Maturity date	2024	2023
Soft Bullet Covered Bond October 2017	10-10-2024	0	499,928
Soft Bullet Covered Bond June 2018	11-9-2025	499,592	498,988
Soft Bullet Covered Bond September 2018	25-9-2028	497,411	496,548
Soft Bullet Covered Bond February 2019	27-2-2024	0	499,959
Soft Bullet Covered Bond March 2019 - 1	18-3-2039	24,848	24,837
Soft Bullet Covered Bond March 2019 - 2	21-3-2039	19,928	19,922
Soft Bullet Covered Bond July 2019	25-9-2028	51,414	51,794
Soft Bullet Covered Bond September 2019	24-9-2029	498,964	498,744
Soft Bullet Covered Bond July 2020	8-7-2030	495,688	495,826
Soft Bullet Covered Bond September 2020	24-9-2035	497,924	497,481
Soft Bullet Covered Bond November 2020	12-11-2040	247,538	247,509
Soft Bullet Covered Bond March 2021	4-3-2041	500,136	500,019
Soft Bullet Covered Bond May 2022	17-5-2032	497,750	497,246
Soft Bullet Covered Bond February 2023	28-5-2027	747,377	746,285
Soft Bullet Covered Bond June 2023 (retained)	9-6-2032	0	0
Soft Bullet Covered Bond September 2023 (retained)	6-9-2030	0	0
Soft Bullet Covered Bond October 2023	16-10-2026	748,505	747,662
Fair value change hedged items and other items		-221,708	-293,826
Total		**5,105,367**	**6,028,922**

The Soft Bullet Covered Bonds of October 2017 and February 2019 were both redeemed at the maturity date.

Unsecured debt securities

	Maturity date	2024	2023
Debt Issuance Programme August 2019	3-9-2029	19,924	19,908
Debt Issuance Programme November 2019	26-2-2025	499,901	499,212
Debt Issuance Programme September 2021	21-9-2028	498,441	498,020
Other unsecured debt securities	n/a	77,228	77,182
Fair value change hedged items		-42,954	-65,180
Fixed rate unsecured debt securities		**1,052,540**	**1,029,142**
Floating Rate Note July 2019 - 2	10-7-2026	24,968	24,947
Floating rate unsecured debt securities		**24,968**	**24,947**

‘Debt securities issued’ includes the bonds issued under the Soft Bullet Covered Bond Programme, the Debt Issuance Programme and ‘Schuldschein’ debt. The debt securities issued to third parties amounted to EUR 6,183 million as at 31 December 2024 (31 December 2023: EUR 7,083 million), of which EUR 5,105 million relates to the Covered Bonds (31 December 2023: EUR 6,029 million) and EUR 1,078 million relates to unsecured debt securities (31 December 2023: EUR 1,054 million).

For the Covered Bond Programme, reference is made to Note 35 ‘Structured entities’.

Green bonds issued

NN Bank issues green bonds under its Green Bond Framework in order to align the Bank’s funding strategy with its Climate & Environmental strategy. The framework enables NN Bank to finance or refinance green residential properties in the Netherlands, and allows the Bank to raise sustainable financing that meets regulatory criteria and market best practices with regards to sustainability. Under the framework, NN Bank is able to issue green unsecured debt under the Debt Issuance Programme, green covered bonds under the Soft Bullet Covered Bond Programme, as well as green (subordinated) loans. The Framework was published in 2021 and updated in February 2024. Since the initial publication, the Bank issued the following debt instruments under the framework (in notional amounts):

	Maturity date	2024	2023
Senior Non-Preferred Bond September 2021 issued under Debt Issuance Programme 2021	21-09-2028	500,000	500,000
Subordinated debt February 2022 (Note 15 'Subordinated debt')	27-2-2032	15,000	15,000
Soft Bullet Covered Bond May 2022	17-5-2032	500,000	500,000
Soft Bullet Covered Bond February 2023	28-5-2027	750,000	750,000
Total		**1,765,000**	**1,765,000**

Notes to the Consolidated annual accounts continued

15 Subordinated debt

Subordinated debt

				Notional amount		Balance sheet value	
Interest rate	Year of issue	Due date	First call date	2024	2023	2024	2023
2.55%	2022	27 February 2032	27 February 2027	15,000	15,000	15,000	15,000
1.29%	2020	26 February 2030	26 February 2025	30,000	30,000	30,000	30,000
1.38%	2019	26 September 2029	26 September 2024	0	25,000	0	25,000
1.83%	2019	26 June 2029	26 June 2024	0	15,000	0	15,000
Subordinated debt				**45,000**	**85,000**	**45,000**	**85,000**

NN Group provided two subordinated loans to NN Bank for an amount of EUR 45.0 million, which qualify as Tier 2 capital under the CRR. Under IFRS-EU, these debt instruments are classified as liabilities. They are considered capital for regulatory purposes. NN Bank has the right to pay off the debt at the call date.

The subordinated loans issued in 2019 were redeemed in 2024 on the first call date, for the full notional amounts.

All subordinated debt is euro denominated.

16 Other liabilities

Other liabilities

	2024	2023
Income tax payable	7,423	7,195
Other taxation and social security contributions	15,460	13,442
Accrued interest other	39,091	43,628
Current account other group companies	1,665	2,255
Costs payable	7,814	15,016
Other	13,313	18,114
Other liabilities	**84,766**	**99,650**

'Income tax payable' relates to corporate income tax yet to be settled with NN Group. Further reference is made to Note 32 'Contingent liabilities and commitments'.

'Accrued interest other' mainly relates to accrued interest regarding other borrowed funds and debt securities issued.

'Costs payable' mainly relates to year-end accruals and other payables to third parties in the normal course of business.

'Other' mainly relates to payables resulting from customer transactions in the normal course of business.

17 Equity

Total equity

	2024	2023
Share capital	10,000	10,000
Share premium	481,000	481,000
Revaluation reserve	-10,455	-20,207
Retained earnings and unappropriated result	754,865	685,581
Shareholder's equity	**1,235,410**	**1,156,374**

Share capital

	Ordinary shares			
	Shares (in numbers)		Amount (in EUR thousand)	
	2024	2023	2024	2023
Authorised share capital	5,000,000	5,000,000	50,000	50,000
Unissued share capital	4,000,000	4,000,000	40,000	40,000
Issued share capital	**1,000,000**	**1,000,000**	**10,000**	**10,000**

Notes to the Consolidated annual accounts continued

Changes in equity (2024)

2024	Share capital	Share premium	Reserves	Total shareholders' equity
Equity – opening balance	10,000	481,000	665,374	1,156,374
Total amount recognised directly in equity (Other comprehensive income)	0	0	9,752	9,752
Net result for the period	0	0	113,191	113,191
Dividend paid	0	0	-44,000	-44,000
Change in employee share plans	0	0	93	93
Equity – closing balance	**10,000**	**481,000**	**744,410**	**1,235,410**

Changes in equity (2023)

2023	Share capital	Share premium	Reserves	Total shareholders' equity
Equity – opening balance	10,000	481,000	550,390	1,041,390
Total amount recognised directly in equity (Other comprehensive income)	0	0	7,799	7,799
Net result for the period	0	0	127,086	127,086
Dividend paid	0	0	-20,000	-20,000
Change in employee share plans	0	0	99	99
Equity – closing balance	**10,000**	**481,000**	**665,374**	**1,156,374**

Ordinary shares

All shares are in registered form. Shares may be transferred by means of a deed of transfer, subject to the approval of the General Meeting. On 31 December 2024, issued and fully paid ordinary share capital consists of 1,000,000 ordinary shares, with a par value of EUR 10.00 per share.

Distributable reserves

NN Bank is subject to legal restrictions regarding the amount of dividends it can pay to its shareholder. The Dutch Civil Code contains the restriction that dividends can only be paid up to an amount equal to total shareholder's equity less the paid-up and called share capital and less the reserves required pursuant to law or the Articles of Association. In case of negative balances for individual reserves legally to be retained, no distributions can be made out of retained earnings to the level of these negative amounts.

In addition to the legal and regulatory restrictions on distributing dividends, there are various other considerations and limitations that are taken into account in determining the appropriate levels of equity. These considerations and limitations include, but are not restricted to, rating agency and regulatory views, which can change over time. It is not possible to disclose a reliable quantification of these limitations. Reference is also made to Note 40 'Capital management'.

Legally distributable reserves, determined in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, from NN Bank and its subsidiaries are as follows:

Distributable reserves based on the Dutch Civil Code

		2024		2023
Total shareholders' equity		1,235,410		1,156,374
– share capital	10,000		10,000	
– revaluation reserve	-10,455		-20,207	
– intangible assets reserve	20,077		23,180	
Total non-distributable part of shareholders' equity		19,622		12,973
Distributable reserves based on the Dutch Civil Code		**1,215,788**		**1,143,401**

Proposed appropriation of result

The result is appropriated pursuant to article 21 of the NN Bank Articles of Association, the relevant provisions of which state that the General Meeting, having heard the advice of the Management Board and the Supervisory Board, shall determine the appropriation of result. It is proposed to increase the retained earnings with the 2024 net result of EUR 113.2 million, minus the proposed final dividend of EUR 60 million.

Appropriation of result 2023

On 29 May 2024, following the adoption of the 2023 Consolidated annual accounts by the General Meeting, the 2023 net result of EUR 127.1 million was added in full to the retained earnings. Subsequently, a final cash dividend of EUR 44.0 million was approved by the General Meeting and paid from retained earnings.

Dividend 2024

NN Bank paid no interim dividend (2023: EUR 20 million), due to the redemption of subordinated debt (Tier 2) in 2024. NN Group granted these subordinated loans to NN Bank. NN Bank will propose a final dividend over 2024 of EUR 60 million (2023: EUR 44.0 million).

Notes to the Consolidated annual accounts continued

18 Net interest income

Net interest income

	2024	2023
Interest income on loans	634,694	570,285
Modifications	981	1,018
Interest income on non-trading derivatives	571,259	419,554
Negative interest on liabilities	0	8
Interest income using effective interest rate method	**1,206,934**	**990,865**
Other interest income	94,236	81,465
Total interest income	**1,301,170**	**1,072,330**
Interest expenses on amounts due to banks	0	808
Interest expenses on customer deposits and other funds on deposit	354,759	239,908
Interest expenses on debt securities issued and other borrowed funds	91,497	74,382
Interest expenses on non-trading derivatives	433,709	316,823
Interest expenses on subordinated loans	1,157	1,388
Negative interest on assets	1,506	2,286
Interest expenses using effective interest rate method	**882,628**	**635,595**
Other interest expenses	32,715	30,479
Total interest expenses	**915,343**	**666,074**
Net interest income	**385,827**	**406,256**

‘Modifications’ relates to the amortisation of a modification regarding an amended interest rate pricing system for NN and former Delta Lloyd mortgage portfolios. There were no additions to ‘Modifications’ in 2024, other than the standard amortization. There were also no additions to ‘Modifications’ in 2023.

‘Other interest income’ relates mainly to interest received from DNB amounting to EUR 84.5 million in 2024 (2023: EUR 78.7 million).

'Other interest expenses’ relates mainly to Central Clearing costs.

Interest margin in percentages

	2024	2023
Interest margin	**1.52%**	**1.65%**

‘Interest margin’ is calculated by dividing the ‘net interest income’ by the average of the total assets for the year ending 2024 and 2023, respectively.

19 Gains and losses on financial transactions and other income

Gains and losses on financial transactions and other income

	2024	2023
Result of sale of consumer lending portfolio	0	-7,179
Realised gains or losses of investment securities	-4	-2
Other income	306	-78
Gains and losses on financial transactions and other income	**302**	**-7,259**

20 Net fee and commission income

Net fee and commission income

	2024	2023
Service management fee	62,757	61,888
Brokerage and advisory fees	20,454	21,119
Fee and commission income	**83,211**	**83,007**
Asset management fees	9,662	12,644
Brokerage and advisory fees	7,497	4,884
Other fees	560	644
Fee and commission expenses	**17,719**	**18,172**
Net fee and commission income	**65,492**	**64,835**

NN Bank services a total loan portfolio of EUR 33.6 billion (2023: EUR 34.5 billion) for NN Life, NN Non-life, NN Belgium, and third parties.

The origination fees for group entities and third parties amounts to EUR 16.7 million (2023: 17.8 million). The origination fees are included in ‘Brokerage and advisory fees’. The receivable regarding the origination fees with third parties is included in Note 9 ‘Other assets’.

‘Brokerage and advisory fees’ expenses include a commission for bancassurance activities.

Notes to the Consolidated annual accounts continued

21 Valuation results on non-trading derivatives

Valuation results on non-trading derivatives

	2024	2023
Gains or losses (fair value changes) in fair value hedge accounting relating to:		
– the hedging instrument (non-trading derivatives)	-137,368	-352,287
– the hedged items (mortgages/high-quality liquid assets/debt securities) attributable to the hedged risk	104,648	330,159
Valuation results on non-trading derivatives	**-32,720**	**-22,128**

Included in 'Valuation results on non-trading derivatives' are the fair value movements used to economically hedge exposures. Changes in market conditions, such as interest rates, influence the fair value movements on the derivatives.

The market value of hedging instruments decreased in 2024, due to the lower level of the interest rate curves at year-end, mainly for long-term tenors.

22 Staff expenses

Staff expenses

	2024	2023
Salaries	88,788	84,771
Pension and other staff-related benefit costs	17,337	16,366
Social security costs	12,266	11,133
Share-based compensation arrangements	93	104
External staff costs[1]	30,755	34,806
Education	1,500	1,406
Other staff costs	4,479	4,074
Staff expenses	**155,218**	**152,660**

1. The comparative figures changed due to a reclassification between 'External staff costs' and 'External advisory fees and contributions' in 'Other operating expenses'.

NN Personeel B.V. employs all NN Bank staff. NN Personeel B.V. charges NN Bank for its staff expenses under a service level agreement. Although these costs are not paid out in the form of staff expenses by NN Bank, they do have the characteristics of staff expenses and they are therefore recognised as such. NN Personeel B.V. recognises a provision for holiday entitlement and bonuses. Actual costs are charged to NN Bank when accrued.

Pension costs

Defined contribution plans

NN Bank is one of the sponsors of the NN Group defined contribution plan (BeFrank). The assets of all NN Group's defined contribution plans are held in independently administered funds. Contributions are generally determined as a percentage of salary. These plans do not give rise to balance sheet provisions, other than relating to short-term timing differences included in 'Other assets' or 'Other liabilities'.

Number of employees

	2024	2023
Average number of internal employees on full-time equivalent basis	1,069	1,037
Average number of external employees on full-time equivalent basis	212	276
Total	**1,281**	**1,313**

Remuneration of Management Board and Supervisory Board

Reference is made to Note 37 'Key management personnel compensation'.

Share plans

NN Group has granted shares to a number of NN Bank senior executives. The purpose of the share schemes is to attract, retain and motivate senior executives.

Share awards comprise up-front shares and deferred shares. The entitlement to the deferred shares is granted conditionally. If the participant remains in employment for an uninterrupted period between the grant date and the vesting date, the entitlement becomes unconditional. A retention period applies from the moment of vesting these awards (five years for Management Board and one year for Identified Staff).

Share awards on NN Group shares

Changes in share awards on NN Group shares outstanding for NN Bank

	Share awards (in numbers)		Weighted average grant date fair value (in euros)	
	2024	2023	2024	2023
Share awards outstanding – opening balance	3,030	2,117	39.88	36.53
Granted[1]	2,107	4,488	41.95	35.43
Vested	-2,476	-3,252	41.04	33.54
Forfeited	-121	-323	42.14	34.62
Share awards outstanding – closing balance	**2,540**	**3,030**	**40.38**	**39.88**

1. Including prior year balances due to personnel movements in 2024

Notes to the Consolidated annual accounts continued

In 2024, 1,817 share awards on NN Group shares (2023: 1,789) were granted to the members of the NN Bank Management Board. To other employees of NN Bank, 290 share awards on NN Group shares (2023: 0) were granted.

As at 31 December 2024, the share awards on NN Group shares consist of 2,540 share awards (2023: 3,030) relating to equity-settled share-based payment arrangements, and no share awards to cash-settled share-based payment arrangements.

The fair value of share awards granted is recognised as an expense under 'Staff expenses' and is allocated over the vesting period of the share awards.

As at 31 December 2024, total unrecognised compensation costs related to share awards amount to EUR 43 thousand (2023: EUR 45 thousand). These costs are expected to be recognised over a weighted average period of 1.8 years (2023: 1.6 years).

23 Regulatory levies

Regulatory levies

	2024	2023
Regulatory levies	6,608	18,213
Regulatory levies	**6,608**	**18,213**

'Regulatory levies' represents contributions to Deposit Guarantee Schemes (DGS) and the Single Resolution Fund (SRF). Contributions to DGS were EUR 6.6 million (2023: EUR 11.9 million) and there were no contributions to the SRF in 2024 (2023: EUR 6.3 million). The Single Resolution Fund no longer collects contributions from banks as of 2024, as the target level has been reached.

24 Other operating expenses

Other operating expenses

	2024	2023
Computer costs	25,384	22,115
Office expenses	447	290
Travel and accommodation expenses	1,011	1,522
Advertising and public relations	4,283	3,863
External advisory fees and contributions[1]	10,523	9,619
Bank costs	170	234
Net release from (addition to) restructuring provisions	659	2,378
Amortisation and impairments of intangible assets	4,378	8,449
Other	2,531	5,999
Other operating expenses	**49,386**	**54,469**
Customer & Commerce	26,552	23,848
IT	13,425	12,335
Facility Management	4,709	5,020
General Management	8,014	4,026
Group HR	3,335	3,553
Finance Service Centre	1,376	1,295
Total Group Services	**57,411**	**50,077**
Total other operating expenses	**106,797**	**104,546**

1. The comparative figures changed due to a reclassification between 'External staff costs' in 'Staff expenses' and 'External advisory fees and contributions'

For 'Net release from (addition to) restructuring provisions', reference is made to the disclosure on the restructuring provisions in Note 13 'Provisions'.

'Other' consists mainly of staff-related provisions, insurance and fees for administrative services (Kadaster, market data, BKR, etc.). The decrease compared to last year is due to a decrease in provisions in 2024 and non-recurring expenses in 2023.

Fees of auditors

Reference is made to Note 46 'Fees of auditors' in the Consolidated annual accounts of NN Group for audit fees and audit-related fees. The services rendered by the auditor, in addition to the statutory audit, include audits in relation to reporting to regulators, audit of annual accounts of subsidiaries, review of interim report, assurance on internal control reports provided to third parties and regulators, services in relation to prospectuses and issuance of debt and reports of factual findings to external parties and regulators.

Notes to the Consolidated annual accounts continued

25 Taxation

NN Bank is part of the Dutch fiscal unity of NN Group for corporate income tax purposes, making it jointly and severally liable for the total tax payable by the fiscal unity. The tax receivables and payables concern the receivables from and payables to NN Group. Income tax payable amounts to EUR 7.4 million and concerns tax payable to NN Group for the most recent quarter. Reference is made to Note 16 'Other liabilities'.

Pillar Two Model Rules

NN Group is subject to the requirements of the International Tax Reform – Pillar Two Model Rules since these have become effective. NN Group assessed the Pillar Two minimum taxation requirements applicable to most of its operations. There is no significant impact in any of the jurisdictions in which it operates and no impact on the effective tax rate. NN Group has applied a temporary mandatory relief from deferred tax for the impact of top-up tax and will account for it as current tax when incurred.

Deferred tax (2024)

	Net asset 2023[1]	Change through equity	Change through net result	Other	Net liability 2024[1]
Investments	6,714	-3,391	312	0	3,635
Loans	-7,297	0	1,565	0	-5,732
Provisions	752	0	0	-752	0
Deferred tax	**169**	**-3,391**	**1,877**	**-752**	**-2,097**
Deferred tax liabilities	0				2,097
Deferred tax assets	169				0
Deferred tax	**169**				**2,097**

1. Positive amounts are assets, negative amounts are liabilities.

Valuation differences arose at the time of NN Bank's acquisition of Delta Lloyd Group in 2017 and the subsequent merger of Delta Lloyd Bank with NN Bank in 2018. This accounts for the negative deferred tax assets in the tables above and below.

Deferred tax (2023)

	Net asset 2022[1]	Change through equity	Change through net result	Other	Net asset 2023[1]
Investments	9,188	-2,706	232	0	6,714
Loans	-7,433	0	136	0	-7,297
Provisions	1,243	0	-491	0	752
Deferred tax	**2,998**	**-2,706**	**-123**	**0**	**169**
Deferred tax liabilities	0				0
Deferred tax assets	2,998				169
Deferred tax	**2,998**				**169**

Taxation on result

	2024	2023
Current tax	41,258	44,101
Deferred tax	-1,877	123
Taxation on result	**39,381**	**44,224**

Reconciliation of the weighted average statutory tax rate to NN Bank's effective tax rate

	2024	2023
Result before tax	152,572	171,310
Weighted average statutory tax rate	25.8%	25.8%
Weighted average statutory tax amount	**39,363**	**44,198**
Expenses not deductible for tax purposes	24	26
Other	-6	0
Effective tax amount	**39,381**	**44,224**
Effective tax rate	**25.8%**	**25.8%**

The statutory tax rate in 2024 was 25.8% (2023: 25.8%). The effective tax rate in 2024 was 25.8% (2023: 25.8%).

Taxation on components of other comprehensive income

	2024	2023
Unrealised revaluations	-3,391	-2,706
Total income tax related to components of other comprehensive income	**-3,391**	**-2,706**

Notes to the Consolidated annual accounts continued

26 Fair value of financial assets and liabilities

The following table presents the estimated fair value of NN Bank's financial assets and liabilities. Certain balance sheet items are not included in the table, as they do not meet the definition of a financial asset or liability. The aggregation of the fair value presented below does not represent, and should not be construed as representing, the underlying value of NN Bank.

Fair value of financial assets and liabilities

	Balance sheet value		Estimated fair value	
	2024	2023	2024	2023
Financial assets				
Cash and balances at central banks	1,975,075	2,155,834	1,975,075	2,155,834
Amounts due from banks	231,253	260,317	231,253	260,317
Financial assets at fair value through profit or loss:				
– non-trading derivatives	0	39,098	0	39,098
Investment securities	699,350	900,827	699,233	900,154
Loans	22,406,757	21,519,157	22,043,202	20,782,487
Financial assets	**25,312,435**	**24,875,233**	**24,948,763**	**24,137,890**
Financial liabilities				
Amounts due to banks	200,000	0	200,339	0
Customer deposits and other funds on deposit	17,491,543	16,464,651	17,315,001	16,190,521
Financial liabilities at fair value through profit or loss:				
– non-trading derivatives	2,626	0	2,626	0
Other borrowed funds	275,000	305,000	279,022	311,160
Debt securities issued	6,182,875	7,083,011	5,820,940	6,717,324
Subordinated debt	45,000	85,000	44,359	81,976
Financial liabilities	**24,197,044**	**23,937,662**	**23,662,287**	**23,300,981**

For the other financial assets and financial liabilities not included in the table above, including short-term receivables and payables, the carrying amount is a reasonable approximation of fair value.

'Estimated fair value' represents the price at which an orderly transaction to sell the financial asset or to transfer the financial liability would take place between market participants at the balance sheet date (exit price). The fair value of financial assets and liabilities is based on unadjusted quoted market prices, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. Where an exchange price is not available, market prices are obtained from independent market vendors, brokers or market-makers. Because substantial trading markets do not exist for all financial instruments, various techniques have been developed to estimate the approximate fair value of financial assets and liabilities that are not actively traded. The fair value presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of the future fair value. Where exposures of a group of financial assets and financial liabilities are managed on a net basis, NN Bank measures the fair value of the group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position or settle a net short position.

NN Bank used the following methods and assumptions to estimate the fair value of the financial instruments:

Cash and balances at central banks

'Cash and cash equivalents' are recognised at their nominal value, which approximates the fair value.

Amounts due from banks

'Amounts due from banks' consists of cash advances, overdrafts and other balances. These comprise current accounts and accrued interest with banks. Current accounts and accrued interest are recognised at their nominal value, which approximates the fair value.

Financial assets and liabilities at fair value through profit or loss

Derivatives

Derivative contracts can either be exchange-traded or over-the-counter (OTC). The fair value of exchange-traded derivatives is determined using quoted market prices in an active market and those derivatives are classified in Level 1 of the fair value hierarchy. For those instruments that are not actively traded, the fair value is estimated based on valuation techniques. OTC derivatives and derivatives trading in an inactive market are valued using valuation techniques, because quoted market prices in an active market are not available for such instruments. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instruments. The principal techniques used to value these instruments are based on discounted cash flows, Black-Scholes option models and Monte Carlo simulation. These valuation models calculate the present value of expected future cash flows, based on 'no-arbitrage' principles. These models are commonly used in the financial industry. Inputs to valuation models are determined from observable market data, where possible. Certain inputs may not be observable in the market directly, but can be determined from observable prices via valuation model calibration procedures. The inputs used include prices available from exchanges, dealers, brokers or providers of pricing, yield curves, credit spreads, default rates, recovery rates, dividend rates, volatility of underlying interest rates, equity prices and foreign currency exchange rates. These inputs are determined with reference to quoted prices, recently executed trades, independent market quotes and consensus data, where available.

The exposure of derivative contracts has been reduced, since NN Bank has converted its centrally cleared interest rate derivative contracts of a clearing member from collateralised-to-market (CTM) to settled-to-market (STM). Reference is made to Note 27 'Derivatives and hedge accounting'.

Investment securities

Debt securities

The fair value for debt securities is based on quoted market prices, where available. Quoted market prices may be obtained from an exchange, dealer, broker, industry group, pricing service or regulatory service. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which may include values obtained from one or more pricing services or by a valuation technique that discounts expected future cash flows using market interest rate curves, referenced credit spreads, maturity of the investment and estimated prepayment rates where applicable.

Loans

For loans that are repriced frequently and have had no significant changes in credit risk, carrying values represent a reasonable estimate of the fair value. The fair value of other loans is estimated by discounting expected future cash flows using a discount rate that reflects credit risk, liquidity and other current market conditions. The fair value of mortgage loans is estimated by taking prepayment behaviour into account. Loans with similar characteristics are aggregated for calculation purposes.

Amounts due to banks

‘Amounts due to banks’ consists of payables including accrued interest. The fair value is based on estimates based on discounting future cash flows using available market interest rates and credit spreads for payables to banks with similar characteristics.

Customer deposits and other funds on deposit

The carrying values of ‘Customer deposits and other funds on deposit’ with no stated maturity approximate their fair value. The fair values of deposits with stated maturities have been estimated based on discounting future cash flows using a discount rate that reflects credit risk, liquidity and other current market conditions.

Other borrowed funds

The fair value of other borrowed funds is generally based on quoted market prices or, if not available, on estimated prices by discounting expected future cash flows using a current market interest rate and credit spreads applicable to the yield, credit quality and maturity.

Subordinated debt and debt securities issued

The fair value of subordinated debt and debt securities issued is estimated using discounted cash flows based on interest rates and credit spreads that apply to similar instruments listed on the market.

Notes to the Consolidated annual accounts continued

Financial assets and liabilities at fair value and amortised cost

The fair value of the financial instruments carried at fair value and amortised cost (where fair value is disclosed) was determined as follows:

Methods applied in determining the fair value of financial assets and liabilities (2024)

	Balance sheet value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Non-trading derivatives	0	0	0	0	0
Investment securities - FVOCI	691,732	691,767	615,240	76,527	0
Financial assets not measured at fair value					
Cash and balances at central banks[1]	1,975,075	1,975,075	1,975,075	0	0
Amounts due from banks[1]	231,253	231,253	231,253	0	0
Investment securities - AC	7,618	7,466	0	0	7,466
Loans - AC	22,406,757	22,043,202	0	0	22,043,202
Financial assets	**25,312,435**	**24,948,763**	**2,821,568**	**76,527**	**22,050,668**
Financial liabilities measured at fair value					
Non-trading derivatives	2,626	2,626	0	2,626	0
Financial liabilities not measured at fair value					
Amounts due to banks	200,000	200,339	0	200,339	0
Customer deposits and other funds on deposit[1]	17,491,543	17,315,001	8,927,337	8,368,252	19,412
Other borrowed funds	275,000	279,022	0	279,022	0
Debt securities issued	6,182,875	5,820,940	5,749,726	71,214	0
Subordinated debt	45,000	44,359	0	44,359	0
Financial liabilities	**24,197,044**	**23,662,287**	**14,677,063**	**8,965,812**	**19,412**

1. Financial assets and liabilities measured at amortised cost that are on demand are classified in Level 1 in the table above. Their fair value approximates the carrying value.

Methods applied in determining the fair value of financial assets and liabilities (2023)

	Balance sheet value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Non-trading derivatives	39,098	39,098	0	39,098	0
Investment securities - FVOCI	840,523	840,562	815,426	25,136	0
Financial assets not measured at fair value					
Cash and balances at central banks[1]	2,155,834	2,155,834	2,155,834	0	0
Amounts due from banks[1]	260,317	260,317	260,317	0	0
Investment securities - AC[2]	60,304	59,592	42,311	9,951	7,330
Loans - AC	21,519,157	20,782,487	0	0	20,782,487
Financial assets	**24,875,233**	**24,137,890**	**3,273,888**	**74,185**	**20,789,817**
Financial liabilities measured at fair value					
Non-trading derivatives	0	0	0	0	0
Financial liabilities not measured at fair value					
Amounts due to banks	0	0	0	0	0
Customer deposits and other funds on deposit[1]	16,464,651	16,190,521	9,337,824	6,830,715	21,982
Other borrowed funds	305,000	311,160	0	311,160	0
Debt securities issued	7,083,011	6,717,324	6,647,895	69,429	0
Subordinated debt	85,000	81,976	0	81,976	0
Financial liabilities	**23,937,662**	**23,300,981**	**15,985,719**	**7,293,280**	**21,982**

1. Financial assets and liabilities measured at amortised cost that are on demand are classified in Level 1 in the table above. Their fair value approximates the carrying value.
2. The comparative figures changed due to a refinement in the methodology applied for determining fair value levels.

NN Bank has categorised its financial instruments that are either measured in the balance sheet at fair value or for which the fair value is disclosed, into a three-level hierarchy, based on the priority of the inputs to the valuation. The fair value hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities, and the lowest priority to valuation techniques supported by unobservable inputs. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide reliable pricing information on an ongoing basis.

The fair value hierarchy consists of three levels, depending on whether the fair value is determined based on (unadjusted) quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs that are unobservable and that have a more than insignificant

Notes to the Consolidated annual accounts continued

impact on the fair value of the instrument (Level 3). Financial assets in Level 3 include, for example, certain complex loans (for which current market information about similar assets to use as observable, corroborated data for all significant inputs into a valuation model is not available), mortgage loans and consumer lending.

Observable inputs reflect market data obtained from independent sources. Unobservable inputs are inputs that are based on NN Bank's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Transfers into and transfers out of levels in the fair value hierarchy are recognised on the date of the event or change of circumstances that caused the transfer.

Level 1 – Quoted prices in active markets

This category includes financial instruments whose fair value is determined directly by reference to published quotes in an active market that NN Bank can access. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions with sufficient frequency and volume to provide reliable pricing information on an ongoing basis.

Level 2 –Valuation technique supported by observable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g., a model), where inputs in the model are taken from an active market or are observable. If certain inputs in the model are unobservable, the instrument is still classified in this category, provided that the impact of those unobservable input elements on the overall valuation is insignificant. Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are modified based on other market observable external data and items whose value is derived from quoted prices, but for which there was insufficient evidence of an active market.

Level 3 –Valuation technique supported by unobservable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g., a model) for which more than an insignificant part of the inputs in terms of the overall valuation are not market-observable. This category also includes financial assets and liabilities whose fair value is determined by reference to price quotes, but for which the market is considered inactive. An instrument is classified in its entirety as Level 3 if a significant portion of the instrument's fair value is driven by unobservable inputs. 'Unobservable' in this context means that there is little or no current market data available from which the price at which an orderly transaction would likely occur can be derived.

27 Derivatives and hedge accounting

Use of derivatives and hedge accounting

NN Bank uses derivatives for effective portfolio management and the management of its asset and liability portfolios. In this respect, NN Bank has designated derivatives as fair value hedge accounting on the interest rate risk inherent in its mortgage portfolio and investment securities measured at FVOCI portfolio (macro hedge), as well as on the interest rate risk related to debt securities issued (micro hedge). The objective of economic hedging is to enter into positions with an opposite risk profile to an identified exposure to reduce that exposure. The impact of NN Bank's hedging activities is to mitigate the market risk that would otherwise arise from structural imbalances in the duration and other profiles of its assets and liabilities. In addition, hedging activities are undertaken to hedge against the interest rate risk in the mortgage-offer period in relation to retail mortgages and to lock in the interest margin in relation to interest-bearing assets and related funding.

To qualify for hedge accounting under IFRS-EU, strict criteria must be met. Certain hedges that are economically effective from a risk management perspective do not qualify for hedge accounting under IFRS-EU. The fair value changes of derivatives relating to such non-qualifying hedges are taken to the statement of profit or loss. If hedge accounting is applied under IFRS-EU, it is possible that during the hedge, a hedge relationship no longer qualifies for hedge accounting and hedge accounting cannot be continued, even if the hedge remains economically effective. As a result, the volatility arising from undertaking economic hedging in the statement of profit or loss may be higher than would be expected from an economic point of view.

With respect to interest rate derivative contracts, the notional or contractual amount of these instruments is indicative of the nominal value of transactions outstanding at the balance sheet date; however, they do not represent amounts at risk.

The fair value of the non-trading derivatives is as follows:

	Positive value		Negative value		Balance	
	2024	2023	2024	2023	2024	2023
Derivatives held for macro fair value hedge accounting	990,425	1,212,195	217,748	208,643	772,677	1,003,552
Derivatives held for micro fair value hedge accounting	32,981	33,112	302,927	396,564	-269,946	-363,453
Interest rate swaps Settled-to-Market	-1,023,406	-1,245,307	-520,675	-605,207	-502,731	-640,099
Position to be settled Settled-to-Market	0	39,098	2,626	0	-2,626	39,098
	0	**39,098**	**2,626**	**0**	**-2,626**	**39,098**

The fair value of the non-trading derivatives decreased in 2024 to a liability of EUR 2.6 million (31 December 2023: receivable of EUR 39.1 million).

Notes to the Consolidated annual accounts continued

Non-trading derivatives comprises centrally cleared interest rate swaps for which Settled-to-Market (STM) is applied, in accordance with which the Variation Margin paid/received is treated as a settlement of the daily marked-to-market revaluations. 'Position to be settled STM' represents the marked-to-market revaluation of the last day of the year, which has not yet been settled with the clearing member.

Macro fair value hedge accounting

NN Bank applies fair value hedge accounting to portfolio hedges of interest rate risk (macro hedging) under the EU 'carve-out' of IFRS-EU. The EU 'carve-out' macro hedging enables a group of derivatives (or proportions) to be viewed in combination and jointly designated as the hedging instrument, and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under hedging strategies. Under the IFRS-EU 'carve-out', hedge accounting may be applied to core deposits, and ineffectiveness only arises when the revised estimate of the amount of cash flows in scheduled time buckets falls below the designated amount of that bucket. NN Bank applies the IFRS-EU 'carve-out' to its hedge of the interest rate risk of mortgage loans and investment securities measured at FVOCI.

NN Bank discontinues and restarts the hedging relationships with each change in its hedging instruments, but at least once per month. The main sources of ineffectiveness are the sensitivity to multiple interest rate curves, differences in payment frequencies and maturity mismatches between the designated hedging instruments and hedged items. Any results on the discontinuation of hedge relations are included under 'Net interest income'. Reference is made to Note 18 'Net interest income'.

Gains and losses on derivatives designated included in fair value hedge accounting are recognised in the statement of profit or loss. The effective portion of the fair value change on the hedged item is also recognised in the statement of profit or loss. As a result, only the net accounting ineffectiveness has an impact on the net result.

The valuation result on macro fair value hedge accounting is as follows:

	Mortgage loans	Investment securities	2024	2023
Fair value movements in hedging instruments	-208,916	-21,959	-230,875	-580,255
Fair value movements in hedged item attributable to hedged risks	186,122	12,778	198,900	560,070
Net effect macro fair value hedge	**-22,794**	**-9,181**	**-31,975**	**-20,185**

Micro fair value hedge accounting

NN Bank also entered into derivative transactions in order to hedge the interest rate risk of its funding operations. Fair value micro hedge accounting for those derivatives is applied. The hedged item consists of individual external borrowings in 'Debt securities issued', while the hedging instrument consists of interest rate swaps. NN Bank periodically assesses the fair value change of the micro hedge in the hedged part of 'Debt securities issued' attributable to the hedged risk, on the basis of the expected interest reset date. When NN Bank assesses the hedge as effective, it recognises the fair value change in the hedged part of 'Debt securities issued' in the balance sheet and the gain or loss in the statement of profit or loss.

The valuation result on micro fair value hedge accounting is as follows:

	2024	2023
Fair value movements in hedging instruments	93,507	227,968
Fair value movements in hedged item attributable to hedged risks	-94,252	-229,911
Net effect micro fair value hedge	**-745**	**-1,943**

Non-trading derivatives

The following table shows the non-trading derivatives by type and maturity.

Non-trading derivatives by type and maturity (2024)

	notionals, amounts in millions of euros				amounts in millions of euros	
	< 1 year	Between 1 and 5 years	> 5 years	Total	Positive fair value	Negative fair value
Interest rate swaps	1,518	7,897	10,389	19,804	0	3
Total non-trading derivatives	**1,518**	**7,897**	**10,389**	**19,804**	**0**	**3**

Non-trading derivatives by type and maturity (2023)

	notionals, amounts in millions of euros				amounts in millions of euros	
	< 1 year	Between 1 and 5 years	> 5 years	Total	Positive fair value	Negative fair value
Interest rate swaps	742	7,170	10,689	18,601	39	0
Total non-trading derivatives	**742**	**7,170**	**10,689**	**18,601**	**39**	**0**

Notes to the Consolidated annual accounts continued

28 Assets by contractual maturity

Amounts presented in these tables by contractual maturity are the amounts as presented in the balance sheet.

Assets by contractual maturity (2024)

	Less than 1 month[1]	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Cash and balances at central banks	1,975,075	0	0	0	0	1,975,075
Amounts due from banks	1,454	0	0	0	229,799	231,253
Financial assets at fair value through profit or loss:						
– non-trading derivatives[2]	0	0	0	0	0	0
Investment securities	46,545	11,670	248,818	384,699	7,618	699,350
Loans	69,998	83,710	237,767	1,554,577	20,460,705	22,406,757
Intangible assets	9	183	1,569	8,069	10,247	20,077
Assets held for sale	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Other assets	81,003	38,790	760	0	68,616	189,169
Total assets	**2,174,084**	**134,353**	**488,914**	**1,947,345**	**20,776,985**	**25,521,681**
Risk management derivatives:						
– inflow	32,717	58,681	277,048	817,717	994,984	2,181,147
– outflow	-14,154	-21,108	-132,820	-384,463	-427,268	-979,813

1. Includes assets on demand.
2. Contractual cash flows for non-trading derivatives are presented on a gross basis. Risk management derivatives shows the contractual interest cash flows on derivatives. The cash flows of the floating legs are based on forward rates, based on the interest rate swap curve per 31 December 2024.

Assets by contractual maturity (2023)

	Less than 1 month[1]	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Cash and balances at central banks	2,155,834	0	0	0	0	2,155,834
Amounts due from banks	17,947	0	0	0	242,370	260,317
Financial assets at fair value through profit or loss:						
– non-trading derivatives[2]	39,098	0	0	0	0	39,098
Investment securities	94,873	24,909	100,614	672,815	7,616	900,827
Loans	72,870	52,318	235,822	1,545,086	19,613,061	21,519,157
Intangible assets	100	200	902	2,998	18,980	23,180
Assets held for sale	0	0	40,388	0	0	40,388
Deferred tax assets	0	0	0	169	0	169
Other assets	154,820	39,854	1,243	0	70,156	266,073
Total assets	**2,535,542**	**117,281**	**378,969**	**2,221,068**	**19,952,183**	**25,205,043**
Risk management derivatives:						
– inflow	28,375	61,157	327,432	904,485	1,179,160	2,500,609
– outflow	-9,690	-12,638	-145,785	-421,177	-480,779	-1,070,069

1. Includes assets on demand.
2. Contractual cash flows for non-trading derivatives are presented on a gross basis. Risk management derivatives shows the contractual interest cash flows on derivatives. The cash flows of the floating legs are based on forward rates, based on the curve per 29 December 2023.

Notes to the Consolidated annual accounts continued

29 Liabilities by maturity

The tables below include all financial liabilities by maturity based on contractual, undiscounted cash flows. Furthermore, the undiscounted future coupon interest on financial liabilities payable is included in a separate line and in the relevant maturity bucket.

'Non-financial liabilities' are included based on a breakdown of the (discounted) balance sheet amounts by expected maturity. Reference is made to the Liquidity Risk paragraph in Note 39 'Risk Management' for a description on how liquidity risk is managed.

Liabilities by maturity (2024)

	Less than 1 month[1]	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities						
Amounts due to banks	100,000	100,000	0	0	0	200,000
Customer deposits and other funds on deposit	9,215,301	313,371	1,460,849	3,196,971	3,305,051	17,491,543
Financial liabilities at fair value through profit or loss:						
– non-trading derivatives[2]	2,626	0	0	0	0	2,626
Other borrowed funds	0	200,000	75,000	0	0	275,000
Debt securities issued	0	499,120	496,471	3,067,678	2,119,606	6,182,875
Subordinated debt	0	0	0	0	45,000	45,000
Financial liabilities	**9,317,927**	**1,112,491**	**2,032,320**	**6,264,649**	**5,469,657**	**24,197,044**
Deferred tax liabilities	0	0	0	2,097	0	2,097
Other provisions	0	585	1,505	274	0	2,364
Other liabilities	13,330	39,990	31,446	0	0	84,766
Non-financial liabilities	**13,330**	**40,575**	**32,951**	**2,371**	**0**	**89,227**
Total liabilities	**9,331,257**	**1,153,066**	**2,065,271**	**6,267,020**	**5,469,657**	**24,286,271**
Risk management derivatives:						
– inflow	4,509	27,653	67,986	265,482	290,801	656,431
– outflow	-1,640	-61,795	-129,851	-567,644	-512,117	-1,273,047
Coupon interest due on financial liabilities	-253	-5,992	-46,572	-693,405	-547,953	-1,294,175

1. Includes deposits on demand, arranged by the earliest possible contractual maturity without taking into account expected customer behaviour and other factors.

Liabilities by maturity (2023)

	Less than 1 month[1]	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities						
Amounts due to banks	0	0	0	0	0	0
Customer deposits and other funds on deposit	9,485,173	202,094	1,238,489	2,458,153	3,080,742	16,464,651
Financial liabilities at fair value through profit or loss:						
– non-trading derivatives[2]	0	0	0	0	0	0
Other borrowed funds	0	0	280,000	25,000	0	305,000
Debt securities issued	0	499,959	490,461	3,522,081	2,570,510	7,083,011
Subordinated debt	0	0	0	0	85,000	85,000
Financial liabilities	**9,485,173**	**702,053**	**2,008,950**	**6,005,234**	**5,736,252**	**23,937,662**
Deferred tax liabilities	0	0	0	0	0	0
Other provisions	202	1,711	6,828	2,616	0	11,357
Other liabilities	18,114	43,930	37,606	0	0	99,650
Non-financial liabilities	**18,316**	**45,641**	**44,434**	**2,616**	**0**	**111,007**
Total liabilities	**9,503,489**	**747,694**	**2,053,384**	**6,007,850**	**5,736,252**	**24,048,669**
Risk management derivatives:						
– inflow	2,883	10,924	68,818	202,453	249,473	534,551
– outflow	-720	-66,601	-153,458	-517,582	-518,036	-1,256,397
Coupon interest due on financial liabilities	-299	-1,595	-51,156	-333,477	-253,593	-640,120

1. Includes deposits on demand, arranged by the earliest possible contractual maturity without taking into account expected customer behaviour and other factors.

Notes to the Consolidated annual accounts continued

30 Assets not freely disposable

Assets not freely disposable

	2024	2023
Loans	8,534,984	9,256,519
Cash and balances at central banks	76,625	78,632
Amounts due from banks	394	16,060
Assets not freely disposable	**8,612,003**	**9,351,211**

The amount not freely disposable for 'Loans' reflects the mortgage loans structured through the Soft Bullet Covered Bond Programme. These are financial assets pledged as collateral for the Soft Bullet Covered Bond Programme. Reference is made to Note 35 'Structured entities'.

'Cash and balances at central banks' reflects the mandatory reserve deposit at DNB.

'Amounts due from banks' reflects the money held by the NN Covered Bond Company.

31 Transferred but not derecognised financial assets

NN Bank may have financial assets that are transferred but do not qualify for derecognition. These assets relate to mortgage loans incorporated in notes issued by RMBS entities. NN Bank retains substantially all risks and rewards of those transferred assets. The assets are transferred in return for cash or other financial assets.

Mortgage loans transferred to consolidated securitisation entities are not included, as these related mortgage loans are not transferred from a consolidated perspective. Reference is made to Note 35 'Structured entities'.

32 Contingent liabilities and commitments

In the normal course of business, NN Bank is party to activities whose risks are not reflected in whole or in part in the Consolidated annual accounts. In response to the needs of its customers, NN Bank offers financial products related to loans. These products include traditional off-balance-sheet, credit-related financial instruments.

Contingent liabilities and commitments (2024)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Guarantees	0	0	0	0	129	129
Irrevocable credit facilities	49,092	0	0	0	0	49,092
Mortgage offerings	172,779	135,467	111,156	0	0	419,402
Construction deposits	36,611	51,848	146,170	43,079	0	277,708
Contingent liabilities and commitments	**258,482**	**187,315**	**257,326**	**43,079**	**129**	**746,331**

Contingent liabilities and commitments (2023)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Guarantees	0	0	0	0	129	129
Irrevocable credit facilities	48,529	0	0	0	0	48,529
Mortgage offerings	165,545	92,384	91,149	0	0	349,078
Construction deposits	37,500	62,216	177,643	67,487	0	344,846
Contingent liabilities and commitments	**251,574**	**154,600**	**268,792**	**67,487**	**129**	**742,582**

'Irrevocable credit facilities' relates to liabilities arising from irrevocable undertakings and include credit facilities, except mortgage offerings. These are mortgage loans with undrawn facilities and undrawn revolving credit facilities.

Tax liabilities

Together with the other group companies that are part of the fiscal unity, NN Bank is jointly and severally liable for income tax payable by NN Group. The income tax positions of NN Group at the end of 2024 and 2023 constitute a receivable.

33 Legal proceedings

General

NN Bank is, or may become, involved in regulatory arbitration and legal proceedings, involving claims by and against NN Bank which arise in the ordinary course of its business, including in connection with its activities as bank, investor and its position as employer and taxpayer. While it is not feasible to predict or determine the ultimate outcome of pending proceedings and investigations, some of them may potentially influence NN Bank's financial position, profitability or reputation.

NN Bank is not aware of any proceedings (including any proceedings that are pending or threatened of which NN Bank is aware) which may have, or have in the recent past had, a significant effect on the financial condition, profitability or reputation of NN Bank and its consolidated subsidiaries.

34 Principal subsidiaries

NN Bank has one fully owned subsidiary:

HQ Hypotheken 50 B.V., which was founded on 21 August 2012 with a registered office in Rotterdam. Through this subsidiary, NN Bank offered mortgage loans to customers via a third-party mortgage servicer (Quion Hypotheekbemiddeling B.V.). This is a closed-book mortgage portfolio.

Notes to the Consolidated annual accounts continued

On 17 August 2024, NN Bank legally merged with Woonnu B.V. (Woonnu), a fully owned subsidiary of NN Bank. As a result of this merger, Woonnu ceased to exist as a separate legal entity and NN Bank acquired all of Woonnu's assets and liabilities under universal title of succession.

NN Covered Bond Company B.V. is not a legal subsidiary of NN Bank. As NN Bank has control over the structured entity, this Special-Purpose Entity (SPE) has been consolidated as a group company. Reference is made to Note 35 'Structured entities'.

No country-by-country reporting has been included, as NN Bank has no retail activities abroad (apart from limited savings activity in Spain), and as such this will not provide additional insights.

35 Structured entities

NN Bank's activities involve transactions with structured entities in the normal course of business. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in determining who controls the entity. For example, when any voting rights relate only to administrative tasks and the relevant activities are directed by means of contractual arrangements. NN Bank may use structured entities for securitisation transactions and uses a structured entity in the Soft Bullet Covered Bond Programme. If used, NN Bank consolidates these entities in its financial statements on the basis of the economic relationship between NN Bank and the structured entities, as NN Bank has the power to control those entities.

NN Bank has established a EUR 12.5 billion Soft Bullet Covered Bond Programme. Under the Soft Bullet Covered Bond Programme, the payment of interest and principal on the bonds issued by NN Bank is guaranteed by the NN Bank-administered structured entity, NN Covered Bond Company B.V. (CBC). In order for the CBC to fulfil its guarantees, NN Bank legally transfers Dutch prime residential mortgage loans originated by NN Bank to the CBC. Economically, the mortgages are on the NN Bank balance sheet. NN Bank consolidates CBC.

NN Bank has the following bonds outstanding under the Soft Bullet Covered Bond Programme, which were placed with a wide range of institutional investors, apart from the bonds issued in June and September 2023, which have been fully retained by NN Bank.

	Due date	Notional amount	Fixed coupon
Soft Bullet Covered Bond June 2018	11-9-2025	500,000	0.625%
Soft Bullet Covered Bond September 2018	25-9-2028	500,000	1.000%
Soft Bullet Covered Bond March 2019 - 1	18-3-2039	25,000	1.400%
Soft Bullet Covered Bond March 2019 - 2	21-3-2039	20,000	1.432%
Soft Bullet Covered Bond July 2019	25-9-2028	50,000	1.000%
Soft Bullet Covered Bond September 2019	24-9-2029	500,000	0.125%
Soft Bullet Covered Bond July 2020	8-7-2030	500,000	0.010%
Soft Bullet Covered Bond September 2020	24-9-2035	500,000	0.050%
Soft Bullet Covered Bond November 2020	12-11-2040	250,000	0.050%
Soft Bullet Covered Bond March 2021	4-3-2041	500,000	0.375%
Soft Bullet Covered Bond May 2022	17-5-2032	500,000	1.875%
Soft Bullet Covered Bond February 2023	28-5-2027	750,000	3.250%
Soft Bullet Covered Bond June 2023 (retained)	9-6-2032	1,250,000	3.195%
Soft Bullet Covered Bond September 2023 (retained)	6-9-2030	750,000	3.295%
Soft Bullet Covered Bond October 2023	16-10-2026	750,000	3.625%
		7,345,000	

In the table below, the carrying amounts of the Covered Bond transactions issued, including the related mortgage loans, are summarised:

	Maturity Year	Related mortgage loans 2024	Related mortgage loans 2023	Notes / bonds issued 2024	Notes / bonds issued 2023
Soft Bullet Covered Bonds	2025-2041	8,534,984	9,256,519	7,327,075	8,322,114
Total		**8,534,984**	**9,256,519**	**7,327,075**	**8,322,114**

Notes to the Consolidated annual accounts continued

36 Related parties

In the normal course of business, NN Bank enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Transactions between related parties have taken place on an arm's length basis, and include rendering and receiving of services, transfers under finance arrangements and provisions of guarantees or collateral. There are no significant provisions for doubtful debts or individually significant bad debt expenses recognised in outstanding balances with related parties.

NN Bank is part of NN Group and conducts transactions with its parent company and its subsidiaries. The following categories of transactions are conducted on terms equivalent to those prevailing in an arm's length transaction:

- NN Bank and related parties are involved in the origination of savings mortgages. Initially, one party recognises the full savings mortgage loan. The customer saves the total amount to redeem the savings mortgage at maturity date at the other party. If the savings amount increases, consequently, the share of ownership of the savings mortgage by the other party increases. NN Bank has arrangements to transfer savings mortgage parts. In certain arrangements, NN Bank receives the mortgage parts. In other arrangements, NN Bank transfers the mortgage parts. All transfers of mortgage parts take place against their nominal value and are recorded in the current accounts with other group companies. These current accounts are classified under Note 6 'Loans' for received mortgage parts and classified under Note 11 'Customer deposits and other funds on deposit' for paid mortgage parts. Reference is also made to Note 1 'Accounting policies' in the paragraph 'Partial transfer of mortgage loans'
- Transactions with NN Group concerning financing arrangements and the payment of taxes, as NN Group heads the fiscal unity. Reference is made to Notes 12 'Other borrowed funds', 16 'Subordinated debt', 25 'Taxation' and 32 'Contingent liabilities and commitments'
- Asset management services to group companies, carried out by NN Bank. Reference is made to 'Income received' in the table 'Other group companies'
- Facility and other services carried out by group companies
- Transactions relating to the remuneration of Board members. Reference is made to Note 37 'Key management personnel compensation'
- For defined contribution plans, NN Bank pays contributions to BeFrank on a contractual basis. Reference is made to Note 22 'Staff expenses' for further details

The tables below present the outstanding financial positions, as at year-end, and income received and expenses paid for the year, resulting from transactions with related parties

Parent company (NN Group)

	2024	2023
Assets	19,558	0
Liabilities	0	20,452
Income received	-1,792	-2,024
Expenses paid	22,566	17,487

'Assets' mainly consists of tax positions, interest to be paid and subordinated loans from NN Group amounting to EUR 45 million (2023: EUR 85 million).

The interest paid on loans from NN Group is included in 'Income received' and is presented in 'Net interest income' as part of 'Total income' in the Consolidated statement of profit or loss. 'Expenses paid' includes mainly expenses charged by staff departments on behalf of NN Group, especially for IT, Human Resources and General Management. Reference is also made to Note 24 'Other operating expenses'.

Other group companies

	2024	2023
Assets	529,421	533,799
Liabilities	118,143	124,880
Income received	67,145	61,214
Expenses paid	36,402	35,815

'Assets' mainly comprises the current account with NN Insurance Eurasia N.V. of EUR 17 million (2023: EUR 24 million) and positions resulting from partial transfer of mortgage loans to NN Life of EUR 422 million (2023: EUR 360 million). With NN Belgium, mortgage loans savings amount to EUR 75 million (2023: EUR 72 million).

'Liabilities' mainly consists of transferred mortgage parts to NN Life of EUR 117 million (2023: 123 million).

'Income received' mainly reflects fee income on mortgage origination and servicing on behalf of NN Life of EUR 44 million (2023: EUR 44 million), on behalf of NN Non-life of EUR 3 million (2023: EUR 4 million) and on behalf of NN Belgium of EUR 5 million (2023: EUR 5 million). Interest result on received and paid mortgage parts amounts to EUR 9 million (2023: EUR 6 million). The commission for bancassurance activities on behalf of NN Non-life amounted to EUR 5 million (2023: 3 million).

'Expenses paid' mainly comprises expenses by Customer & Commerce and Facility Management for work done by these entities on behalf of NN Bank.

Notes to the Consolidated annual accounts continued

37 Key management personnel compensation

Transactions with key management personnel (Management Board and Supervisory Board) are transactions with related parties. These transactions are disclosed in more detail as required by Part 9 of Book 2 of the Dutch Civil Code.

Management Board[1]

	2024	2023
Fixed compensation:		
- base salary	1,125	1,074
- pension costs[2]	115	106
- individual savings allowance[2]	141	140
Variable compensation:		
- up-front cash	36	37
- up-front shares	36	37
- deferred cash	36	37
- deferred shares	36	37
Other benefits	215	210
Fixed and variable compensation	**1,740**	**1,678**
Internal pay ratio[3]	4:1	4:1

1. The Management Board includes both the statutory and non-statutory members, which is required by IAS 24. Reference is made to Composition of the Boards on page 3. Part 9 of Book 2 of the Dutch Civil Code requires NN Bank to present only the statutory members of the Management Board. This is not separately disclosed, as otherwise the compensation is traceable to one individual person.
2. 'Pension costs' consists of an amount of employer contribution (EUR 115 thousand) and an individual savings allowance (EUR 141 thousand, which is 23.3% of the amount of base salary above EUR 137,800).
3. The pay ratio compares the total CEO compensation and the remuneration of all staff (Pay ratio). For the CEO, the total remuneration used in the pay ratio is the total amount of fixed and variable compensation as disclosed above. For the staff members, the total remuneration used in the pay ratio is the total remuneration as disclosed in the annual accounts Note 22 'Staff expenses'. In order to provide a meaningful comparison, the total remuneration of the staff population excludes external staff costs and the remuneration of the CEO of NN Bank.

The Management Board members were eligible for a range of other emoluments, such as travel insurance. The Management Board members were also able to obtain banking and insurance services in the ordinary course of business and on terms that apply to all NN Group employees in the Netherlands.

Remuneration of the members of the Management Board is recognised in the profit and loss account in 'Staff expenses' as part of 'Total expenses'. The NN Bank Supervisory Board members do not receive any compensation for their activities, except for two Supervisory Board members who are not employees of NN Group (2023: two external Supervisory Board members). The remuneration of EUR 61,667 (2023: EUR 75,000) is recognised in the profit and loss account in 'Operating expenses'. Some Supervisory Board members hold remunerated (Board) positions within NN Group, but not within NN Bank. Their remuneration is part of the allocation of headquarter expenses, and they do not receive any (additional) allowances for their role as Supervisory Board members. NN Bank does not provide the Supervisory Board with a pension arrangement, termination arrangements (including termination of retirement benefits) or variable remuneration in cash or in shares.

The total remuneration of EUR 1,740 thousand (2023: EUR 1,678 thousand), as disclosed in the table above, includes all variable remuneration related to the performance year 2024. Under IFRS-EU, certain components of variable remuneration are not recognised in the profit and loss account directly but are allocated over the vesting period of the award. The comparable amount recognised in 'Staff expenses' in 2024 and therefore included in 'Total expenses' in 2024, relating to the fixed expenses of 2024 and the vesting of variable remuneration of 2024 and earlier performance years, is EUR 1,782 thousand (2023: EUR 1,754 thousand).

With respect to performance year 2024, the total number of staff eligible for discretionary variable remuneration is 4. The total approved variable remuneration budget is EUR 165 thousand, which will be paid in March or April 2025. In 2024, 0 persons received a total remuneration of more than EUR 1 million. For this calculation, the individual base salary, awarded variable remuneration and, where applicable, individual saving allowances and pension contributions were included.

Remuneration policy

As a direct subsidiary of NN Group, NN Bank is in scope of the NN Group Remuneration Framework. NN Bank is well aware of the public debate about pay in the financial industry and the responsibility the industry is taking in that light. The remuneration policies of NN Group take into account all applicable regulations and codes, including the Banking Code. The NN Group Remuneration Framework strikes a balance between interests of its customers, employees, shareholders and society at large, and supports the long-term objectives of the company. The variable remuneration is linked to clear targets. These targets are, for a large part, strategic.

The general principles underpinning the NN Group Remuneration Framework are (amongst others) as follows:

- Support the attraction, motivation and retention of employees, whilst being compliant with applicable legislation and with the aim of applying best practices within the financial industry
- Take into account NN Group's business strategy, objectives, its role in society, values and risk appetite, as well as sustainable long-term value creation for all stakeholders
- Be mindful of the role of the financial sector in society
- Contribute to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work

Notes to the Consolidated annual accounts continued

- Promote robust and effective risk management, including management of sustainability risks (such as environment, society, governance and employee-related matters) in the integration thereof in the risk management system and procedures. It supports balanced risk taking, sustainable long-term value creation and the protection of a sound capital base. This will, amongst others, be supported by performance objective-setting processes
- Avoid improper treatment of customers and employees
- Comply with legislation as applicable to NN Group from time to time, apply best practices in the industry, and act in the spirit of (inter)national regulations and guidance on remuneration

Loans and advances to members of the Management Board and Supervisory Board

As at 31 December 2024, no loans or advances were provided to members of the Management Board and Supervisory Board.

38 Subsequent and other events

Subsequent events

NN Bank has concluded that no subsequent events have occurred.

Notes to the Consolidated annual accounts continued

39 Risk management

Introduction

Risk management is a fundamental part of the banking business that must be addressed appropriately to enable NN Bank to successfully meet its obligations towards customers, investors, regulators, and other stakeholders. Accepting risk is an integral part of our business: having the right functions, risk culture and systems in place to manage risks is important. We have developed and implemented a risk management structure that is designed to identify, assess, control and monitor the risks associated with our business. Through our risk management practices, we seek to meet our obligations to customers and creditors, manage our capital efficiently and comply with applicable laws and regulations.

In line with NN Group, we have defined and categorised our generic inherent risk types in a mutually exclusive and collectively exhaustive risk taxonomy, and subsequently expressed our appetite for these risk types.

Mission

The mission of our risk management function is to have a sustainable competitive advantage, by fully integrating risk management into daily business activities and strategic planning. The following principles support this mission:

- Products and portfolios are structured, underwritten, priced, approved and managed appropriately; compliance with internal and external rules and guidelines are monitored and managed
- Our risk profile is transparent and managed to remain within risk appetite and is consistent with delegated authorities
- Delegated authorities are consistent with overall Bank strategy and risk appetite
- Communication to internal and external stakeholders about risk management is transparent

Risk management system and governance

Our organisational risk management structure comprises the governance and policy measures designed to manage all the risks associated with our business, as effectively as possible, for all relevant parties involved. At all times, we aim to avoid a situation in which the risk position and the ensuing potential losses seriously threaten our profitability, solvency or liquidity. This involves an independent risk management function – in accordance with the relevant regulatory requirements (Wft, Wwft, CRR and EBA) and the policy frameworks of NN Group and NN Bank.

Our approach to risk management is based on the following main components:

- **Risk governance:** Our risk governance follows the ‘Three Lines of Defence’ concept, which outlines the decision-making, execution and oversight responsibilities for our risk management
- **Risk management system:** Our risk management structure takes into account the relevant elements of risk management, including our integration into the strategic planning cycle, the management information generated and a granular risk assessment. This includes a comprehensive set of risk management policies, standards and processes, which are updated regularly to align with market-leading practices, applicable laws and regulations, and to changes in the business and risk profile. These risk management policies, standards and processes apply throughout NN Bank and are used to establish, define and evaluate our risk tolerance levels and risk control processes. They also ensure that the tolerance levels and policies are communicated throughout the organisation.

Risk Governance

Management Board and its committees

Our Management Board is responsible for defining, installing and monitoring the risk management organisation in order to ensure its control systems are effective. It has full management responsibility for all of the Bank's activities, including setting, implementing, monitoring and, if necessary, adjusting our policy. Within the Board, the division of duties regarding operational direction of the Second Line rests with the CEO and CRO, in accordance with EBA guidelines on internal governance. The Management Board or its committees approve all risk management policies, as well as the quantitative and qualitative elements of our risk appetite. NN Group is informed of the resolutions of our Management Board within the policy frameworks NN Group has set. The Management Board reports and discusses these topics with the Supervisory Board on a quarterly basis.

Our Management Board has delegated a number of activities to specific committees within NN Bank. These committees have an advisory role to our Management Board. In addition, our committees inform the relevant NN Group committees of decisions taken.

Notes to the Consolidated annual accounts continued

Committees	Responsibilities	Chairperson
Accounting Committee (AC)	Management of accounting policies for financial reporting in accordance with IFRS-EU	CFO
Asset & Liability Committee (ALCO)	Policy and management of interest-rate risk, liquidity risk and customer behaviour risk, determination of funding and capital instruments to be deployed and overseeing the implementation of (new) funding and capital instruments	CRO
Balance Sheet Management Committee (BSMC)	Management of the pricing of savings and mortgages to ensure that they meet ROE/profitability targets, whilst striving for economic profit per product. Decisions made in the BSMC are mandatory guidance for the pricing committees	CFO
Client Acceptance Review Committee (CARC)	Review and decision-making regarding the Customer Risk Ratings in terms of our customers	CEO
Credit Risk Committee (CRC)	Policy and management of all credit risks incurred by NN Bank for existing credit portfolios, assigned or acquired credit portfolios and new loans	CRO
Crisis Committee (CC)	Management of financial and non-financial risk-related crises	CEO
Data Governance Committee (DGC)	Maintenance and implementation of the Data Governance & Quality Management Policy	CDO
Disclosure Committee (DISCOM)	Advising on relevant disclosures. Ensuring that all disclosures (including insider information) are accurate, complete and appropriate, and that they fairly present NN Bank’s condition in all material respects	CFO
Exit Committee	Decisions on a customer exit- or ringfencing scenario for customers that have been classified as 'Unacceptable' by the CARC in the Customer Risk Rating	CEO
Impairment & Provisioning Committee (IPC)	Establishing the level of the provisions formed by NN Bank in accordance with its credit risk policy	CFO
IT Risk Committee	Assuring a profound and consistent IT-risk appetite for all departments	CTO

Committees	Responsibilities	Chairperson
Model Committee (MoC)	Managing model risk, which is the risk of incorrect model design, implementation and/or usage. Approval authority for the models, methodologies and parameters	CRO
Non-Financial Risk Committee (NFRC)	Policy and identification, measurement and monitoring of significant non-financial risks and the adequate mitigation thereof by (line) management	CRO
Product Approval & Review Committee (PRC)	Periodic review of existing products and review of new products for approval	CEO
Regulatory Reporting Committee	Interpretation of regulatory guidance, manuals and/or instructions on prudential, statistical and resolution reporting requirements	CFO

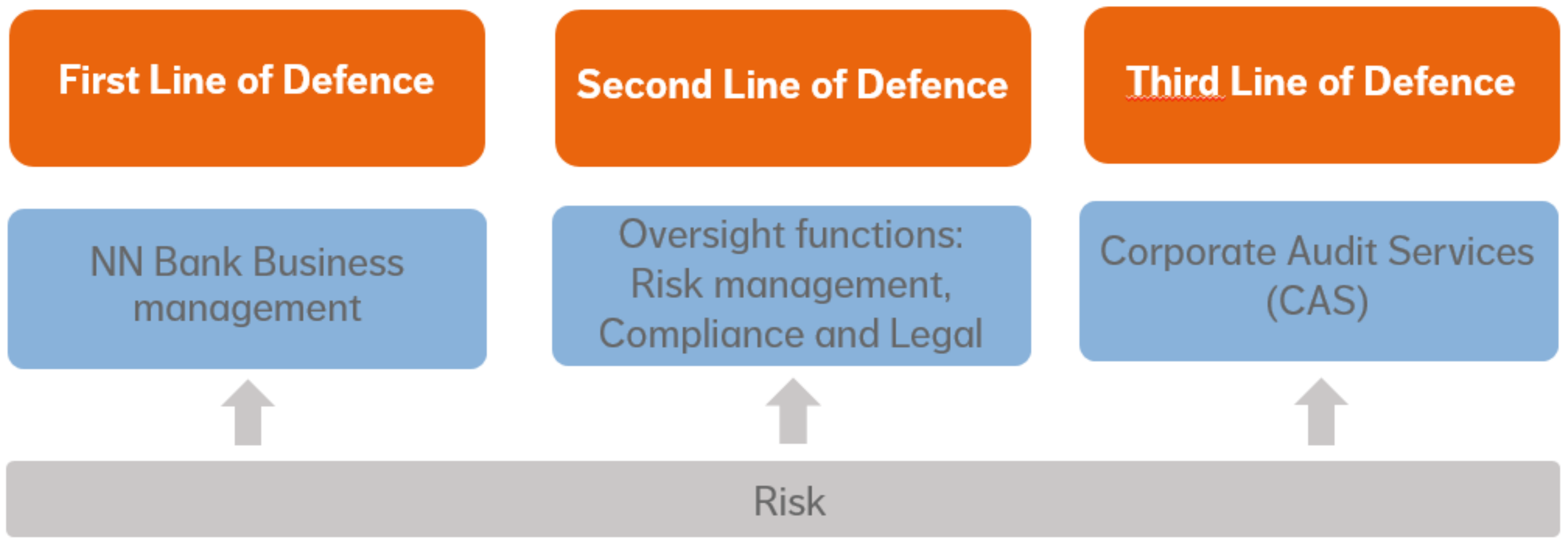
Any sub-committees are not included above.

Risk policy framework

NN Bank’s risk policy framework ensures that all risks are managed consistently and that as a whole we operate within our risk tolerances. The policies/ standards focus on risk measurement, risk management and risk governance. To ensure that policies are efficient and effective, they are governed by the Board committee structure. Potential waivers to the policies have to be approved through the Management Board or its Board committees.

Notes to the Consolidated annual accounts continued

Three Lines of Defence concept

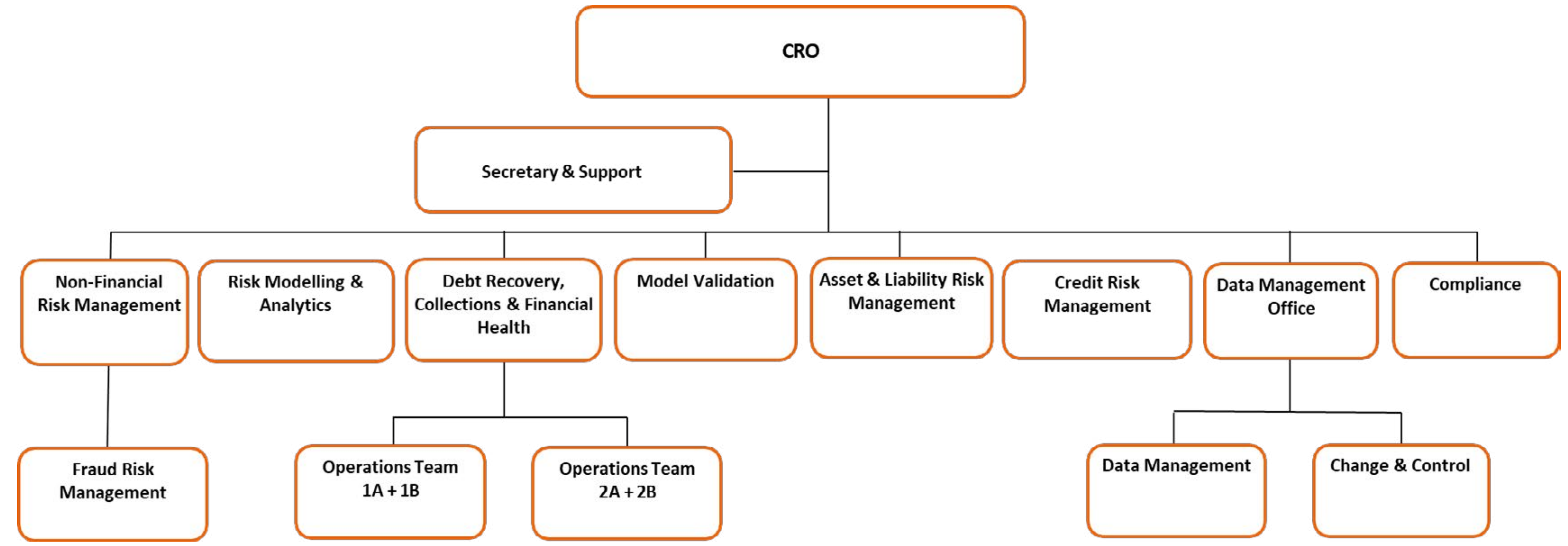


In line with clear segregation of the 'Three Lines of Defence' concept, on which our risk management structure and governance are based, we define three risk management levels, each with distinct roles, decision authorities, execution responsibilities, and oversight responsibilities. This framework ensures that risk is managed in line with the risk appetite as defined by the Management Board, ratified by the Supervisory Board, and that it is consistent with NN Group's risk appetite:

- **First Line of Defence**: Our Management Team has primary accountability for the performance and all risks of the business, operations, compliance and effective control of risks affecting their business. This includes responsibility for tracking control effectiveness.
- **Second Line of Defence**: Oversight performed by the internal control functions of NN Bank, i.e., the risk management, compliance, and legal functions. The functionally independent Second Line supports the commercial departments in their decision-making and also has sufficient countervailing power to prevent risk concentrations and other forms of unwanted or excessive risk. These oversight functions include:
  - Developing the policies and guidance for their specific risk and control area
  - Encouraging and objectively challenging/monitoring sound risk management throughout the organisation and coordinating the reporting of risks
  - Supporting the First Line of Defence in making proper risk/return trade-offs
  - Exercising escalation power in relation to business activities that are judged to present unacceptable risks to NN Bank
- **Third Line of Defence**: Corporate Audit Services (CAS) offers an independent assessment of the standard of internal control with respect to the Bank's business and support processes, including governance, risk management and internal controls

Independent risk management function (Second Line of Defence)

The CRO is a member of NN Bank's Management Board. The following departments report to the CRO: Asset & Liability Management Risk, Compliance, Credit Risk, Data Management Office, Non-Financial Risk, Model Validation, Debt Recovery, Collections & Financial Health, and Risk Modelling and Analytics.



In accordance with the EBA Guidelines on Internal Governance, the heads of Asset & Liability Risk Management, Credit Risk Management, Model Validation and Non-Financial Risk Management are risk management internal control functions, and the Head of Compliance is the head of the Compliance internal control function. The head of Compliance reports functionally to the NN Group Chief Compliance Officer.

The main objectives of risk management within the Bank are as follows:

- To create and safeguard transparency, awareness and understanding of the risks associated with the products and portfolios, ensuring that the risk positions taken are carefully considered and in line with the formulated risk appetite
- To retain (potential) customers' and other stakeholders' confidence in us as a reliable financial service provider
- To comply with all relevant laws and regulations

The scope of work per department is as follows:

- Asset & Liability Risk Management: report on the interest rate risks in the banking book and liquidity risks which can impact the realisation of our strategic business objectives
- Credit Risk Management: manage lending risk, investment issuer/issue risk, professional counterparty risk, and C&E risk which impact the realisation of the bank's strategic business objectives

Notes to the Consolidated annual accounts continued

- Compliance: an independent function aimed at implementation, monitoring and maintaining adherence to relevant laws and regulations including internal policies and procedures. The objective is to prevent integrity and conduct risk materialisation
- Data Management Office: data management for financial reporting and modelling purposes
- Model Validation: the validation of financial (risk) models
- Non-Financial Risk Management: all non-financial risks that impact the realisation of our strategic business objectives, including emerging and strategic risk
- Risk Modelling & Analytics: risk modelling in support of provisioning, capital and liquidity requirements
- Debt Recovery, Collections and Financial Health: enable customers with payment problems, assist customers in foreclosure progress and loss mitigation for both customer and NN Bank

The CRO ensures that our Management Board and NN Group are well informed and understand our risk position at all times. At least every quarter, the CRO reports to the Supervisory Board on our risk appetite levels and on our risk profile. In addition, the CRO briefs NN Bank's Supervisory Board on developments in internal and external risk-related issues and ensures the Board committees understand specific risk concepts.

The CRO is responsible for the implementation and management of an adequate risk management system and a set of policy guidelines. The aim is to ensure that our risk appetite, product offering and operations are within statutory limits set by the prudential supervisor, De Nederlandsche Bank (DNB) and the behavioural supervisor Autoriteit Financiële Markten (AFM), and that they are compliant with the frameworks set by the NN Group Policy House and NN Group's business principles.

Risk management system

The risk management system is not a sequential process, but a dynamic and integrated system. The system comprises three important and interrelated components:

- A risk control cycle, embedded in
- An appropriate organisation, with
- A comprehensive risk appetite framework

Our business environment exposes us to inherent risks and obligations. As such, the environment determines the 'playing field' and rules with which to calibrate all risk management activities. These activities are conducted within an internal environment reflected by our risk appetite and framework.

Every employee has a role in identifying risk in their area of responsibility, and the role of management is to decide how to manage that risk. It is paramount to know which risks we take and why, to be aware of significant existing and emerging risks, and to ensure an adequate return for the risk assumed in the business.

With risk management, we do not try to predict the future, but instead prepare proactively for a wide range of possibilities.

When assessing and managing risks, we work systematically, aim for completeness and document what we do. Each risk analysis performed shall be focused and relevant. It thus becomes clear and transparent throughout the organisation, for the benefit of management and stakeholders alike.

Risk profile NN Bank

NN Bank is exposed to various risks because of its business model. We provide mortgages to customers, and so we are exposed to credit risks, since it is uncertain whether customers will be able to pay their mortgage obligations in the future. As we use savings to fund activities, we are exposed to liquidity risk, since it is uncertain when customers will withdraw these funds. In addition, unforeseen regulatory changes may affect the positions on the balance sheet or capital requirements. In this section, we give an overview of the various risks that can affect NN Bank.

We recognise the following risk types (financial as well as non-financial) that are associated with our business activities.

Financial Risks

- Credit risk: the risk of potential loss due to default of debtors
- Interest rate risk in the banking book: the exposure of a bank's financial condition to adverse movements in interest rates originated from positions in the banking book. This includes customer behaviour risk
- Business risk: the exposure to value loss due to fluctuations in volumes, margins and costs, as well as due to the design of products from a financial perspective
- Liquidity risk: the risk that we cannot meet our financial liabilities when they come due, at reasonable cost and in a timely manner

Notes to the Consolidated annual accounts continued

Non-financial risks

- Emerging and strategic risks: risks related to future external uncertainties that could pose a threat to NN Bank and risks arising from making incorrect business decisions, implementing decisions poorly, or being unable to adapt to changes in the operating environment
- Operational risk: the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk
- Business conduct risk: the risk of impairment of our integrity
- Compliance risk is the risk of impairing our company's integrity and reputation through a failure to comply with either our own values and/ or our obligations under applicable laws, regulations and standards. A failure to comply might not only damage our reputation and the trust put in our organisation and our services, but it could also lead to legal and/or regulatory sanctions and financial losses through claims for instance
- Climate & Environmental (C&E) risk is the risk of potential adverse impact on our financial position, operations or reputation due to climate and environmental factors. These risks arise from the Bank's activities, relationships and exposure to C&E-related issues and internal operations. C&E risk distinguishes between physical and transition risks. Reference is made to page 174 'Climate & Environmental risk'

Risk control cycle

In line with the NN Group Risk Control Framework, our risk control cycle consists of four steps: strategy, assessment, control and monitoring. The cycle starts with business processes that support business and risk objective-setting (the latter resulting in a risk strategy: risk appetite, policies and standards). This is followed by business processes aimed at realisation of those objectives, leading to risks that need to be managed by identifying/assessing them, effective mitigation through controls and continuous monitoring of the effectiveness of controls, including reporting of risk levels.

The risk control cycle, combined with the Business Plan/financial control cycle and performance management/HR cycle, enables the realisation of business objectives by ensuring that the Bank operates within our risk appetite.

Risk Strategy – Risk Appetite Framework

NN Bank uses an integrated risk management approach for its banking activities. The Management Board uses the Risk Appetite Framework to determine which risks the Bank wishes to take, to avoid, to retain and/or to remove. The Risk Appetite Framework consists of qualitative and quantitative statements as to risk preferences, risk tolerances, risk limits and risk controls. In order to verify that the Bank remains within the Risk Appetite Framework, risk positions are monitored on at least a quarterly basis and reported to the Management Board through its risk committees.

Risk Strategy – Risk Appetite Framework

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Within NN Bank, the CRO is responsible for advising on the risk appetite. NN Bank's Management Board reviews the advised risk appetite for approval at least annually. The risk appetite set by the Management Board needs to be consistent with NN Group's risk appetite and must be endorsed by the Supervisory Board. The Supervisory Board supervises our execution of the risk policies and verifies that they are in accordance with the set risk appetite.

Qualitative risk appetite metrics

Our key qualitative risk appetite statements are below. Each qualitative RAS is expressed through a statement classifying our tolerance level. These tolerance levels are avoid, limit, moderate, and actively pursue. Based on these levels, we express our moderate overall risk profile.

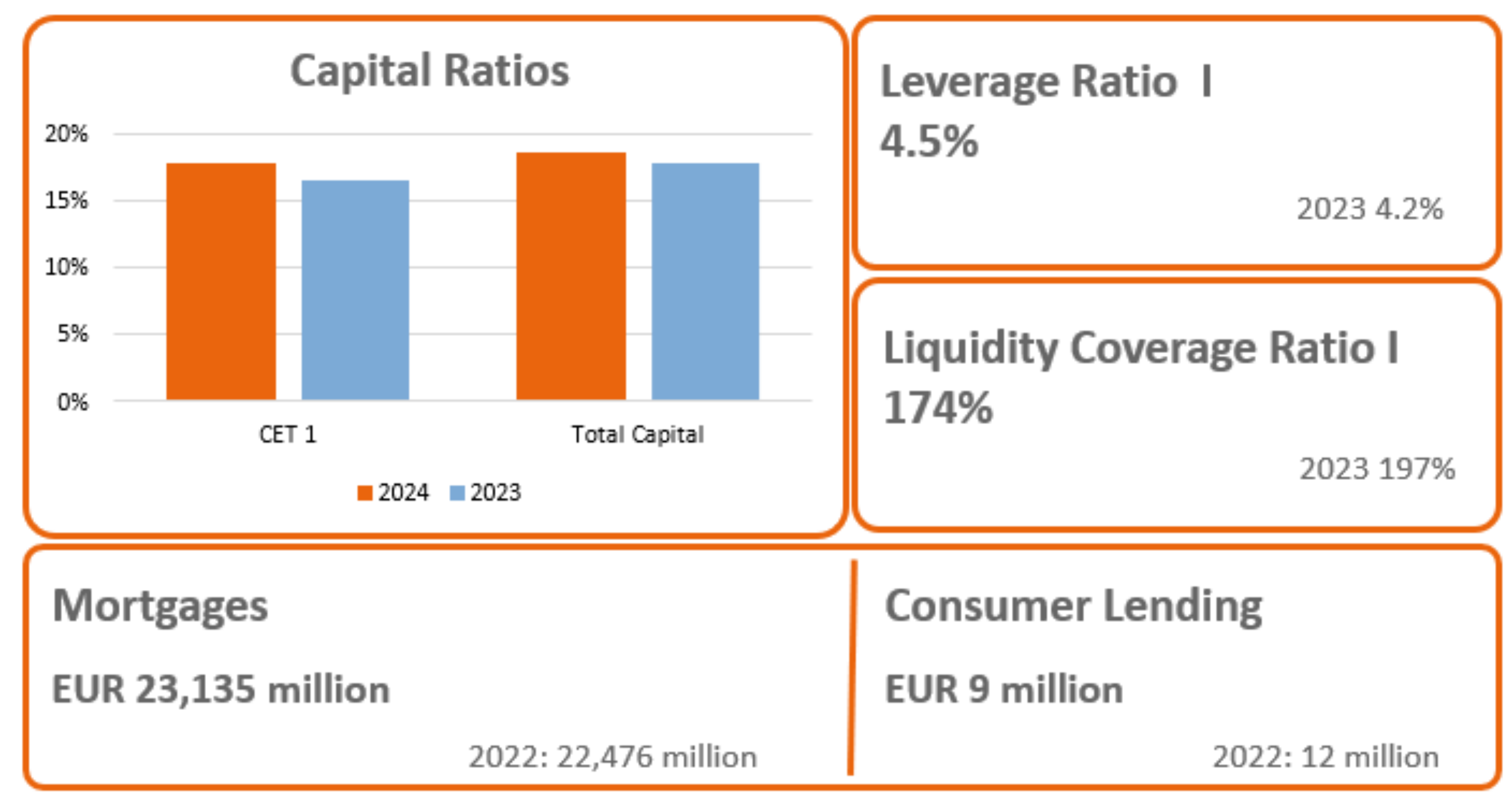
Notes to the Consolidated annual accounts continued

Risk Appetite Statement	Risk Strategy	Risk Tolerance Level
1. Strategic challenges: managing strategy	**Managing strategy:** We create long-term value for all our stakeholders and contribute to the well-being of people and planet, so we continuously evaluate and adapt our business model (such as product portfolio, distribution channels and organisation) to the external environment to meet evolving customer needs. When doing so, we moderately accept risks from the same, including in attracting and retaining business leaders and (world-class) talent	Moderate
2. Strong balance sheet: solvency & liquidity risk	**Solvency risk:** We accept financial risks on our balance sheet so we can offer financial security through products and services for our customers as well as predictable and attractive returns for our investors. We: - like to avoid having to raise equity capital after a 1-in-20-year event, and - only accept risks that we understand, can price and can effectively manage, and - limit exposure to, or volatility due to, non-rewarding risks (in particular concentration, interest rate, currency and inflation risk) or risks to which we have already a high exposure	Limited
	Liquidity risk: We want to meet our payment and collateral obligations, even under severe liquidity stress scenarios, whilst actively pursuing illiquid assets to back illiquid liabilities on our balance sheet.	Limited
3. Sound business performance: non-financial risk	**Sound Business Conduct:** We have no appetite for material breaches of business integrity-related Policies and Standards.	Avoid
	People Conduct Culture: We nurture a culture aligned with our purpose, values, and ambitions, which supports continuous learning, collaboration and diversity of thinking, and limit risks to the same.	Limited
	Product suitability: We only market products and services that add value to our customers over their expected lifetime in line with their preferences, and explainable in a simple, transparent manner.	Avoid
	Operational Risk & Losses: We moderately accept human errors and, as such, failures in processes and therefore manage to agreed tolerances.	Moderate
	Technology risk: We limit losses arising from technology risks, and therefore we ensure our technology assets are sufficiently resilient and responsibly used.	Limited
	Reliable reporting: We have no appetite for material errors in external financial and non-financial reporting, and internal reports used for strategic decision making.	Avoid
	Business continuity: We avoid, to the extent possible and even under severe circumstances, sustained discontinuation of business (people, offices, IT).	Limited

Quantitative risk appetite metrics

For financial risks, we express our risk appetite as the tolerance to allow key metrics to deviate from their target levels. The following key risk metrics have tolerance levels set at Bank level and are monitored on a quarterly basis. These metrics are shown below, along with their levels at year-end:

Key risk metrics



Notes to the Consolidated annual accounts continued

We have maintained a solid capital position with a Total capital ratio of 18.6% (2023: 17.8%) and a CET1 ratio of 17.9% (2023: 16.5%) at year-end 2024. The leverage ratio stands at 4.5% (2023: 4.2%) at year-end 2024. The ratios increased slightly due to an increase in available capital. NN Bank had an LCR of 174% (2023: 197%) at the end of 2024. This is well above the regulatory target of 100% and the internal minimum. It shows a solid liquidity position, given our liquidity risks.

Risk Assessment & Control

Risk assessments are regularly performed throughout the organisation. Risks that do not directly impact the balance sheet require more professional judgment to be identified and quantified. Risk footprints (non-financial risks) and scenario analysis (strategic/emerging risks) are used to assess, report on, and follow up on identified risks.

Risk Appetite Statement	Risk class	Risk assessment and example mitigation technique
Strategic Challenges (Shaping the business)	Emerging & Strategic Risks	Scenario analysis, strategic planning, strategic risk assessments, monitoring & management of emerging and strategic risks against risk appetite
Strong Balance Sheet (Running the business – financially)	Solvency Risk	Financial risk assessments, ICAAP, monitoring & management of retail & non-retail credit risk, interest rate risk in the banking book and business/customer behaviour risk against risk appetite, using models as appropriate
	Liquidity Risk	Financial risk assessments, ILAAP, monitoring & management of liquidity risks against risk appetite, using models as appropriate
Sound Business Performance (Running the business – operationally)	Operational and Compliance Risks	Non-financial risk assessments, recovery and resolution planning, monitoring & management of operational and compliance risks against risk appetite. First Line non-financial risk monitoring and key control testing and independent Second Line reviews, PARP

Some of the risk assessments mentioned in the table above will be further described below.

Product approval and review process (PARP)

The product approval and review process (PARP) has been developed to enable effective design, underwriting and pricing of all products, as well as to ensure that they can be managed throughout their lifetime. This process establishes requirements as to the product risk profile features to ensure that products are aligned with our strategy. The PARP considers customer benefits and product suitability, expected sales volumes, value-oriented pricing metrics and relevant policies. It includes requirements and standards to assess risks as per the risk categories, as well as the assessment of the administration and accounting aspects of the product.

Internal capital adequacy assessment (ICAAP) and liquidity adequacy assessment (ILAAP) processes

At least once a year, we perform an ICAAP and ILAAP in compliance with European Banking Authority (EBA) requirements. ICAAP and ILAAP test whether we are sufficiently resilient against severe but plausible stress. Stress testing is a key part of the Bank's internal capital and liquidity adequacy assessment processes.

Stress testing is a key tool of risk management that involves consideration of the impact of adverse movements in one or more risk factors. The Capital Requirement Regulation (CRR), and supervisory review under Pillar II, requires institutions to take a forward-looking view in their risk management, strategic planning and capital planning. The guidelines of our stress-testing policy are based on the framework and the guidelines as presented by the European Banking Authority (EBA).

Stress tests focus on topical issues and the sensitivity of the Bank's capital and liquidity position to certain risks. A stress test can cover a single risk type or multiple risk types. It can include the entire balance sheet, but it can also be used to analyse the potential impact on certain asset classes or certain activities. These analyses determine risk appetite and provide input that helps to steer strategic direction and support decision-making to ensure that NN Bank can survive severe but plausible stress. In addition, this information is important input for the annual Supervisory Review and Evaluation Process (SREP) performed by the regulator, resulting in capital requirements for our Bank.

Stress-testing approaches include the following:

- Sensitivity analysis is the simple stressing of one risk driver to assess the sensitivity of the institution to that risk driver
- Forward-looking hypothetical and historical scenario analysis is a core part of our stress-testing approach. The scenario design takes systematic and institution-specific changes in the present and near future into account
- Reverse stress-testing consists of identifying a significant negative outcome and then identifying the causes and consequences that could lead to such an outcome

Recovery and resolution planning

In line with the Bank Recovery and Resolution Directive (BRRD) we have a recovery plan that is updated annually. The recovery plan prepares us to restore our financial strength and viability during stress situations. The recovery plan contains our recovery and crisis management governance which, among other things, describes the roles and responsibilities in response to a potential crisis. It also states a wide range of indicators which can trigger the activation of the various stages of crisis management. It discusses management measures that could provide relief and achieve recovery both from a liquidity and capital perspective. These measures are assessed regularly, assuming a range of scenarios. This analysis shows that we are adequately recoverable.

Risk Monitoring

The risk profile is monitored against risk appetite; risk assessments are performed to determine risk appetite and to set risk limits. Risk monitoring reports, including deficiencies, conclusions and advice are regularly provided to the Management Board or the respective Board committees. Management acts when monitoring indicates that risks are not adequately controlled.

Specifically, the Credit Risk Committee and the Asset and Liability Committee monitor respectively credit risk, interest rate risk in the banking book, business/customer behaviour risk, liquidity risk and funding risk monthly. On a monthly basis, the Non-Financial Risk Committee monitors non-financial risks, i.e., emerging, strategic, operational and compliance risks. At least on a quarterly basis, the Management Board monitors the integrated risk profile across all risk types. All risk reporting and monitoring is performed in a forward-looking manner.

Regulatory environment

Basel III revisions, CRRIII/CRDVI and upcoming regulations

Since the financial crisis, financial institutions have been under even more scrutiny from the public, supervisors and regulators. The resulting revised regulations intend to avoid a future crisis in the financial system, and that the potential impact on the society is limited if a crisis does occur. To achieve a more robust banking sector, regulatory changes – primarily the implementation of Basel III – have focused on topics such as the ability of the banking sector to absorb shocks arising from financial and economic stress, improvements to risk management and governance practices, and strengthening banks' transparency and disclosures. In December 2017, the Basel Committee on Banking Supervision (BCBS) announced Basel III revisions. These consist of a revision to the standardised approach to credit risk, the introduction of a capital floor based on standardised approaches, changes to the use of advanced internal ratings-based approach and the introduction of a standardised measurement approach for operational risk, amongst others. On 27 June 2023, the European Council reached a provisional agreement on the Basel revisions. The implementation date is 1 January 2025 whereas the first reporting date is over reference period March 2025. There are some revisions, including the output floor to be phased in until 1 January 2030 and allowing for upward valuation adjustment of a property based on the average value over the last six years.

We monitor regulatory developments closely and, as appropriate, seek opportunities for the public to comment and to ensure timely compliance. We comply with current CRR liquidity and capital requirements and we are prepared for any upcoming changes.

Risk developments 2024

As a result of the recovery of the Dutch economy in the second half of 2024, economic growth was modest. Economic growth was mainly driven by an increase in consumption. Unemployment during the year remained low. Wage growth was high, and this helped to partially compensate for the high inflation of the last years. However, this also resulted in a continued, relatively high inflation in the Netherlands compared to other EU countries. Higher wages, lower interest rates and continued shortage of houses increased pressure on house prices. Therefore the trend of increasing house prices, which began in the second half of 2023, has continued. As a result, house prices are now higher than during the previous peak in mid-2022.

The economic situation remains uncertain, due to the ongoing war between Russia and Ukraine and the different developments in the Middle East. This, and the election of Donald Trump as President of the United States, raises concerns about potential global economic and financial fragmentation and the consequent implications for financial stability and international supply chains.

Credit risk

This section provides information about the credit risk profile of our portfolio, and our Credit Risk Management. Please note that in the credit risk tables in this section, the loan exposures of the financial statement (without subtracting the provisions) are used. The loan exposures in the Annual Report are adjusted for (amongst others) construction depots, savings and accrued interest.

Credit risk profile

Credit risk is the risk of loss from the default and/or credit rating deterioration of counterparties (including bond issuers). Credit risks arise in our lending and investment activities. Credit risk exposure is the total amount of outstanding, plus the unused portion of commitments. As the distribution of the exposures across relevant metrics (e.g., Probability of Default, or Loss Given Default) is essential for correctly managing the credit risk exposure, we have established a Credit Risk Appetite Framework that is derived from the Bank's overall risk appetite.

- Retail credit risk: arises when we grant a loan to a retail customer, or issue guarantees on behalf of a retail customer. This includes mortgages and construction deposits
- Non-retail credit risk: the credit default and risk-rating migration risk that is associated with our investments in bonds, securitisations and other similar publicly traded securities. This can be viewed as the worst-case scenario loss that we may incur because of holding a position in underlying securities whose issuer's credit quality deteriorates or defaults. The sole purpose of our investments in the banking book is for liquidity management purposes. Within the Bank, (pre)settlement risk, money market risk, counterparty lending risk and issuer risk on investment are categorised under counterparty credit risk and are part of the non-retail credit risk framework. The pre-settlement credit risk category is currently associated with OTC derivatives. The interest rate swap portfolio is transferred to mandatory central clearing through a Central Clearing Counterparty (CCP) under the European Market Infrastructure Regulation (EMIR)

Credit risk portfolio & credit quality

Apart from an investment portfolio, which is held for liquidity purposes, our credit exposure is related to traditional retail lending. The credit risk profile within this retail-lending book largely stems from residential

Notes to the Consolidated annual accounts continued

mortgage lending. In addition to mortgages, the retail-lending book consists of a small consumer lending credit book.

Net exposure on mortgages

Amounts in thousands of euros	2024	2023
Balance amount[1]	23,135,494	22,476,105
Indexed market value primary cover	49,913,452	45,934,661
Secondary cover value	2,061,764	1,969,868
State-guarantee value[2]	5,995,200	5,757,304
Total cover + state-guarantee value capped at balance amount	23,134,188	22,467,551
Remaining exposure at risk[3]	1,306	8,554

1. 'Balance amount' reconciles to Stages 1-3 and Purchased or Originated Credit-Impaired loans, excluding the category 'No allocated stage'. Reference is made to Note 6 'Loans'.
2. NHG guarantees
3. 'Remaining exposure at risk' is calculated on loan level as 'Balance amount' minus 'Total cover + guarantee value capped at balance amount'.

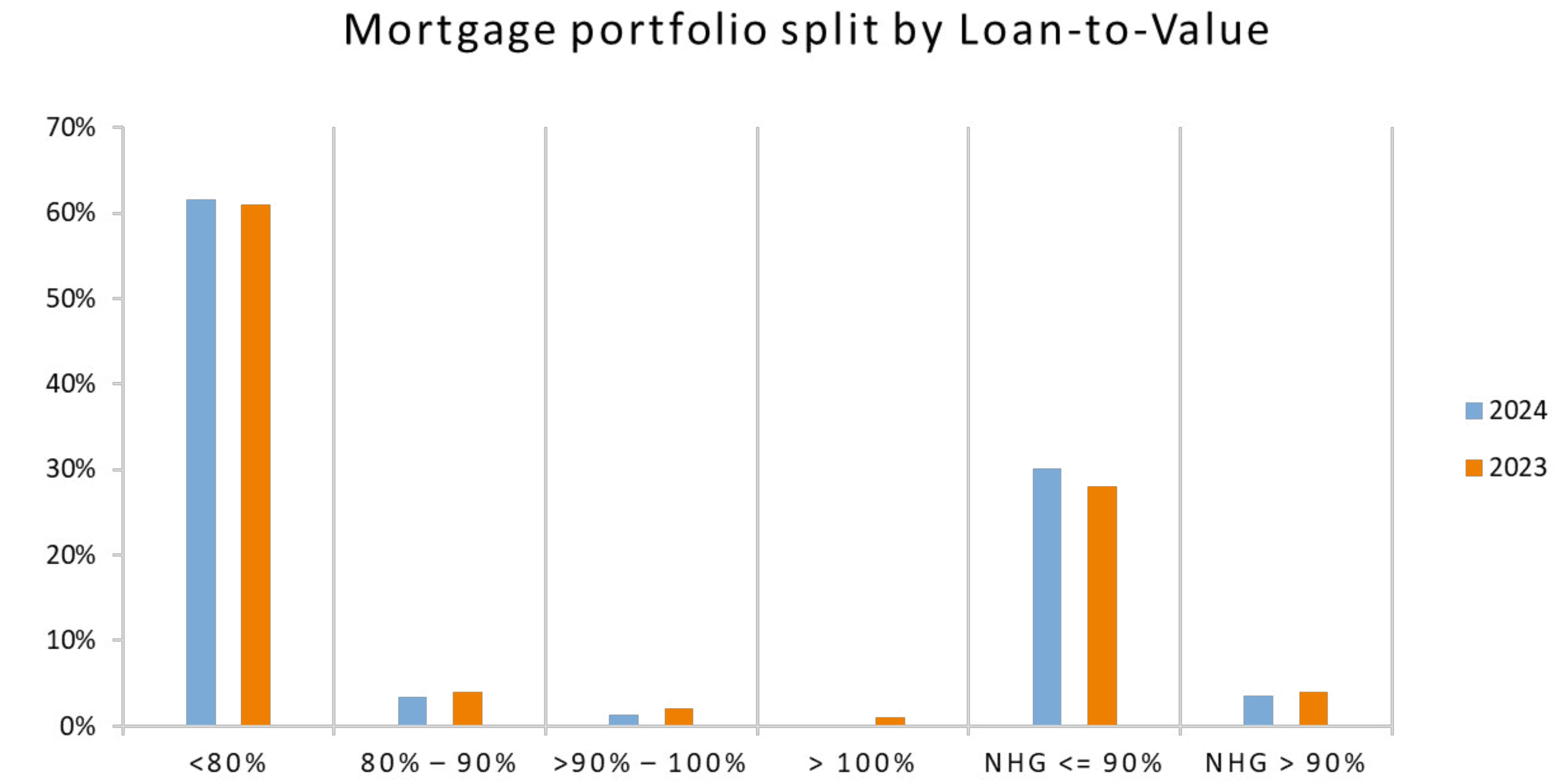
The table above shows the credit risk mitigants (covers and state-guarantee) of our mortgage book. In addition to the total value of the different covers and guarantees, the 'Remaining exposure at risk' is calculated. This risk measure is calculated at loan level without double-counting any cover value or guarantee value. The value is capped at the carrying value. 'Remaining exposure at risk' is exposure without any type of cover or guarantee. This amount slightly decreased in 2024, mainly due to the increase in house prices in 2024[1] (11.1%[2]). The low 'Remaining exposure at risk', in combination with a low number of customers with payment problems, results in negative risk costs over 2024. For more information on risk costs, reference is made to page 170 'Risk Costs'.

Please note that the state-guarantee value is lower than the exposure that is flagged as such. This is because the state-guarantee value decreases over time following an annuity scheme. For example, for interest-only loans, the loan exposure is stable, while the state-guarantee value decreases. For mortgages that originated after 31 December 2013, the state-guarantee value is corrected by 10% for the own risk (on the granted guarantee claim) that applies to all banks.

Lastly, we are continuously investigating the effects of climate change (and, more broadly, Climate & Environmental risks) on our customers and the credit quality of our portfolio. To that end, we carried out various assessments, such as foundation damage due to pole rot and flood risk of the mortgage portfolio. The conclusion is that the short-term risk is limited for NN Bank. For more information on Climate & Environmental risks, reference is made to page 174 'Climate & Environmental risk'.

Loan-to-value

As at the end of 2024, our mortgage portfolio had a current loan to indexed market value ratio of 54% (2023: 57%). Due to higher housing valuations, the outstanding amount of the portfolio without state guarantee and an LTV below 80% increased from 61% in 2023 to 62% in 2024. The outstanding amount without state guarantee and an LTV greater than 100% decreased from 0.8% in 2023 to 0.0% of total outstanding in 2024. We actively approach customers with an interest-only mortgage and high LTV to discuss changing their mortgage product. The portfolio remains well-collateralised.



Increasing housing valuations resulted in a shift towards slightly lower LTV buckets in 2024.

Effective in 2024, new residential mortgage loans that have a purchase price below EUR 435,000 were eligible for coverage by state guarantee under NHG scheme in the Netherlands. That amount can be up to EUR 461,100 when accounting for the potential extra budget of 6% for energy-saving renovations. NHG guarantees, to a large extent, the repayment of a loan in case of a forced property sale. The relative guarantee coverage slightly increased from 32% of total outstanding in 2023 to 34% of total outstanding in 2024, as more mortgages were eligible for state guarantee under NHG. The state guarantee limit increased as of 2025 to EUR 450,000. That amount can be up to EUR 477,000 when including the extra budget for energy-saving measures for the home.

Credit approval process

The credit approval process ensures that individual transactions are assessed on a name-by-name basis. Each customer is assessed individually. The credit approval process is supported by, amongst others, a credit approval system that ensures consistency with the underwriting policy. A 'Probability of Default' (PD)-based risk weighting system is used to ensure that, at monthly intervals, each customer in the books is given a proper rating. The rating model is used to indicate a customer's creditworthiness.

Notes to the Consolidated annual accounts continued

Past-due loans

The outstanding loans with a delinquency decreased in 2024 by EUR 20 million to EUR 187 million (0.8% of total outstanding) due to low unemployment and increasing wages. The portfolio remains of good quality because of strict underwriting criteria and adequate problem loan management.

Delinquency

	Mortgages		Consumer lending		Total[1]	
	2024	2023	2024	2023	2024	2023
0 days	22,949,048	22,269,555	8,542	12,093	22,957,590	22,281,648
1 – 30 days	43,302	72,712	49	85	43,351	72,797
31 – 60 days	19,309	23,414	61	0	19,370	23,414
61 – 90 days	36,475	34,180	0	0	36,475	34,180
> 90 days	87,360	76,244	36	42	87,396	76,286
Total	**23,135,494**	**22,476,105**	**8,688**	**12,220**	**23,144,182**	**22,488,325**

1. ‘Total’ reconciles to Stages 1-3 and Purchased or Originated Credit-Impaired loans, excluding the category ‘No allocated stage’. Reference is made to Note 6 ‘Loans’.

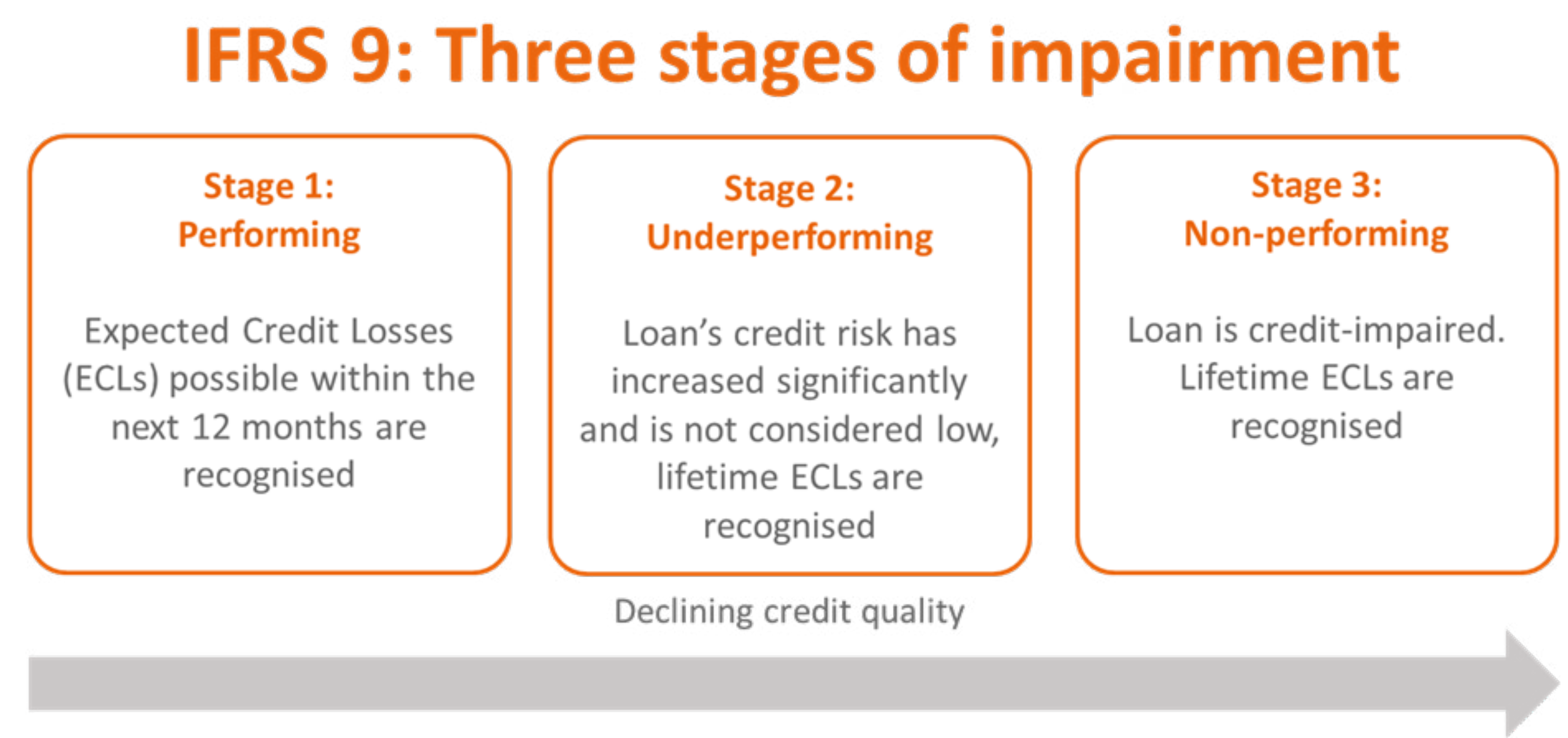
We measure our portfolio in terms of payment arrears on a continuous basis. A loan is considered ‘delinquent’ if a payment of interest or principal is late by more than one day and the arrears amount is greater than or equal to EUR 100. When this happens, a specialised team contacts the customer to explore the possibilities to get the customer back into financial health as soon as possible.

IFRS 9 Stages 1 and 2

Under IFRS 9, most of the loans in the portfolio fall in Stage 1, where the 12-month expected loss is calculated. Loans that show a significant increase in credit risk (SICR) at reporting date (versus origination date) are classified as Stage 2 loans, and then a lifetime expected loss is calculated. To establish whether a SICR has taken place, (internally determined) absolute and relative thresholds have been set (quantitative triggers).

Past-due loans (that are not qualified as non-performing), and loans with previous delinquencies receive an elevated PD classification. This can lead to Stage 2 when the quantitative triggers are hit. There are also four backstops:

- Loans that are >30 days past due, or
- Forborne performing customers (discussed more thoroughly later in this paragraph), or
- Bridge loans that are active for longer than the contractually agreed time (> 2 years), or
- Loans that have an interest-only portion above 70%, and have either:
- an LTV above 100%, or
- an LTV above 80% and the loan is close to maturity or a borrower close to retirement (<5 years)



IFRS 9 Stage 3

Stage 3 loans are qualified as a non-performing loan (NPL) and receive a PD of 100%, and a lifetime expected loss is calculated under IFRS 9. As can be derived from the table below, 0.5% (EUR 104.7 million) of the total outstanding was classified as Stage 3 at the end of 2024 (0.4% at the end of 2023).

Purchased and Originated Credit-Impaired (POCI) loans

POCI loans are financial assets (i.e., mortgages) transferred from ING Bank while being in default at the moment of transfer. Therefore, a discount is applied to the carrying amount that equals the expected loss. Unlike the regular mortgages, which can change from one stage to another over different reporting dates, POCI loans never return to Stage 1. Instead, they remain in IFRS9 Stage 2 or Stage 3, depending on their status due to their initial impairments. For its internal processes, the POCI assets are reported separately. As can be derived from the table below, 0.1% (EUR 27.8 million) of the total exposure is classified as POCI loans at the end of 2024 (0.1%, at the end of 2023). The slight increase is due to a one-off purchase to finalise the purchase programme with ING Bank in September 2024.

Notes to the Consolidated annual accounts continued

Loans exposed to credit risk (Stages by exposure)

	Stage 1		Stage 2		Stage 3		POCI assets		Total[1]	
Amounts in millions of euros	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Mortgages	22,129.6	21,398.2	873.4	958.9	104.7	92.1	27.8	26.9	23,135.5	22,476.1
Consumer loans	8.4	12.0	0.3	0.2	0.0	0.0	0.0	0.0	8.7	12.2
Total	**22,138.0**	**21,410.2**	**873.7**	**959.1**	**104.7**	**92.1**	**27.8**	**26.9**	**23,144.2**	**22,488.3**

1. 'Total' reconciles to Stages 1-3 and Purchased or Originated Credit-Impaired loans, excluding the category 'No allocated stage'. Reference is made to Note 6 'Loans'.

Risk costs

Risk costs are defined as net additions to the loan loss provisions, plus write-offs, minus recoveries, and minus interest correction for non-performing loans. Total risk costs over 2024 were EUR -2.3 million (-1.0 bps) compared to risk costs of EUR -8.4 million (-3.7 bps) in 2023.

Provisions by stage

	Stage 1		Stage 2		Stage 3		POCI assets		Total[1]	
Amounts in millions of euros	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Mortgages	0.2	0.2	0.6	1.8	1.1	0.9	0.1	0.1	1.9	3.0
Consumer loans	0.0	0.1	0.1	0.2	0.2	0.0	0.0	0.0	0.3	0.3
Total	**0.2**	**0.3**	**0.7**	**2.0**	**1.3**	**0.9**	**0.1**	**0.1**	**2.2**	**3.3**

1. Note: Under IFRS 9, provisions for bonds (non-retail) are calculated, which amount to EUR 35 thousand per year-end 2024 (2023: EUR 50 thousand).

For the mortgages, consumer loans and bonds portfolio, the stock of provisions amounts to EUR 2.2 million at the end of 2024 (2023: EUR 3.3 million). The following remarks can be made:

- For mortgages, the provision decreased by EUR 1.0 million due to the release in the management overlay related to rising interest rates and high inflation. The management overlay was released as interest rates and inflation decreased in combination with increasing wages
- For consumer loans, the provision decreased by EUR 26 thousand to EUR 0.3 million due to a decrease in the size of the portfolio
- For bonds, the provision decreased by EUR 15 thousand to EUR 35 thousand due to a decrease in the size of the portfolio
- Write-offs minus reversals were EUR -1.0 million, of which EUR 0.1 million for mortgages. Write-offs were low as the portfolio is well-collateralised and unemployment remains low. In addition, the write-offs were negative (EUR -1.1 million) for the consumer loan portfolio due to administrative corrections
- The correction for interest on non-performing loans amounted to EUR -59 thousand

Forbearance

Forbearance occurs when the Bank decides to grant concessions through either loan modification or refinancing towards the customer who is unable to meet their financial commitments under the current contract. Modification is defined as changing the terms and conditions of the contract to enable the customer to service the debt. Refinancing relates to issuing a new loan to ensure the total or partial repayment of an existing loan. Examples of forbearance measures can be a temporary payment break, payment plan or waiving part of the debt.

We have established clear criteria to determine whether a customer is eligible for a modification or refinancing, as well as procedures to manage, monitor and report the forbearance activities.

Customers who are granted forbearance measures can be either performing or non-performing, depending on conditions of the loan prior to (or after) granting the concession and the type of concession. The customer is seen as performing forborne for a minimum of two years and is seen as *non-performing forborne* for a minimum of one year.

It is noteworthy to point out that the status of loans with forbearance measures can also change during the forbearance reporting period. A *performing forborne* loan can become *non-performing forborne* if it either

Notes to the Consolidated annual accounts continued

becomes more than 30 days past due after forbearance measures have been granted or receives additional forbearance measures during the probation period under certain conditions. A *non-performing forborne* loan can become *performing forborne* when the loan is one year without arrears or new concessions. The forbearance classification for a loan shall be discontinued when the loan has been reported as *performing forborne* for a minimum of two years, the loan is less than 30 days past due at the end of the forbearance reporting period, and the Debt Recovery, Collections & Financial Health department deems it likely that the customer will continue to fulfil their financial obligations.

The underlying Bank exposure classified as forborne at year-end 2024 amounted to EUR 166 million (0.7% of mortgage exposure). The loans with forbearance measures decreased as unemployment remains low and the probation period ends for customers flagged as forborne due to Covid-related payment breaks. Currently, we apply no measures that classify as 'Refinancing'.

Forbearance category in percentage of total lending exposure

	2024	2023
Refinancing	0.00%	0.00%
Terms & Conditions	0.73%	0.89%
Total forbearance	**0.73%**	**0.89%**

Interest rate risk in the banking book

Interest rate risk

Interest rate risk in the banking book is defined as the exposure of a bank's financial condition to adverse movements in interest rates originated from positions in the banking book. Commercial activities result in interest rate risk as, for example, repricing tenors of assets differ from those of liabilities. Changes in interest rates affect earnings and economic value. These two perspectives are complementary, and both are necessary to comprehensively capture interest rate risk. Interest rate risk in the banking book, including interest rate-related customer behaviour risk, is covered under Pillar II. ALM Risk Management is responsible for determining adequate policies and procedures for managing interest rate risk and for monitoring the compliance with these guidelines.

Customer behaviour modelling

The Bank is exposed to interest rate risk arising from embedded options in products like mortgages and savings. Customer behaviour towards these options influence future volumes and margins. Behaviour modelling is applied in the Bank's key interest rate risk measurements. Models and parameters are reviewed at least annually and updated when deemed necessary. In the modelling of savings, different elements play a role: pricing strategies under various interest rate scenarios, outstanding and expected volumes, and the level of the yield curve. The analyses result in replication rules for the various portfolios. With respect to mortgages and consumer loans, prepayment behaviour and the interest sensitivity of the embedded offered rate options are modelled, if applicable.

Risk profile

At least annually, we conduct a financial risk assessment aimed at the identification and assessment of key interest rate risks. The outcomes are used as input to the ICAAP and risk appetite reviews. The Bank has a high inherent exposure to interest rate gap risk, which it mitigates by attracting long-term funding that matches the repricing tenors of its mortgages. Further, the position is steered by entering into interest rate swaps. Exposure to risk from embedded behavioural options is accounted for in economic capital. In the following sections, the interest rate risk exposures in the banking book are presented. We use risk measures from both an earnings perspective and a value perspective. Earnings at Risk (EaR) is used from an earnings perspective. Duration and IRR Economic Value of Equity sensitivity (IRR dEVE) are used from a value perspective. Exposures are monitored by the ALCO.

Value perspective

Value-based interest rate risk measures quantify the uncertainty in the future economic value that may result from changes in interest rates. In the steering of the position, the Bank focuses on:

- Effective duration
- Interest Rate Risk Sensitivity of Economic Value of Equity (IRR dEVE)

Both measures are based on economic value. The IRR dEVE is an Alternative Performance Measure (non-GAAP financial measure) and is not a measure of financial performance under IFRS-EU. The EVE is defined as the current value of all future cash flows. Given the current market circumstances and in line with EBA GL/2022/14, risk-free discounting is applied with exclusion of commercial margins and spreads from cash flows.

Duration measures the sensitivity of the value of an instrument for parallel (small) interest rate shifts. To determine the sensitivity for non-parallel shifts, key rate durations are calculated as well. These duration measures are the key instrument in the steering of the Bank's interest rate risk position.

The duration and key rate durations are interest rate risk measures for small changes in interest rates. To determine the impact of large changes in interest rates, the IRR dEVE measure is used. This risk figure measures the impact of changing interest rates on the economic value of our balance sheet. It is measured for both parallel and non-parallel scenarios. In the table below, the impact of a 2% interest rate shock on the economic value of the balance sheet is presented. The IRR dEVE captures the interest rate sensitivity of the investments of own funds. It is expressed as a percentage of Tier 1 capital, taking the worst-case impact of the up-and-down 200 basis points parallel shock scenarios. We measure EVE sensitivity for both parallel and non-parallel scenarios. The metric is based on conditional cash flow modelling, that is, it accounts for scenario-dependent execution of behavioural options.

The loss of economic value has no direct measurable impact on the reported equity or profit or loss. This loss in value will materialise through time in the profit or loss. Therefore, IRR EVE sensitivity cannot be linked directly with the statement of financial position or statement of profit or loss.

Notes to the Consolidated annual accounts continued

IRR dEVE

Percentage of Tier 1 capital	2024	2023
Parallel shift 200 basis points	5.1%	4.6%

Exposure to IRR dEVE per year-end 2024 is well within appetite. The overall exposure can be decomposed into a part corresponding to the measurement of unconditional cash flows, and a second part corresponding to the conditionality impact from embedded options in retail portfolios. like prepayment options. The first part is approximated by the linear exposure expressed in the duration of equity. Throughout 2024, we steered on a duration of equity close to zero so that the linear part of the value sensitivity is relatively low. For the Bank, the conditionality impact of prepayment is the primary driver of economic value sensitivity. Current prepayment rates for the Bank's portfolio are low, driven by the incentive for relocating customers to exercise the transfer option (meeneemregeling). Both the Bank's Pillar II capitalisation and the reporting for the supervisory outlier test are based on the IRR dEVE metric.

Earnings at Risk

Earnings at Risk (EaR) measures the impact of changing interest rates on the projected interest results (net interest income) over a certain time horizon. The EaR is an Alternative Performance Measure (non-GAAP financial measure) and is not a measure of financial performance under IFRS-EU. The EaR reflects the repricing mismatch in the balance sheet on a horizon of a maximum of three years. For this horizon, the main risk drivers are the repricing of investments and floating receiver swaps on the asset side, versus the repricing of variable savings on the liability side. The repricing of variable savings is determined by the tracking speed, which captures how fast, and to what extent, a change in market rates is adopted in the savings rates.

In the table below, the EaR figure for a 2% parallel shock with a one-year horizon is shown under a constant balance sheet assumption. The EaR is expressed as a percentage of the baseline net interest income, taking the worst-case impact of the up-and-down 200 basis points parallel shock scenarios. We measure EaR for both parallel and non-parallel scenarios.

Earnings at Risk

Percentage of net interest income	2024	2023
Parallel shift 200 basis points	4.7%	5.3%

As a result of the positive net repricing gap on the one-year horizon, the IR down scenario remains leading for the EaR exposure of the Bank. The exposure was well within appetite during 2024.

Liquidity risk

Liquidity risk is defined as the risk that we cannot refinance our assets against a reasonable price (funding liquidity risk) or cannot meet financial liabilities when they come due, at reasonable cost and in a timely manner (market liquidity risk).

Risk profile

We aim for prudent liquidity risk management to ascertain that sufficient liquidity is maintained, to ensure safe and sound operations in all circumstances.

For the management of liquidity risk, a distinction is made between the short and long term. The main objective for the short term is that we have sufficient liquid assets to meet short-term obligations both on a going-concern basis and in stress circumstances during its defined survival period. We aim to match our assets and liabilities. For the long term, the aim is to mitigate the mismatch as much as possible and manage the funding profile so that long-term compliance to both internal and external targets is ensured. This implies that the maturities of the assets and the corresponding funding should be matched as much as possible. Given the profile of the Bank, a mismatch between the duration of the (long-term) mortgage portfolio and the duration of liabilities is the main cause of funding liquidity risk in the longer run. For the short term, the main liquidity risk is caused by the potential outflow of customer savings.

Strategic liquidity risk profile

We manage our balance sheet prudently, whereby we aim to fund the longer-term assets with stable and longer-term liabilities. Monitoring and control of funding is achieved through a dedicated funding and liquidity framework. Each year, the business strategy is translated into a funding plan for a minimum of three years. The funding plan and corresponding liquidity gap are monitored in the ALCO on a monthly basis. The main sources of funding are retail savings. Next to that, we issue unsecured and covered bonds, as part of our Debt Issuance and Soft Bullet Covered Bond Programmes, respectively, and obtain money market funding to manage the mismatch between assets and liabilities. As part of our Soft Bullet Covered Bond Programme, we have issued EUR 2 billion in retained covered bonds that can be used as collateral to obtain funding from the Central Bank or through other secured funding transactions.

Tactical liquidity risk management

The regulatory and internal limits for funding and liquidity risk are monitored on a daily and/or monthly basis. These limits are also linked to stress testing. We maintain a liquidity position with conservative internal targets and a robust liquidity buffer. On a daily basis, the liquidity position must be sufficient to meet our short-term obligations. The position is managed by maintaining sufficient liquid assets and the capacity to generate additional cash.

On a monthly basis, several stress tests are performed to test our funding and liquidity positions. Some of these stress tests are regulatory-driven, and others are based on internal stress scenarios.

Notes to the Consolidated annual accounts continued

Monthly stress scenarios performed due to regulatory requirements include those based on CRR regulation, such as:

- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)

Besides these regulatory stress scenarios, stress tests are performed in which the time-to-survival is calculated given internal stress scenarios. The scenarios assume stress like severe outflow of savings and unavailability of additional funding sources.

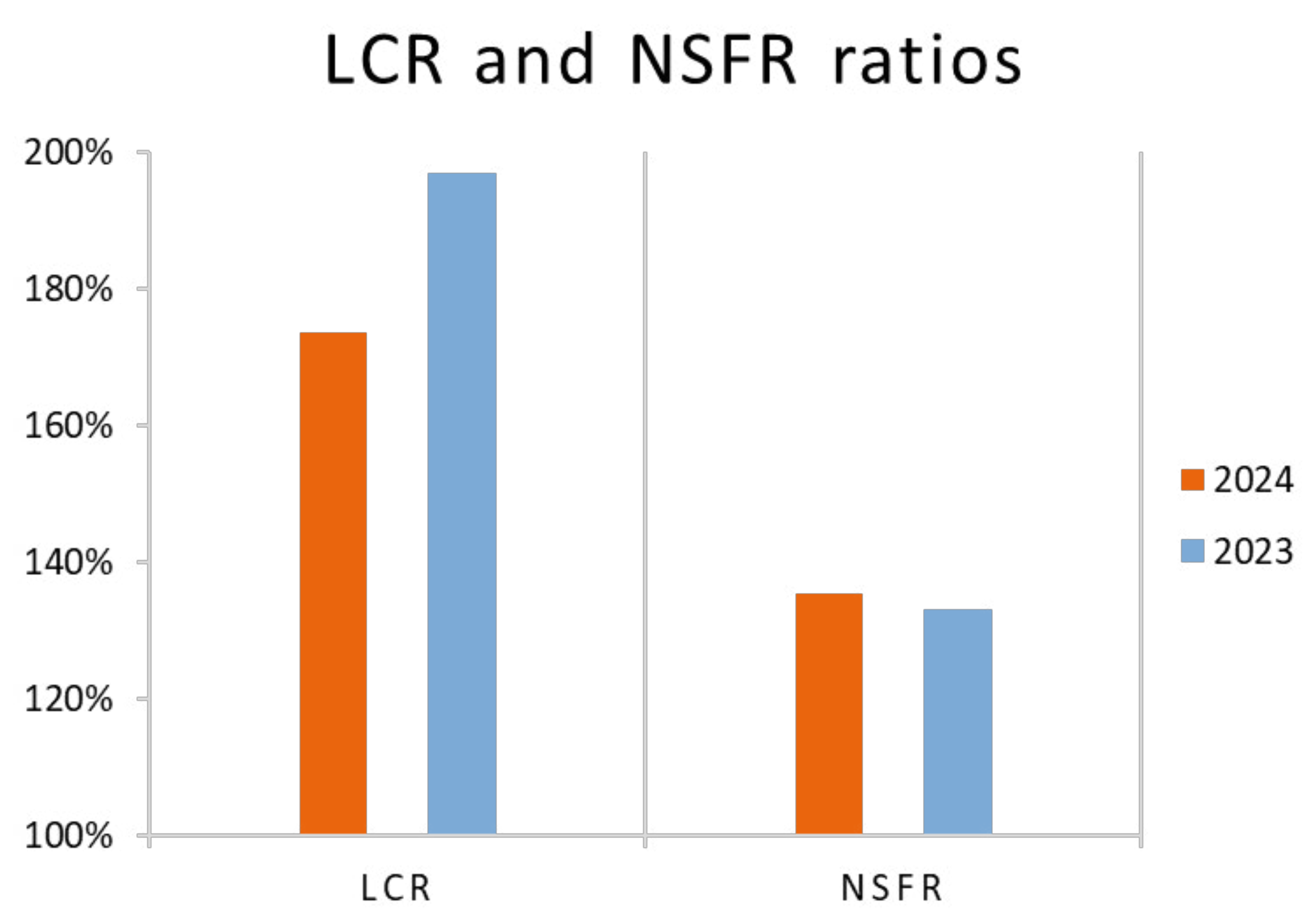
Contingency liquidity risk

Contingency liquidity risk specifically relates to the organisation and planning for liquidity management in times of stress. For contingency purposes, a specific crisis team – consisting of Board members and representatives from staff departments (e.g., Finance, Risk and Treasury) – is responsible for liquidity management in times of crisis. Throughout the organisation, an adequate and up-to-date contingency funding plan is in place to enable senior management to act effectively and efficiently in times of crisis.

Liquidity position

Liquidity measures

	2024	2023
LCR	174%	197%
NSFR	136%	133%



At the end of December 2024, NN Bank had an LCR of 174% and an NSFR of 136%. This is well above the regulatory and internal minimums. It shows a solid liquidity position given our liquidity risks. In addition to the available liquidity as captured by the LCR and the NSFR, other sources of liquidity are available.

Non-financial risk management

Emerging, strategic, operational, legal and related second-order risks – such as reputational risks – are monitored. To ensure that these risks are controlled and proactively managed, a framework is in place to govern the process of identifying, assessing, mitigating, monitoring and reporting non-financial risks.

Emerging and strategic risks

Risk profile

Risks related to future external uncertainties that could pose a threat to the sustainability and viability of our business model and risks arising from making incorrect business decisions, implementing decisions poorly, or being unable to adapt to changes in the operating environment. Emerging and strategic risks encompass disruptive technology risk, political and regulatory risk, environmental, social and governance risk, business model risk, algorithm/model risk from a decision-making perspective and HR risk.

Risk mitigation

Our strategy and strategic initiatives include important emerging and strategic risk mitigants. These mitigants aim to further ensure the sustainability and viability of our business model. Emerging and strategic risk identification and mitigation is supported by business environment scenario planning, strategic risk assessments and through monitoring and management of emerging and strategic risks. Emerging and strategic risks are managed by the Management Board, supported by its Management Team. The Board committees manage non-financial risks, either in a dedicated manner, as with the Non-Financial Risk Committee and Model Committee, or a specific manner, as through the Data Governance Committee, or as part of a committee with a broader risk management mandate, such as the Product Approval & Review Committee and the Crisis Committee. The IT Risk Committee manages IT risks.

Furthermore, a roadmap has been implemented outlining and strengthening our contribution to mitigating climate change and environmental risks (Climate & Environmental risk), aligned with ECB expectations and covering all domains, including risk management.

Operational risk

Risk profile

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes, for instance, IT risk, outsourcing risk, fraud risk and legal risk, but excludes strategic and reputational risk for the purpose of a minimum regulatory operational risk capital charge. Operational risk concerns our ability to execute the strategy whilst meeting stakeholder expectations.

Notes to the Consolidated annual accounts continued

Risk mitigation

For operational risk, NN Group has developed an Effective Control Framework (ECF) that governs the risk cycle: the process of identifying, assessing, mitigating, monitoring, and reporting financial and non-financial risks. The three most important risk assessment are the Strategic Risk Assessment (SRA), Non-Financial Risk Assessment (NFRA) within the business and Detailed Risk Assessment (DRA) on a process level. Based on the identified risks, measures have been implemented to mitigate them within the risk appetite. Regular risk and control monitoring is conducted to evaluate the risks and the effectiveness of the controls. The business owners are responsible for the actual execution of the controls, and for assessing the adequacy of their internal controls.

Business conduct risk

Risk profile

Compliance risk is defined as the risk of impairing our company's integrity and conduct and/or impairment of the personal integrity of one or more of our employees. Such impairment, whether individual or as a company, happens due to a failure to comply with either our own values and/or our obligations under applicable European and Dutch regulatory laws, regulations and standards pertaining to integrity and conduct.

A failure to comply might not only damage our reputation and the trust put in our organisation and our services, but it could also lead to legal and/or regulatory sanctions and financial losses, for instance through claims.

Risk mitigation

We are committed to upholding our reputation and integrity through compliance with applicable laws, regulations, and ethical standards in each of the markets in which we operate. All employees are expected to adhere to these laws, regulations and ethical standards, and management is responsible for ensuring such compliance. Compliance is therefore an essential ingredient of good corporate governance.

The Head of Compliance reports directly to NN Bank's CRO and has a functional line with NN Group's Chief Compliance Officer. The compliance function executes a programme to further enhance the compliance cycle. This cycle effectively manages compliance risk by identifying, assessing, mitigating, monitoring, and reporting business conduct risks. The compliance function provides advice to the businesses to effectively manage their business conduct risks. We continuously enhance our business conduct risk management programme to ensure that NN Bank and its subsidiaries comply with applicable standards and laws and regulations.

In addition to effective reporting systems, we have a whistle-blower procedure that protects and encourages staff to speak up if they know of or suspect a breach of external regulations, internal policies or business principles. We also have policies and procedures regarding anti-money-laundering, sanctions and anti-terrorist-financing, gifts and entertainment, anti-bribery, customer suitability and confidential and insider information. The NN Group Code of Conduct is applicable for all of its personnel.

We are fully committed to complying with all applicable sanction legislation, and with all obligations and requirements under those applicable laws, including freezing and reporting obligations with regard to transactions involving a US-, EU-, UN- and NL-sanction target. Furthermore, NN Group designates specific countries as ultra-high risk, and prohibits customer engagements and transactions (including payments or facilitation) involving those countries. At present, the specified ultra-high-risk countries are Cuba, Iran, North Korea, Sudan, and Syria. Each of these countries is subject to a variety of EU, US, and other sanction regimes. We have our own FEC Standard, further detailing the NN Group FEC policy and specific legislation for banks.

When developing products, we perform product reviews and implement risk management, legal and compliance procedures to monitor current sales practices. Customer protection regulations, as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices, might influence customer expectations. The risk of potential reputational and financial impact from products and sales practices exists because of the market situation, customer expectations and regulatory activity and needs to be monitored continuously. The compliance function and the business work closely together to optimise products and services and to meet customers' needs.

Climate & Environmental risk (C&E risk)

Climate and environmental (C&E) change is resulting in an increasing number and variety of risks that could lead to potential damages and losses for the Bank in the future. The Netherlands is increasingly having to contend with extreme weather conditions: flooding caused by rivers bursting their banks or extreme precipitation, heat,

Notes to the Consolidated annual accounts continued

and drought, as well as hail. In addition, in recent years, supervisory authorities have been intensifying scrutiny on climate and environmental risk (C&E risk), with a particular focus on the risks associated with the acceleration of new environmental regulations.

Risk profile

The challenges and risks associated with climate and environmental factors will significantly impact various aspects of our banking operations. Additionally, as a mortgage lender, we have a crucial responsibility to contribute to the financing of the shift towards a sustainable economy and society.

For us, one of the biggest threats related to C&E risks is credit risk, or the risk that borrowers will default. Our mortgage portfolio can be impacted by climate risk in two ways – either through persistent, chronic changes in the environment, such as foundation damage (pole rot and soil subsidence) or through specific acute events such as flooding or heavy precipitation. Expectations of an increase in such events can negatively impact property values and increase the risk of defaults. In addition, the shift to a lower-carbon economy means we could be susceptible to stricter regulation, disruptive technologies, changes in customer behaviour and reputational damage. Such potential shifts make up a category of risk known as 'transition risk' and, for mortgage lenders and borrowers alike, they are substantial.

Another potential channel that may lead to C&E risks is biodiversity, which refers to the variety of life on earth, including animals, plants, bacteria and fungi. By financing customers with economic activities dependent on biodiversity, we are exposed to direct and indirect risks associated with environmental risks from biodiversity loss due to climate change, which include both physical and transition risks.

A robust approach to assessing and managing our exposure to C&E risk is therefore integral to the sustainability goal of having a net-zero CO_2 portfolio by 2050. Therefore, we are proactively assessing the C&E risks across the Bank. In line with this, we conducted a materiality assessment on both climate and environmental risks, with a specific focus on biodiversity loss. The materiality assessment is conducted on a yearly basis, both on qualitative and quantitative level.

NN Bank has therefore assessed and identified physical and transition risks. Looking at the individual risk drivers, we can conclude that some of the relevant risks drivers that have medium to high severity and impact are included in the table.

One of the topics that has been assessed in relation to C&E risk is foundation damage, including pole rot and soil subsidence. From these analyses, it can be concluded that the risk for NN Bank is currently limited. However, the impact for individual clients may be substantial and may be further amplified by extended periods of drought due to climate change.

We will continue to monitor foundation damage among other C&E risks.

Category	Risk driver	Time horizon (Short: <3 years Medium: <10 years Long: >10 years)
Physical risks	Flooding	Short/Medium/Long
	Wildfire	Short/Medium/Long
	Foundation damage	Medium/Long
Transition risks	Policy and regulation risks, such as pricing GHG emissions, emission-reporting obligations and transition to lower emission sources	Short/Medium
	Change in market sentiment, such as changing customer behaviour	Short/Medium

These risks will be our priority in measuring and monitoring C&E risks going forward. We have performed quantification exercises, scenario analyses, and stress testing which yield qualitative and quantitative risk estimates of C&E risks based on geographical location and various time horizons. In terms of biodiversity loss and its impact, we have assessed and identified biodiversity risks and have deemed the risk to be low for now. We will continue to monitor and assess it annually for any new insights and developments.

Risk mitigation

We aim for prudent C&E risk management by fully embedding it into our risk management framework. In 2024, we set risk metrics for C&E risks at both qualitative and quantitative level, and these form part of our risk appetite statement. In addition, metrics for social risks on customer and employee levels are also included, and we aim to conduct further assessments on social risks.

As part of scenario analysis and stress testing, stress tests to cover climate risk from both physical and transition risk perspectives have been run, including scenario analysis over the medium- to longer-term horizon, covering until 2050. For the same risks, we have performed NGFS (Network for Greening the Financial System) scenario analyses to assess climate change stress testing based on different transition trajectories. The main purpose of climate scenario analyses is to test the resilience of our portfolios to climate risks. In all these scenarios, we see that our balance sheet can withstand climate-risk-related adverse circumstances.

In the coming year, we will continue to advance our quantification of climate and environmental risks and further quantify the prudential risks including operational risks (business model risk and litigation risk) to assess how they impact our mortgage portfolio.

Notes to the Consolidated annual accounts continued

40 Capital management

Regulatory requirements

Capital adequacy and regulatory required capital are based on the guidelines developed by the Basel Committee on Banking Supervision (The Basel Committee) and the European Union Directives, as implemented by DNB for supervisory purposes.

NN Bank publishes risk-weighted assets (RWA), Common Equity Tier 1, Total capital, Leverage ratio and accompanying capital ratios based on CRR, as applicable. For the calculation of RWA, we apply the Standardised Approach for Credit Risk and the Basic Indicator Approach for Operational Risk. NN Bank does not have a trading book, and therefore Market Risk RWA is not applicable.

Capital management process

In conjunction with the annual MTP process, capital, liquidity and funding plans are prepared each year. These plans are updated monthly, and the extent to which additional management actions are required is assessed. At all times, maintaining sufficient financial flexibility should be preserved to meet important solvency and liquidity targets. Our risk appetite statements, which determine risk limit and target-setting, form the foundation of the capital, liquidity and funding plans.

Important inputs to the capital and liquidity planning and management process are provided by stress testing that is performed on a regular basis as part of the ICAAP and ILAAP processes. These stress tests focus on topical issues and the sensitivity of our capital position to certain risks. These analyses determine risk appetite and provide input that help to steer strategic direction. In addition, this information is important input for the annual Supervisory Review and Evaluation Process (SREP) performed by the regulator, resulting in capital requirements for NN Bank.

Recovery planning is a natural extension, and follows NN Bank's Risk Management Framework. The Minimum Requirement for own funds and Eligible Liabilities (MREL) have been established to ensure that we have sufficient equity and eligible liabilities at all times, so that we can be settled in a manner consistent with the resolution objectives in the event of failure. The MREL requirements are expressed in two percentages, as % of TREA (Total risk exposure amounts) and as % the total exposure measure (TEM, leverage ratio requirement). We must comply with the MREL requirements expressed in both TREA and in TEM at all times. The MREL requirements for NN Bank are set as follows: (i) 24.98% of TREA (including 4.5% Combined Buffer Requirement) and (ii) 5.18% of TEM.

Capital adequacy

Capital position

Amounts in millions of euros	2024	2023
Common Equity Tier 1 Capital	1,162	1,069
Total capital[1]	1,207	1,154
Risk Weighted Assets[2]	6,498	6,482
Common Equity Tier 1 ratio[1]	17.9%	16.5%
Total capital ratio[1/2]	18.6%	17.8%
Leverage ratio[2]	4.5%	4.2%

1. 'Total capital' would be EUR 1,198 million, 'CET1 ratio' would be 17.7% and 'Total capital ratio' would be 18.4% after inclusion of the net result for the second half of 2024, less the payment of the proposed final cash dividend.
2. The Total capital ratio per year-end 2023 has been restated from 17.9% to 17.8%, the Risk Weighted Assets changed from EUR 6,465 million to EUR 6,482 million and the Leverage ratio changed from 4.0% to 4.2% due to a resubmission of 2023 Regulatory returns.

NN Bank has maintained a solid capital position with a Capital Requirements Regulation (CRR) total capital ratio of 18.6% (31 December 2023: 17.8%) and a CRR CET1 ratio of 17.9% as of 31 December 2024 (31 December 2023: 16.5%). Common Equity Tier 1 Capital amounts to EUR 1,162 million (31 December 2023: EUR 1,069 million) and has increased, mainly driven by capital generation in the form of retained profits.

Liquidity adequacy

During 2024, NN Bank maintained an adequate liquidity position.

	2024	2023
Liquidity Coverage Ratio (LCR)	174%	197%
Net Stable Funding Ratio (NSFR)	136%	133%
Loan-to-Deposit ratio (LtD)	132%	137%

The Liquidity Coverage Ratio (LCR) decreased from 197% at 31 December 2023 to 174% at 31 December 2024, and remains well above regulatory and internal minimum requirements.

Alongside the available liquidity as captured by the LCR, NN Bank has other sources of liquidity available. In 2023, we issued retained covered bonds, for which the notes are included in our liquidity buffer. These can be used as eligible collateral for ECB open market operations and standing facilities (excluding emergency facilities). Further, we have an intra-group credit facility in place for use when necessary.

NN Bank uses two ratios to measure and monitor the Bank's funding position, the NSFR and the LtD, in addition to its liquidity ratio. At 31 December 2024, NN Bank had a NSFR ratio of 136%, which is well above regulatory and internal minimum requirements. At 31 December 2024, NN Bank had a LtD ratio of 132%.

Along with these ratios, stress tests are performed in which the time-to-survival is calculated given internal stress scenarios. The scenarios assume stressors such as severe outflow of savings and unavailability of additional funding sources.

Dividend policy

NN Bank aims to pay dividends to its shareholder on a semi-annual basis, whilst ensuring that the capital ratios show stable development that remains well within our risk appetite and the regulatory required capital ratios.

NN Bank paid no interim dividend in 2024, due to the redemption of subordinated debt (Tier 2). NN Group granted these subordinated loans to NN Bank. We will propose a final dividend over 2024 of EUR 60 million.

Authorisation of the Consolidated annual accounts

The Consolidated annual accounts of NN Bank for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the NN Bank Management Board on 7 April 2025.

The Hague, 7 April 2025

The Management Board

P.C.A.M. (Pieter) Emmen, CEO ad interim and CRO

N.A.M. (Nadine) van der Meulen, CFO

The Supervisory Board

E. (Erik) Muetstege, chair

T. (Tjeerd) Bosklopper

A.M. (Anne) Snel-Simmons

A.T.J. (Annemiek) van Melick

Confirmed and adopted by the General Meeting, dated 28 May 2025.

Parent company annual accounts

Parent company statement of financial position

Amounts in thousands of euros, unless stated otherwise

Parent company statement of financial position

As at 31 December before appropriation of result	notes	2024	2023
Assets			
Cash and balances at central banks		1,975,075	2,155,834
Amounts due from banks	2	230,364	242,580
Financial assets at fair value through profit or loss:			
– non-trading derivatives		0	39,098
Investment securities		699,350	900,827
Loans*	3	21,887,042	20,956,820
Receivables from group companies	4	412,067	536,673
Assets held for sale		0	40,388
Deferred tax assets		0	169
Other assets	5	160,813	161,773
Investments in group companies	6	135,391	149,094
Intangible assets		20,077	22,830
Total assets		**25,520,179**	**25,206,086**
Liabilities			
Amounts due to banks		200,000	0
Customer deposits and other funds on deposit		17,491,543	16,464,651
Financial liabilities at fair value through profit or loss:			
– non-trading derivatives		2,626	0
Other borrowed funds		275,000	305,000
Other liabilities	7	80,948	95,486
Deferred tax liabilities		2,097	0
Provisions		2,364	11,357
Debt securities issued	8	6,182,875	7,083,011
Loans from group companies	9	2,316	5,207
Subordinated debt		45,000	85,000
Total liabilities		**24,284,769**	**24,049,712**
Equity			
Share capital		10,000	10,000
Share premium		481,000	481,000
Revaluation reserve		-10,455	-20,207
Retained earnings		641,674	558,495
Unappropriated result		113,191	127,086
Shareholders' equity	10	**1,235,410**	**1,156,374**
Total equity and liabilities		**25,520,179**	**25,206,086**

* The comparative figures changed. Reference is made to Note 6 ‘Loans’ in the Consolidated annual accounts.

References relate to the notes starting on page 183. These form an integral part of the Parent company annual accounts.

Parent company statement of profit or loss

Amounts in thousands of euros, unless stated otherwise

Parent company statement of profit or loss

For the year ended 31 December	notes		2024		2023
Interest income		1,300,787		1,102,242	
Interest expenses		915,343		718,650	
Net interest income	11		385,444		383,592
Income from group companies	6		-93		1,636
Gains and losses on financial transactions and other income	12		302		12,208
– fee and commission income		83,211		79,726	
– fee and commission expenses		17,213		17,374	
Net fee and commission income	13		65,998		62,352
Valuation results on non-trading derivatives	14		-32,720		-22,128
Total income			**418,931**		**437,660**
Impairment charges on financial instruments			-2,298		-5,052
Staff expenses			155,218		153,415
Regulatory levies			6,608		18,213
Other operating expenses			106,798		100,344
Total expenses			**266,326**		**266,920**
Result before tax			**152,605**		**170,740**
Taxation			39,414		43,654
Net result			**113,191**		**127,086**

Parent company statement of changes in equity

Amounts in thousands of euros, unless stated otherwise

Parent company statement of changes in equity (2024)

	Share capital	Share premium	Revaluation reserve	Other reserves[1]	Total equity
Equity - 1 January 2024	**10,000**	**481,000**	**-20,207**	**685,581**	**1,156,374**
Unrealised revaluations after taxation	0	0	19,233	0	19,233
Macro fair value hedge accounting effect transferred to the statement of profit or loss	0	0	-9,481	0	-9,481
Total amount recognised directly in equity (Other comprehensive income)	**0**	**0**	**9,752**	**0**	**9,752**
Net result	0	0	0	113,191	113,191
Total comprehensive income	**0**	**0**	**9,752**	**113,191**	**122,943**
Dividend paid	0	0	0	-44,000	-44,000
Change in employee share plans	0	0	0	93	93
Equity - 31 December 2024	**10,000**	**481,000**	**-10,455**	**754,865**	**1,235,410**

1. ‘Other reserves’ include Retained earnings and Unappropriated result.

Parent company statement of changes in equity (2023)

	Share capital	Share premium	Revaluation reserve	Other reserves[1]	Total equity
Equity - 1 January 2023	**10,000**	**481,000**	**-28,006**	**578,396**	**1,041,390**
Unrealised revaluations after taxation	0	0	26,548	0	26,548
Macro fair value hedge accounting effect transferred to the statement of profit or loss	0	0	-18,749	0	-18,749
Total amount recognised directly in equity (Other comprehensive income)	**0**	**0**	**7,799**	**0**	**7,799**
Net result	0	0	0	127,086	127,086
Total comprehensive income	**0**	**0**	**7,799**	**127,086**	**134,885**
Dividend paid	0	0	0	-20,000	-20,000
Change in employee share plans	0	0	0	99	99
Equity - 31 December 2023	**10,000**	**481,000**	**-20,207**	**685,581**	**1,156,374**

1. ‘Other reserves’ include Retained earnings and Unappropriated result.

Notes to the Parent company annual accounts

Amounts in thousands of euros, unless stated otherwise

1 Accounting policies for the Parent company annual accounts

The Parent company accounts of NN Bank are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The accounting policies applicable to presentation and disclosures are in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The principles of valuation and determination of results stated in connection with the Consolidated statement of financial position and Consolidated statement of profit or loss are also applicable to the Parent company statement of financial position and statement of profit or loss, with the exception of investments in group companies. These are recognised at net asset value. Reference is made to the disclosures in the Consolidated statement of financial position for the Parent company statement of financial position line items 'Cash and balances at central banks', 'Financial assets at fair value through profit or loss', 'Investment securities', 'Assets held for sale', 'Intangible assets', 'Amounts due to banks', 'Customer deposits and other funds on deposit', 'Financial liabilities at fair value through profit or loss', 'Other borrowed funds', 'Deferred tax liabilities', 'Provisions' and 'Subordinated debt'. Reference is made to the disclosure in the Consolidated statement of profit or loss for the Parent company statement of profit or loss line item 'Staff expenses' for the 'Number of employees'.

In accordance with Article 379 (1), Book 2 of the Dutch Civil Code, reference is made to Note 34 'Principal subsidiaries' in the Consolidated annual accounts.

2 Amounts due from banks

	2024	2023
Bank balances	565	210
Collateral posted	229,799	242,370
Amounts due from banks	**230,364**	**242,580**

'Bank balances' comprises current accounts and accrued interest with banks.

'Collateral posted' concerns posted collateral regarding centrally cleared swaps. The decrease in 'Collateral posted' from EUR 242.4 million to EUR 229.8 million is caused by lower initial margin requirements by the central clearing party despite slightly increased net swap positions. 'Collateral posted' is not freely disposable.

3 Loans

Loans analysed by type

Loans analysed by type	2024	2023
Loans secured by mortgages, guaranteed by public authorities	5,546,347	5,266,953
Loans secured by mortgages	16,796,937	16,370,862
Loans secured by mortgages, hedged items	-768,443	-980,873
Consumer lending	8,688	12,220
Group companies	305,695	290,919
Loans – before loan loss provisions	**21,889,224**	**20,960,081**
Loan loss provisions	-2,182	-3,261
Loans	**21,887,042**	**20,956,820**

Changes in loans

	2024	2023
Loans to third parties – opening balance	20,960,081	19,714,266
Mortgage portfolio transfer	411,901	51,641
Partial transfers of mortgage loans	8,878	62,187
Origination	2,359,456	2,742,271
Change in mortgage premium	-8,214	-18,395
Fair value change hedged items	212,430	542,340
Other changes	23,076	-133,697
Modifications	922	1,018
Redemptions	-2,079,306	-2,001,550
Loans to third parties – closing balance	**21,889,224**	**20,960,081**

Notes to the Parent company annual accounts continued

4 Receivables from group companies

Changes in receivables from group companies

	2024	2023
Receivables from group companies – opening balance	536,673	555,209
Movement	-124,606	-18,536
Receivables from group companies – closing balance	**412,067**	**536,673**

'Receivables from group companies' mainly consists of a loan to HQ Hypotheken 50 B.V. for the funding of the third-party loans as serviced by Quion. The interest rate for 2023 and 2024 is based on Euro Short-Term Rate (€STR) with an add-on of 0.6%. The related interest income for 2024 amounts to EUR 13.6 million (2023: EUR 14.0 million).

5 Other assets

Other assets by type

	2024	2023
Accrued assets	55,804	54,754
Other receivables	105,009	107,019
Other assets	**160,813**	**161,773**

All other assets are expected to be recovered or settled within 12 months, except for an amount of EUR 68.7 million (2023: EUR 70.2 million) relating to origination fees to be received following a long-term contract.

6 Investments in group companies

Investment in group companies

	Interest held 2024	Balance sheet value 2024	Interest held 2023	Balance sheet value 2023
HQ Hypotheken 50 B.V.	100%	135,391	100%	135,484
Woonnu B.V.	100%	0	100%	13,610
Investments in group companies		**135,391**		**149,094**

Changes in investments in group companies

	2024	2023
Investments in group companies – opening balance	149,094	147,458
Results from group companies	-93	1,636
Changes in the composition of the group and other changes	-13,610	0
Investments in group companies – closing balance	**135,391**	**149,094**

7 Other liabilities

Other liabilities

	2024	2023
Income tax payable	7,314	7,068
Other taxation and social contribution	15,460	13,442
Accrued interest	38,440	42,745
Costs payable	7,739	14,429
Other amounts payable	11,995	17,802
Other liabilities	**80,948**	**95,486**

'Other amounts payable' mainly relates to year-end accruals and other payables to third parties in the normal course of business.

All other liabilities are expected to be settled within 12 months.

8 Debt securities issued

	2024	2023
Covered bond issues	5,105,367	6,028,922
Unsecured debt securities	1,077,508	1,054,089
Total	**6,182,875**	**7,083,011**

Reference is made to Note 35 'Structured entities' in the Consolidated annual accounts, specifically the Soft Bullet Covered Bond Programme.

9 Loans from group companies

'Loans from group companies' consists of intercompany positions with NN Group entities for an amount of EUR 2.3 million (2023: EUR 5.2 million).

Notes to the Parent company annual accounts continued

10 Equity

Equity

	2024	2023
Share capital	10,000	10,000
Share premium	481,000	481,000
Revaluation reserve	-10,455	-20,207
Retained earnings	641,674	558,495
Unappropriated result	113,191	127,086
Total equity	**1,235,410**	**1,156,374**

Share capital

	Ordinary shares			
	Shares in number		Amount (in EUR thousand)	
	2024	2023	2024	2023
Authorised share capital	5,000,000	5,000,000	50,000	50,000
Unissued share capital	4,000,000	4,000,000	40,000	40,000
Issued share capital	**1,000,000**	**1,000,000**	**10,000**	**10,000**

Changes in revaluation reserve, retained earnings and unappropriated result (2024)

	Revaluation reserve	Retained earnings	Unappropriated result	Total
Revaluation reserve, retained earnings and unappropriated result – opening balance	-20,207	558,495	127,086	665,374
Net result for the period	0	0	113,191	113,191
Dividend paid	0	-44,000	0	-44,000
Unrealised revaluation	9,752	0	0	9,752
Transfers to/from retained earnings	0	127,086	-127,086	0
Change in employee share plans	0	93	0	93
Revaluation reserve, retained earnings and unappropriated result – closing balance	**-10,455**	**641,674**	**113,191**	**744,410**

Changes in revaluation reserve, retained earnings and unappropriated result (2023)

	Revaluation reserve	Retained earnings	Unappropriated result	Total
Revaluation reserve, retained earnings and unappropriated result – opening balance	-28,006	496,853	81,543	550,390
Net result for the period	0	0	127,086	127,086
Dividend paid	0	-20,000	0	-20,000
Unrealised revaluation	7,799	0	0	7,799
Transfers to/from retained earnings	0	81,543	-81,543	0
Change in employee share plans	0	99	0	99
Revaluation reserve, retained earnings and unappropriated result – closing balance	**-20,207**	**558,495**	**127,086**	**665,374**

‘Revaluation reserve' cannot be freely distributed. Share premium reserves are not freely distributable up to a negative amount of ‘Retained earnings’.

The total amount of ‘Equity’ in the Parent company annual accounts equals ‘Shareholder’s equity’ in the Consolidated annual accounts.

The ‘Distributable reserves’ based on the Dutch Civil Code in the Parent company annual accounts are equal to the Distributable reserves included in the Consolidated annual accounts and amount to EUR 1,215.8 million (2023: EUR 1,143.7 million).

Notes to the Parent company annual accounts continued

11 Net interest income

Net interest income

	2024	2023
Interest income on loans	634,471	600,736
Modifications	981	1,018
Interest income on non-trading derivatives	571,259	419,554
Negative interest on liabilities	0	8
Other interest income	94,076	80,926
Total interest income	**1,300,787**	**1,102,242**
Interest expenses on amounts due to banks	0	808
Interest expenses on customer deposits and other funds on deposit	354,759	239,908
Interest expenses on debt securities issued and other borrowed funds	91,497	74,142
Interest expenses on non-trading derivatives	433,709	316,823
Interest expenses on subordinated loans	1,157	1,388
Negative interest on assets	1,506	2,286
Other interest expenses	32,715	30,714
Interest expenses on structured entities	0	52,581
Total interest expenses	**915,343**	**718,650**
Net interest income	**385,444**	**383,592**

'Other interest income' relates mainly to interest received from DNB.

Interest margin in percentages

	2024	2023
Interest margin	**1.52%**	**1.55%**

'Interest margin' is calculated by dividing the 'net interest income' by the average of the total assets for year-end 2024 and 2023, respectively.

12 Gains and losses on financial transactions and other income

	2024	2023
Result of sale of consumer lending portfolio	0	-7,179
Realised gains or losses of investment securities	-4	-2
Results from financial transactions	0	19,470
Other income	306	-81
Gains and losses on financial transactions and other income	**302**	**12,208**

13 Net fee and commission income

Net fee and commission income

	2024	2023
Service management fee	62,757	60,038
Brokerage and advisory fees	20,454	19,688
Fee and commission income	**83,211**	**79,726**
Asset management fees	9,160	11,430
Brokerage and advisory fees	7,493	5,825
Other fees	560	119
Fee and commission expenses	**17,213**	**17,374**
Net fee and commission income	**65,998**	**62,352**

14 Valuation results on non-trading derivatives

	2024	2023
Gains or losses (fair value changes) in fair value hedge accounting relating to:		
– the hedging instrument (non-trading derivatives)	-137,368	-352,287
– the hedged items (mortgages/high-quality liquid assets/debt securities) attributable to the hedged risk	104,648	330,159
Valuation results on non-trading derivatives	**-32,720**	**-22,128**

Notes to the Parent company annual accounts continued

15 Maturity of certain assets and liabilities

Analysis of certain assets and liabilities (2024)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Cash and balances at central banks	1,975,075	0	0	0	0	1,975,075
Amounts due from banks	565	0	0	0	229,799	230,364
Loans	69,233	81,306	226,261	1,487,448	20,022,794	21,887,042
Liabilities						
Amounts due to banks	100,000	100,000	0	0	0	200,000
Customer deposits and other funds on deposit	9,215,301	313,371	1,460,849	3,196,971	3,305,051	17,491,543
Debt securities issued	0	499,120	496,471	3,067,678	2,119,606	6,182,875

Analysis of certain assets and liabilities (2023)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Cash and balances at central banks	2,155,834	0	0	0	0	2,155,834
Amounts due from banks	210	0	0	0	242,370	242,580
Loans	71,444	49,422	222,686	1,475,939	19,137,329	20,956,820
Liabilities						
Amounts due to banks	0	0	0	0	0	0
Customer deposits and other funds on deposit	9,485,173	202,094	1,238,489	2,458,153	3,080,742	16,464,651
Debt securities issued	0	499,959	490,461	3,522,081	2,570,510	7,083,011

16 Contingent liabilities and commitments

Contingent liabilities and commitments (2024)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Guarantees	0	0	0	0	129	129
Irrevocable credit facilities	49,092	0	0	0	0	49,092
Mortgage offerings	171,201	134,229	110,141	0	0	415,571
Construction deposits	35,862	51,519	146,026	43,079	0	276,486
Contingent liabilities and commitments	**256,155**	**185,748**	**256,167**	**43,079**	**129**	**741,278**

Contingent liabilities and commitments (2023)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Guarantees	0	0	0	0	129	129
Irrevocable credit facilities	48,529	0	0	0	0	48,529
Mortgage offerings	146,477	81,869	80,774	0	0	309,120
Construction deposits	36,755	61,788	177,000	67,487	0	343,030
Contingent liabilities and commitments	**231,761**	**143,657**	**257,774**	**67,487**	**129**	**700,808**

17 Related parties

NN Bank has entered into transactions with its principal subsidiary, HQ Hypotheken 50 B.V. Note 4 ‘Receivables from group companies’ in the Parent company annual accounts comprises a loan for funding purposes of the mortgage origination by Quion Hypotheekbemiddeling B.V. on behalf of NN Bank’s subsidiary. The related interest income for 2024 amounted to EUR 13.6 million (2023: EUR 14.0 million).

For more details about related parties, reference is made to Note 36 ‘Related parties’ in the Consolidated annual accounts.

18 Other

Fiscal unity

NN Bank and its subsidiaries (excluding consolidated structured entities) are part of the Dutch fiscal unity of NN Group for corporation tax purposes, making it jointly and severally liable for the total tax payable by the fiscal unity. The tax receivables and payables concern NN Group’s receivables and payables.

Reference is made to the Consolidated annual accounts for the number of employees and remuneration of the Management Board and the Supervisory Board.

Authorisation of the Parent company annual accounts

The Parent company annual accounts of NN Bank for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Management Board on 7 April 2025.

The Hague, 7 April 2025

The Management Board

P.C.A.M. (Pieter) Emmen, CEO ad interim and CRO

N.A.M. (Nadine) van der Meulen, CFO

The Supervisory Board

E. (Erik) Muetstege, chair

T. (Tjeerd) Bosklopper

A.M. (Anne) Snel-Simmons

A.T.J. (Annemiek) van Melick

Confirmed and adopted by the General Meeting, dated 28 May 2025.

Other information and appendices

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Independent auditor's report

To: the General Meeting of the Shareholder and the Supervisory Board of Nationale-Nederlanden Bank N.V.

Report on the audit of the annual accounts 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated annual accounts give a true and fair view of the financial position of Nationale-Nederlanden Bank N.V. as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the accompanying parent company annual accounts give a true and fair view of the financial position of Nationale-Nederlanden Bank N.V. as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the annual accounts 2024 of Nationale-Nederlanden Bank N.V. (the 'Company' or 'NN Bank') based in The Hague. The annual accounts include the consolidated annual accounts and the parent company annual accounts.

The consolidated annual accounts comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the following consolidated statements for 2024: the statement of profit or loss and the statements of comprehensive income, changes in equity and cash flows; and
- the notes comprising material accounting policy information and other explanatory information.

The parent company accounts comprise:

- the parent company statement of financial position as at 31 December 2024;
- the parent company statement of profit or loss and the statement of changes in equity for 2024; and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the annual accounts' section of our report.

We are independent of Nationale-Nederlanden Bank N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the annual accounts as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
• Materiality of EUR 6 million
• 4.2% of three-year average of results before tax

Group audit
• Performed audit procedures for 100% of total assets
• Performed audit procedures for 100% of revenue

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Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: presumed risk of management override of controls identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified
- Going concern risks: no going concern risks identified

Key audit matters

- Estimation uncertainty with respect to expected credit losses on mortgage loans
- Reliability and continuity of electronic data processing

Materiality

Based on our professional judgement we determined the materiality for the annual accounts as a whole at EUR 6 million (2023: EUR 6 million). The materiality is determined with reference to the three-year average of results before tax (4.2%). We consider result before tax as the most appropriate benchmark based on our assessment of the general information needs of users of the annual accounts and given the fact that NN Bank is a profit-oriented entity. We have averaged the result before tax because the results have been volatile in recent years due to among other things, the financial impact of the recent interest rate developments and associated developments in the mortgage origination market. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the annual accounts for qualitative reasons.

We agreed with the Audit Committee of the Supervisory Board that misstatements identified during our audit in excess of EUR 300 thousand (2023: EUR 300 thousand) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

NN Bank is at the head of a group of components (hereafter 'Group'). The financial information of this group is included in the financial statements of NN Bank.

NN Bank has one fully owned subsidiary as at 31 December 2024: HQ Hypotheken 50 B.V. (hereafter 'HQ50'). Through HQ50, NN Bank offers mortgage loans to customers via a business partner.

During 2024 NN Bank entered into a legal merger with fully owned subsidiary Woonnu B.V. Woonnu B.V. served as a mortgage loan originator under the label 'Woonnu' for and on behalf of NN Bank and other entities.

As a result of the merger, Woonnu B.V. ceased to exist as a separate legal entity as at 17 Augustus 2024 and NN Bank acquired all assets and liabilities of Woonnu B.V. under universal title of succession. In accordance with the deed of merger, the financial data of Woonnu is included in the financial statements of NN Bank as from 1 January 2024.

We performed risk assessment procedures throughout our audit to determine whether the fully owned subsidiary HQ50 is likely to include risks of material misstatement to the consolidated annual accounts of NN Bank. To appropriately respond to those assessed risks, we planned and performed further audit procedures centrally. We did not identify and involve a component auditor for HQ50.

We have performed audit procedures for 100% of Group revenue and 100% of Group total assets. Since we perform audit procedures for 100% of the Group revenue and total assets, we did not identify any aggregation risk with respect to remaining financial information.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing audit procedures centrally we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the annual accounts as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In the risk management paragraph of the annual accounts, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory Board reflects on this.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the members of the Management Board, those charged with governance and other relevant functions, such as Internal Audit (CAS), Legal and Compliance and included correspondence with relevant supervisory authorities and regulators in our evaluation. We have also incorporated elements of unpredictability in our audit such as performing cut-off testing procedures to identify potential fictitious journal entries with a potential impact on the amounts recognized as at the balance sheet date and involved forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- 'Wet op het financieel toezicht' (Wft, Act on Financial Supervision);
- banking-specific regulatory requirements as imposed by the prudential regulator DNB;
- regulations related to data privacy (GDPR, General Data Protection Regulation);

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- laws and regulations on Anti-Money Laundering ('AML') and Financial Economic Crime ('FEC') (i.e., the 'Wet ter voorkoming van witwassen en financieren van terrorisme (Wwft, Anti-Money Laundering and Anti-Terrorist Financing Act)); and
- Capital Requirements Directive IV (CRD IV).

Our procedures did not result in the identification of a reportable risk of material misstatement in respect of non-compliance with laws and regulations.

Further, we assessed the presumed fraud risk on revenue recognition as not significant, because the accounting of interest income and commission income is based on automatically generated accruals based on static data taken from the loan source system and therefore concerns routine transactions not subject to management judgment.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, which entails the relevant presumed risk laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed fraud risk)

The Management Board is in a unique position to manipulate accounting records and prepare fraudulent annual accounts by overriding controls that otherwise appear to be operating effectively such as via fictitious journal entries or estimates such as the expected credit losses on mortgage loans.

We have performed the following procedures:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries, estimates and entries related to the expected credit losses on mortgage loans.
- We performed a data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by the Company's Management Board, including retrospective reviews of prior years' estimates with respect to expected credit losses on mortgage loans. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Our evaluation of procedures performed related to fraud did not result in an additional key audit matter.

We communicated our risk assessment, audit procedures and results to the Management Board and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that could have a material effect on amounts recognized or disclosed provided in the annual accounts.

Audit response to going concern

The Management Board has performed its going concern assessment and has not identified any going concern risks. To assess the Management Board's assessment, we have performed, inter alia, the following procedures:

- We considered whether the Management Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit.
- We analyzed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.
- We inspected regulatory correspondence and the minutes of Board meetings and performed substantive audit procedures to obtain an understanding of the Company's minimum regulatory and internal capital and liquidity position, respectively, and the related adequacy assessment of all capital targets, that underpins the Management Board's assessment of the going concern assumption for financial reporting.

The outcome of our risk assessment procedures on the going concern assessment, including our consideration of findings from our audit procedures on other areas, did not give reason to perform additional audit procedures on the Management Board's going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Estimation uncertainty with respect to expected credit losses on mortgage loans

Description

The mortgage loan portfolio of NN Bank is classified as 'hold to collect' and therefore measured at amortized cost. The mortgage loans measured at amortized cost amount to EUR 22.1 billion (gross) as at 31 December 2024. The amortized cost is determined by subtracting the provision for loan losses from the outstanding balance of the loans, amounting to EUR 1.9 million as at 31 December 2024. In accordance with IFRS 9, NN Bank applies an expected credit loss ('ECL') approach to determine the provision for loan losses. The loan loss provision is determined using complex models on a portfolio basis using expert judgment. There is a risk of error that the models do not reflect the accurate or complete loan loss provision. This could stem from incorrect underlying assumptions, insufficient control over the modelling process or insufficient data (quality) used to develop the model or as input in the model.

Certain aspects of the determination of expected loan losses require significant judgment of the Management Board, such as the definition of significant increase in credit risk and the definition of default, the determination of the probability of default using migration matrices, the application of macro-economic scenarios and estimating the recoverable amount to determine the ‘Loss Given Default’. Based on these facts and circumstances, we consider the estimation uncertainty with respect to expected credit losses on mortgage loans a key audit matter.

Our response

Our audit approach included risk assessment procedures, testing the effectiveness of internal controls around determining the loan loss provision, as well as substantive audit procedures. As part of our risk assessment procedures, we obtained an understanding of management’s process, systems and controls implemented. Our procedures over internal controls focused on controls around the accuracy of loan and collateral data, and the process for identifying increases in credit risk, such as arrears and the management thereof, and included an assessment of the relevant General IT Controls of the systems involved.

In our substantive procedures:

- we recalculated the ‘Probability of Default’, ‘Loss Given Default’ and ‘Exposure at Default’ based on the technical model documentation for a sample of mortgage loans, and determined that the provision is calculated as the product of these elements; and
- we inspected the model monitoring report for the mortgage provision models. Furthermore, we performed reperformance testing on key backtesting results included in the model monitoring report.

In our audit we challenged the Management Board’s assessment whether the models are still ‘fit-for-purpose’ and considered the need for post-model adjustments to accurately capture credit risk developments. We involved credit risk specialists from KPMG Financial Risk Management to assist us in these procedures:

- we tested the accuracy and completeness of the data used for the ECL calculations. As part of that, we tested whether the source data could be reconciled with the data captured in risk systems and the general ledger;
- we inspected for a selection of loans whether the data administered could be reconciled to source documentation. Important data to determine the provision for loan losses includes among other things the collateral value and the payment history of the client;
- we performed procedures on the non-performing and forbearance classification of mortgage loans (which is relevant for the staging of loans). We inspected for a selection of loans whether their stage classification is in line with source documentation and in accordance with the definitions of default and significant increase in credit risk as described in the staging policy;
- we assessed whether the macroeconomic scenarios and scenario weights used in the determination of the provision for loan losses are a fair reflection of the macroeconomic data and forecasts (gross domestic product, unemployment and house price index) as at 31 December 2024;
- we assessed the sensitivity analyses for several parameters applied in the loan loss provision models and evaluated the outcome of the ECL benchmarking analysis (compared to peer banks) conducted by NN Bank;
- with the support of our credit risk specialists, we assessed whether there were events or conditions that give rise to the need for the recognition of a management overlay; and
- we assessed whether the disclosures appropriately address the uncertainty that exists when determining the expected credit losses, including the impact of applying different macroeconomic scenarios, and whether the disclosure of the key judgments and assumptions made was sufficiently clear.

Our observation

Based on our procedures performed, we conclude that the expected credit losses for the portfolio of mortgage loans as determined by the Management Board of NN Bank is within an acceptable range and that the Management Board of NN Bank adequately disclosed information in accordance with EU-IFRS on the estimation uncertainty in note 1, note 6 and note 39 to the annual accounts.

Reliability and continuity of electronic data processing

Description

NN Bank and its financial reporting process are highly dependent on the reliability and the continuity of information technology due to the significant number of transactions that are processed daily. An adequate IT infrastructure ensures the reliability and continuity of the Company’s business processes and the accuracy of financial reporting. As the reliability and continuity of IT systems may have an impact on automated data processing and given the pervasive nature of the IT general control environment, we consider this a key audit matter.

Our response

- We obtained an understanding of the IT organization and developments in the IT infrastructure to determine how it impacts the Company’s processes.
- We assessed the impact of changes to the IT environment during the year, either from ongoing internal process optimization initiatives or in order to meet external reporting requirements.

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- We tested the design, implementation and operating effectiveness of General IT Controls related to user access management and change management across applications, databases, networks and operating systems.
- In some areas where we had observations in terms of the effectiveness of internal controls, we performed additional procedures over the remedial control actions taken by management on access and change management for the related systems.
- We tested application controls over automated data processing, data feeds and interfaces when relevant for financial reporting.
- We assessed the reliability and continuity of automated data processing only to the extent necessary within the scope of the audit of the annual accounts.
- We inquired with management on security incidents and their initiatives and processes to address cyber security risks.

Our observation

Based on the testing of General IT Controls, we obtained sufficient and appropriate audit evidence to support our IT-driven audit approach. The results of the procedures performed regarding user access management and change management, including the testing of remedial control actions, were satisfactory in relation to our audit. Based on the procedures performed, we noted points for improvement in these areas that we have shared with the Management Board and the Supervisory Board.

Report on the other information included in the annual report

In addition to the annual accounts and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the annual accounts and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the annual accounts or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the annual accounts.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of the Shareholder as auditor of Nationale-Nederlanden Bank N.V. on 28 May 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

We have been reappointed by the General Meeting of the Shareholder on 23 May 2022 to continue to serve as the external auditor of NN Bank for the financial years 2022 through 2025.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Services rendered

For the period to which our statutory audit relates, in addition to this audit, we have provided agreed-upon procedures and assurance engagements to NN Bank and its controlled undertakings. These services were rendered for the benefit of external users, largely driven by regulatory reporting requirements.

Description of responsibilities regarding the annual accounts

Responsibilities of the Management Board and the Supervisory Board for the annual accounts

The Management Board is responsible for the preparation and fair presentation of the annual accounts in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error. In that respect the Management Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the annual accounts, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the annual accounts using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the annual accounts.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the annual accounts

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the annual accounts is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at www.nba.nl/eng_oob_20241203. This description forms part of our auditor's report.

Amstelveen, 7 April 2025

KPMG Accountants N.V.

B.M. Herngreen RA

Limited assurance report of the independent auditor on the Sustainability Statement

To: the General Meeting of the Shareholder and the Supervisory Board of Nationale-Nederlanden Bank N.V.

Report on the audit of the annual accounts 2024 included in the annual report

Our conclusion

We have performed a limited assurance engagement on the Sustainability Statement for 2024 (hereinafter: the sustainability statement) of Nationale-Nederlanden Bank N.V. based in The Hague, (hereafter also: 'NN Bank').

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by NN Bank to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement on the sustainability statement' section of our report.

We are independent of Nationale-Nederlanden Bank N.V.in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matters

We draw attention to section 'General disclosures' of the sustainability statement. This disclosure sets out that the sustainability statement has been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations and addressing inherent measurement or evaluation uncertainties.

The section 'General disclosures', addresses inherent measurement or evaluation uncertainties. This paragraph identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements NN Bank has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

The section 'Our approach to the DMA' in the sustainability statement explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in NN Bank's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted.

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The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect to these matters.

Corresponding information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the sustainability statement of prior year. Consequently, the corresponding sustainability information and thereto related disclosures on the period up to 2024 has not been subject to reasonable or limited assurance procedures.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the Management Board of NN Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by NN Bank. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board and the Supervisory Board for the sustainability statement

The Management Board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by NN Bank as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The Management Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand NN Bank's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by NN Bank.

Our responsibilities for the assurance engagement on the sustainability statement

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of NN Bank, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by NN Bank as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, NN Bank's processes for gathering and reporting entity-related and value chain information, the information systems and NN Bank's risk assessment process relevant to the preparation of the sustainability statement and for identifying NN Bank's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls.effectiveness, of controls.
- Assessing the double materiality assessment process carried out by NN Bank and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.

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- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Management Board appears consistent with the process carried out by NN Bank.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends.
- Assessing whether NN Bank's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to NN Bank (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of NN Bank and are consistent or coherent with the sustainability statement;
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 , and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Amstelveen, 7 April 2025

KPMG Accountants N.V.

B.M. Herngreen RA

Appropriation of result

The result is appropriated pursuant to article 21 of the NN Bank Articles of Association, the relevant stipulations of which state that the General Meeting, having heard the advice of the Management Board and the Supervisory Board, shall determine the appropriation of result. Reference is made to Note 17 ‘Equity’ of the Consolidated annual accounts, for the proposed appropriation of result.

Appendix EU Taxonomy Tables

This annex complements the EUT disclosure and forms an integral part of the sustainability statement.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	23,508	22%	22%	92%	-2%	8%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	414	18%	18%	100%	n/a	n/a
	Trading book*	n/a	n/a	n/a			
	Financial guarantees	n/a	n/a	n/a			
	Assets under management	n/a	n/a	n/a			
	Fees and commissions income**	n/a	n/a	n/a			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.
** Fees and commissions income from services other than lending and Assets under Management (AuM).
*** % of assets covered by the KPI over banks´ total assets
**** Based on the Turnover KPI of the counterparty
***** Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2024 - Turnover

Million EUR

		2024													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,894	23,395	5,187	5,187										
2	**Financial undertakings**	**972**	**505**	**0**	**0**										
3	Credit institutions	493	88	0	0										
4	Loans and advances	230	0												
5	Debt securities, including UoP	263	88												
6	Equity instruments														
7	Other financial corporations	478	417	0	0										
8	of which investment firms	82	74												
9	Loans and advances	69	69												
10	Debt securities, including UoP	13	6												
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings	397	343	0	0										
17	Loans and advances	360	343												
18	Debt securities, including UoP	37													
19	Equity instruments														
20	**Non-financial undertakings**														
21	Loans and advances														
22	Debt securities, including UoP														
23	Equity instruments														
24	**Households**	**22,922**	**22,890**	**5,187**	**5,187**										
25	of which loans collateralised by residential immovable property	22,914	22,890	5,187	5,187										
26	of which building renovation loans														
27	of which motor vehicle loans														
28	**Local governments financing**														
29	Housing financing														
30	Other local government financing														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-386**	**0**												
33	**Financial and Non-financial undertakings**	**260**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations														
35	Loans and advances														
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities														

Appendix EU Taxonomy Tables continued

39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations	260			
41	Loans and advances				
42	Debt securities	260			
43	Equity instruments				
44	**Derivatives**	**-768**			
45	**On demand interbank loans**	**1**			
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**121**			
48	**Total GAR assets**	**23,508**	**23,395**	**5,187**	**5,187**
49	**Assets not covered for GAR calculation**	**2,016**			
50	**Central governments and Supranational issuers**	**41**			
51	**Central banks exposure**	**1,975**			
52	**Trading book**				
53	**Total assets**	**25,524**			
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54	Financial guarantees				
55	Assets under management				
56	Of which debt securities				
57	Of which equity instruments				

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2024 - Turnover

Million EUR

2024

		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													23,395	5,187	5,187	0	0
2	**Financial undertakings**													**505**	**0**	**0**	**0**	**0**
3	Credit institutions													88	0	0	0	0
4	Loans and advances													0	0	0	0	0
5	Debt securities, including UoP													88	0	0	0	0
6	Equity instruments													0	0		0	0
7	Other financial corporations													417	0	0	0	0
8	of which investment firms													74	0	0	0	0
9	Loans and advances													69	0	0	0	0
10	Debt securities, including UoP													6	0	0	0	0
11	Equity instruments													0	0		0	0
12	of which management companies													0	0	0	0	0
13	Loans and advances													0	0	0	0	0
14	Debt securities, including UoP													0	0	0	0	0
15	Equity instruments													0	0		0	0
16	of which insurance undertakings													343	0	0	0	0
17	Loans and advances													343	0	0	0	0
18	Debt securities, including UoP													0	0	0	0	0
19	Equity instruments													0	0		0	0
20	**Non-financial undertakings**													**0**	**0**	**0**	**0**	**0**
21	Loans and advances													0	0	0	0	0
22	Debt securities, including UoP													0	0	0	0	0
23	Equity instruments													0	0		0	0
24	**Households**													**22,890**	**5,187**	**5,187**	**0**	**0**
25	of which loans collateralised by residential immovable property													22,890	5,187	5,187	0	0
26	of which building renovation loans													0	0	0	0	0
27	of which motor vehicle loans													0	0	0	0	0
28	**Local governments financing**													**0**	**0**	**0**	**0**	**0**
29	Housing financing													0	0	0	0	0
30	Other local government financing													0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													**0**	**0**	**0**	**0**	**0**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**													**0**	**0**	**0**	**0**	**0**
33	**Financial and Non-financial undertakings**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	

Appendix EU Taxonomy Tables continued

37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**23,395**	**5,187**	**5,187**	**0**	**0**
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**					
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees					
55	Assets under management					
56	Of which debt securities					
57	Of which equity instruments					

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2023 - Turnover

Million EUR

		2023													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,315	22,749	5,209	5,209										
2	**Financial undertakings**	**1,049**	**521**	**0**	**0**										
3	Credit institutions	572	112	0	0										
4	Loans and advances	242													
5	Debt securities, including UoP	330	112												
6	Equity instruments														
7	Other financial corporations	477	409	0	0										
8	of which investment firms	93	86												
9	Loans and advances	70	70												
10	Debt securities, including UoP	23	16												
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings	383	323	0	0										
17	Loans and advances	347	323												
18	Debt securities, including UoP	36													
19	Equity instruments														
20	**Non-financial undertakings**														
21	Loans and advances														
22	Debt securities, including UoP														
23	Equity instruments														
24	**Households**	**22,266**	**22,228**	**5,209**	**5,209**										
25	of which loans collateralised by residential immovable property	22,253	22,228	5,209	5,209										
26	of which building renovation loans														
27	of which motor vehicle loans														
28	**Local governments financing**														
29	Housing financing														
30	Other local government financing														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-342**	**0**												
33	**Financial and Non-financial undertakings**	**352**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations														
35	Loans and advances														
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities														

Appendix EU Taxonomy Tables continued

39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations	352			
41	Loans and advances				
42	Debt securities	352			
43	Equity instruments				
44	**Derivatives**	**-942**			
45	**On demand interbank loans**	**18**			
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**231**			
48	**Total GAR assets**	**22,973**	**22,749**	**5,209**	**5,209**
49	**Assets not covered for GAR calculation**	**2,234**			
50	**Central governments and Supranational issuers**	**78**			
51	**Central banks exposure**	**2,156**			
52	**Trading book**				
53	**Total assets**	**25,207**			
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54	Financial guarantees				
55	Assets under management				
56	Of which debt securities				
57	Of which equity instruments				

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2023 - Turnover

Million EUR		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
2023		Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													22,749	5,209	5,209	0	0
2	**Financial undertakings**													**521**	**0**	**0**	**0**	**0**
3	Credit institutions													112	0	0	0	0
4	Loans and advances													0	0	0	0	0
5	Debt securities, including UoP													112	0	0	0	0
6	Equity instruments													0	0		0	0
7	Other financial corporations													409	0	0	0	0
8	of which investment firms													86	0	0	0	0
9	Loans and advances													70	0	0	0	0
10	Debt securities, including UoP													16	0	0	0	0
11	Equity instruments													0	0		0	0
12	of which management companies													0	0	0	0	0
13	Loans and advances													0	0	0	0	0
14	Debt securities, including UoP													0	0	0	0	0
15	Equity instruments													0	0		0	0
16	of which insurance undertakings													323	0	0	0	0
17	Loans and advances													323	0	0	0	0
18	Debt securities, including UoP													0	0	0	0	0
19	Equity instruments													0	0		0	0
20	**Non-financial undertakings**													**0**	**0**	**0**	**0**	**0**
21	Loans and advances													0	0	0	0	0
22	Debt securities, including UoP													0	0	0	0	0
23	Equity instruments													0	0		0	0
24	**Households**													**22,228**	**5,209**	**5,209**	**0**	**0**
25	of which loans collateralised by residential immovable property													22,228	5,209	5,209	0	0
26	of which building renovation loans													0	0	0	0	0
27	of which motor vehicle loans													0	0	0	0	0
28	**Local governments financing**													**0**	**0**	**0**	**0**	**0**
29	Housing financing													0	0	0	0	0
30	Other local government financing													0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													**0**	**0**	**0**	**0**	**0**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**													**0**	**0**	**0**	**0**	**0**
33	**Financial and Non-financial undertakings**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	

Appendix EU Taxonomy Tables continued

37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**22,749**	**5,209**	**5,209**	**0**	**0**
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**					
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees					
55	Assets under management					
56	Of which debt securities					
57	Of which equity instruments					

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2024 – CapEx

Million EUR		2024													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,894	23,395	5,187	5,187										
2	**Financial undertakings**	**972**	**505**	**0**	**0**										
3	Credit institutions	493	88	0	0										
4	Loans and advances	230	0												
5	Debt securities, including UoP	263	88												
6	Equity instruments														
7	Other financial corporations	478	417	0	0										
8	of which investment firms	82	74												
9	Loans and advances	69	69												
10	Debt securities, including UoP	13	6												
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings	397	343	0	0										
17	Loans and advances	360	343												
18	Debt securities, including UoP	37													
19	Equity instruments														
20	**Non-financial undertakings**														
21	Loans and advances														
22	Debt securities, including UoP														
23	Equity instruments														
24	**Households**	**22,922**	**22,890**	**5,187**	**5,187**										
25	of which loans collateralised by residential immovable property	22,914	22,890	5,187	5,187										
26	of which building renovation loans														
27	of which motor vehicle loans														
28	**Local governments financing**														
29	Housing financing														
30	Other local government financing														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-386**	**0**												
33	**Financial and Non-financial undertakings**	**260**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations														
35	Loans and advances														
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities														

Appendix EU Taxonomy Tables continued

39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations	260			
41	Loans and advances				
42	Debt securities	260			
43	Equity instruments				
44	**Derivatives**	**-768**			
45	**On demand interbank loans**	**1**			
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**121**			
48	**Total GAR assets**	**23,508**	**23,395**	**5,187**	**5,187**
49	**Assets not covered for GAR calculation**	**2,016**			
50	**Central governments and Supranational issuers**	**41**			
51	**Central banks exposure**	**1,975**			
52	**Trading book**				
53	**Total assets**	**25,524**			
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54	Financial guarantees				
55	Assets under management				
56	Of which debt securities				
57	Of which equity instruments				

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2024 – CapEx

Million EUR

2024

		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													23,395	5,187	5,187	0	0
2	**Financial undertakings**													**505**	**0**	**0**	**0**	**0**
3	Credit institutions													88	0	0	0	0
4	Loans and advances													0	0	0	0	0
5	Debt securities, including UoP													88	0	0	0	0
6	Equity instruments													0	0		0	0
7	Other financial corporations													417	0	0	0	0
8	of which investment firms													74	0	0	0	0
9	Loans and advances													69	0	0	0	0
10	Debt securities, including UoP													6	0	0	0	0
11	Equity instruments													0	0		0	0
12	of which management companies													0	0	0	0	0
13	Loans and advances													0	0	0	0	0
14	Debt securities, including UoP													0	0	0	0	0
15	Equity instruments													0	0		0	0
16	of which insurance undertakings													343	0	0	0	0
17	Loans and advances													343	0	0	0	0
18	Debt securities, including UoP													0	0	0	0	0
19	Equity instruments													0	0		0	0
20	**Non-financial undertakings**													**0**	**0**	**0**	**0**	**0**
21	Loans and advances													0	0	0	0	0
22	Debt securities, including UoP													0	0	0	0	0
23	Equity instruments													0	0		0	0
24	**Households**													**22,890**	**5,187**	**5,187**	**0**	**0**
25	of which loans collateralised by residential immovable property													22,890	5,187	5,187	0	0
26	of which building renovation loans													0	0	0	0	0
27	of which motor vehicle loans													0	0	0	0	0
28	**Local governments financing**													**0**	**0**	**0**	**0**	**0**
29	Housing financing													0	0	0	0	0
30	Other local government financing													0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													**0**	**0**	**0**	**0**	**0**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**													**0**	**0**	**0**	**0**	**0**
33	**Financial and Non-financial undertakings**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	

Appendix EU Taxonomy Tables continued

37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**23,395**	**5,187**	**5,187**	**0**	**0**
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**					
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees					
55	Assets under management					
56	Of which debt securities					
57	Of which equity instruments					

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2023 – CapEx

Million EUR

		2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,315	22,749	5,209	5,209										
2	**Financial undertakings**	**1,049**	**521**	**0**	**0**										
3	Credit institutions	572	112	0	0										
4	Loans and advances	242													
5	Debt securities, including UoP	330	112												
6	Equity instruments														
7	Other financial corporations	477	409	0	0										
8	of which investment firms	93	86												
9	Loans and advances	70	70												
10	Debt securities, including UoP	23	16												
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings	383	323	0	0										
17	Loans and advances	347	323												
18	Debt securities, including UoP	36													
19	Equity instruments														
20	**Non-financial undertakings**														
21	Loans and advances														
22	Debt securities, including UoP														
23	Equity instruments														
24	**Households**	**22,266**	**22,228**	**5,209**	**5,209**										
25	of which loans collateralised by residential immovable property	22,253	22,228	5,209	5,209										
26	of which building renovation loans														
27	of which motor vehicle loans														
28	**Local governments financing**														
29	Housing financing														
30	Other local government financing														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-342**													
33	**Financial and Non-financial undertakings**	**352**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations														
35	Loans and advances														
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities														

Appendix EU Taxonomy Tables continued

39	Equity instruments				
40	Non-EU country counterparties not subject to NFRD disclosure obligations	352			
41	Loans and advances				
42	Debt securities	352			
43	Equity instruments				
44	**Derivatives**	**-942**			
45	**On demand interbank loans**	**18**			
46	**Cash and cash-related assets**				
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**231**			
48	**Total GAR assets**	**22,973**	**22,749**	**5,209**	**5,209**
49	**Assets not covered for GAR calculation**	**2,234**			
50	**Central governments and Supranational issuers**	**78**			
51	**Central banks exposure**	**2,156**			
52	**Trading book**				
53	**Total assets**	**25,207**			
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54	Financial guarantees				
55	Assets under management				
56	Of which debt securities				
57	Of which equity instruments				

Appendix EU Taxonomy Tables continued

1. Assets for the calculation of GAR 2023 – CapEx

Million EUR

	2023	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													22,749	5,209	5,209	0	0
2	**Financial undertakings**													**521**	**0**	**0**	**0**	**0**
3	Credit institutions													112	0	0	0	0
4	Loans and advances													0	0	0	0	0
5	Debt securities, including UoP													112	0	0	0	0
6	Equity instruments													0	0		0	0
7	Other financial corporations													409	0	0	0	0
8	of which investment firms													86	0	0	0	0
9	Loans and advances													70	0	0	0	0
10	Debt securities, including UoP													16	0	0	0	0
11	Equity instruments													0	0		0	0
12	of which management companies													0	0	0	0	0
13	Loans and advances													0	0	0	0	0
14	Debt securities, including UoP													0	0	0	0	0
15	Equity instruments													0	0		0	0
16	of which insurance undertakings													323	0	0	0	0
17	Loans and advances													323	0	0	0	0
18	Debt securities, including UoP													0	0	0	0	0
19	Equity instruments													0	0		0	0
20	**Non-financial undertakings**													**0**	**0**	**0**	**0**	**0**
21	Loans and advances													0	0	0	0	0
22	Debt securities, including UoP													0	0	0	0	0
23	Equity instruments													0	0		0	0
24	**Households**													**22,228**	**5,209**	**5,209**	**0**	**0**
25	of which loans collateralised by residential immovable property													22,228	5,209	5,209	0	0
26	of which building renovation loans													0	0	0	0	0
27	of which motor vehicle loans													0	0	0	0	0
28	**Local governments financing**													**0**	**0**	**0**	**0**	**0**
29	Housing financing													0	0	0	0	0
30	Other local government financing													0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													**0**	**0**	**0**	**0**	**0**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**													**0**	**0**	**0**	**0**	**0**
33	**Financial and Non-financial undertakings**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	

Appendix EU Taxonomy Tables continued

37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	22,749	5,209	5,209	0	0
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**					
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees					
55	Assets under management					
56	Of which debt securities					
57	Of which equity instruments					

Appendix EU Taxonomy Tables continued

2. GAR sector information

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1												
2												
3												
4												
...												

Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1																
2																
3																
4																
...																

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2024 – Turnover

% (compared to total covered assets in the denominator)		2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100%	22%	22%														
2	**Financial undertakings**	**2%**	**0%**	**0%**														
3	Credit institutions	0%	0%	0%														
4	Loans and advances	0%	0%	0%														
5	Debt securities, including UoP	0%	0%	0%														
6	Equity instruments	0%	0%															
7	Other financial corporations	2%	0%	0%														
8	of which investment firms	0%	0%	0%														
9	Loans and advances	0%	0%	0%														
10	Debt securities, including UoP	0%	0%	0%														
11	Equity instruments	0%	0%															
12	of which management companies	0%	0%	0%														
13	Loans and advances	0%	0%	0%														
14	Debt securities, including UoP	0%	0%	0%														
15	Equity instruments	0%	0%															
16	of which insurance undertakings	1%	0%	0%														
17	Loans and advances	1%	0%	0%														
18	Debt securities, including UoP	0%	0%	0%														
19	Equity instruments	0%	0%															
20	**Non-financial undertakings**	**0%**	**0%**	**0%**														
21	Loans and advances	0%	0%	0%														
22	Debt securities, including UoP	0%	0%	0%														
23	Equity instruments	0%	0%															
24	**Households**	**97%**	**22%**	**22%**														
25	of which loans collateralised by residential immovable property	97%	22%	22%														
26	of which building renovation loans	0%	0%	0%														
27	of which motor vehicle loans	0%																
28	**Local governments financing**	**0%**	**0%**	**0%**														
29	Housing financing	0%	0%	0%														
30	Other local government financing	0%	0%	0%														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**														
32	**Total GAR assets**	**100%**	**22%**	**22%**														

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2024 – Turnover

% (compared to total covered assets in the denominator)

2024

		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation									100%	22%	22%	0%	0%	92%
2	**Financial undertakings**									**2%**	**0%**	**0%**	**0%**	**0%**	**2%**
3	Credit institutions									0%	0%	0%	0%	0%	0%
4	Loans and advances									0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
6	Equity instruments									0%	0%		0%	0%	0%
7	Other financial corporations									2%	0%	0%	0%	0%	2%
8	of which investment firms									0%	0%	0%	0%	0%	0%
9	Loans and advances									0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
11	Equity instruments									0%	0%		0%	0%	0%
12	of which management companies									0%	0%	0%	0%	0%	0%
13	Loans and advances									0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
15	Equity instruments									0%	0%		0%	0%	0%
16	of which insurance undertakings									1%	0%	0%	0%	0%	1%
17	Loans and advances									1%	0%	0%	0%	0%	1%
18	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
19	Equity instruments									0%	0%		0%	0%	0%
20	**Non-financial undertakings**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances									0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
23	Equity instruments									0%	0%		0%	0%	0%
24	**Households**									**97%**	**22%**	**22%**	**0%**	**0%**	**90%**
25	of which loans collateralised by residential immovable property									97%	22%	22%	0%	0%	90%
26	of which building renovation loans									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans									0%	0%	0%	0%	0%	0%
28	**Local governments financing**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing									0%	0%	0%	0%	0%	0%
30	Other local government financing									0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
32	**Total GAR assets**									**100%**	**22%**	**22%**	**0%**	**0%**	**92%**

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2023 – Turnover

	% (compared to total covered assets in the denominator)	2023																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100%	23%	23%														
2	**Financial undertakings**	**2%**	**0%**	**0%**														
3	Credit institutions	0%	0%	0%														
4	Loans and advances	0%	0%	0%														
5	Debt securities, including UoP	0%	0%	0%														
6	Equity instruments	0%	0%															
7	Other financial corporations	2%	0%	0%														
8	of which investment firms	0%	0%	0%														
9	Loans and advances	0%	0%	0%														
10	Debt securities, including UoP	0%	0%	0%														
11	Equity instruments	0%	0%															
12	of which management companies	0%	0%	0%														
13	Loans and advances	0%	0%	0%														
14	Debt securities, including UoP	0%	0%	0%														
15	Equity instruments	0%	0%															
16	of which insurance undertakings	1%	0%	0%														
17	Loans and advances	1%	0%	0%														
18	Debt securities, including UoP	0%	0%	0%														
19	Equity instruments	0%	0%															
20	**Non-financial undertakings**	**0%**	**0%**	**0%**														
21	Loans and advances	0%	0%	0%														
22	Debt securities, including UoP	0%	0%	0%														
23	Equity instruments	0%	0%															
24	**Households**	**97%**	**23%**	**23%**														
25	of which loans collateralised by residential immovable property	97%	23%	23%														
26	of which building renovation loans	0%	0%	0%														
27	of which motor vehicle loans	0%																
28	**Local governments financing**	**0%**	**0%**	**0%**														
29	Housing financing	0%	0%	0%														
30	Other local government financing	0%	0%	0%														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**														
32	**Total GAR assets**	**100%**	**23%**	**23%**														

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2023 – Turnover

% (compared to total covered assets in the denominator)

		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					2023
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation									100%	23%	23%	0%	0%	94%
2	**Financial undertakings**									**2%**	**0%**	**0%**	**0%**	**0%**	**4%**
3	Credit institutions									0%	0%	0%	0%	0%	0%
4	Loans and advances									0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
6	Equity instruments									0%	0%		0%	0%	0%
7	Other financial corporations									2%	0%	0%	0%	0%	2%
8	of which investment firms									0%	0%	0%	0%	0%	0%
9	Loans and advances									0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
11	Equity instruments									0%	0%		0%	0%	0%
12	of which management companies									0%	0%	0%	0%	0%	0%
13	Loans and advances									0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
15	Equity instruments									0%	0%		0%	0%	0%
16	of which insurance undertakings									1%	0%	0%	0%	0%	2%
17	Loans and advances									1%	0%	0%	0%	0%	1%
18	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
19	Equity instruments									0%	0%		0%	0%	0%
20	**Non-financial undertakings**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances									0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
23	Equity instruments									0%	0%		0%	0%	0%
24	**Households**									**97%**	**23%**	**23%**	**0%**	**0%**	**90%**
25	of which loans collateralised by residential immovable property									97%	23%	23%	0%	0%	90%
26	of which building renovation loans									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans									0%	0%	0%	0%	0%	0%
28	**Local governments financing**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing									0%	0%	0%	0%	0%	0%
30	Other local government financing									0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
32	**Total GAR assets**									**100%**	**23%**	**23%**	**0%**	**0%**	**92%**

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2024 – CapEx

2024

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100%	22%	22%														
2	**Financial undertakings**	**2%**	**0%**	**0%**														
3	Credit institutions	0%	0%	0%														
4	Loans and advances	0%	0%	0%														
5	Debt securities, including UoP	0%	0%	0%														
6	Equity instruments	0%	0%															
7	Other financial corporations	2%	0%	0%														
8	of which investment firms	0%	0%	0%														
9	Loans and advances	0%	0%	0%														
10	Debt securities, including UoP	0%	0%	0%														
11	Equity instruments	0%	0%															
12	of which management companies	0%	0%	0%														
13	Loans and advances	0%	0%	0%														
14	Debt securities, including UoP	0%	0%	0%														
15	Equity instruments	0%	0%															
16	of which insurance undertakings	1%	0%	0%														
17	Loans and advances	1%	0%	0%														
18	Debt securities, including UoP	0%	0%	0%														
19	Equity instruments	0%	0%															
20	**Non-financial undertakings**	**0%**	**0%**	**0%**														
21	Loans and advances	0%	0%	0%														
22	Debt securities, including UoP	0%	0%	0%														
23	Equity instruments	0%	0%															
24	**Households**	**97%**	**22%**	**22%**														
25	of which loans collateralised by residential immovable property	97%	22%	22%														
26	of which building renovation loans	0%	0%	0%														
27	of which motor vehicle loans	0%																
28	**Local governments financing**	**0%**	**0%**	**0%**														
29	Housing financing	0%	0%	0%														
30	Other local government financing	0%	0%	0%														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**														
32	**Total GAR assets**	**100%**	**22%**	**22%**														

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2024 – CapEx

% (compared to total covered assets in the denominator)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					2024
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation									100%	22%	22%	0%	0%	92%
2	**Financial undertakings**									**2%**	**0%**	**0%**	**0%**	**0%**	**2%**
3	Credit institutions									0%	0%	0%	0%	0%	0%
4	Loans and advances									0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
6	Equity instruments									0%	0%		0%	0%	0%
7	Other financial corporations									2%	0%	0%	0%	0%	2%
8	of which investment firms									0%	0%	0%	0%	0%	0%
9	Loans and advances									0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
11	Equity instruments									0%	0%		0%	0%	0%
12	of which management companies									0%	0%	0%	0%	0%	0%
13	Loans and advances									0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
15	Equity instruments									0%	0%		0%	0%	0%
16	of which insurance undertakings									1%	0%	0%	0%	0%	1%
17	Loans and advances									1%	0%	0%	0%	0%	1%
18	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
19	Equity instruments									0%	0%		0%	0%	0%
20	**Non-financial undertakings**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances									0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
23	Equity instruments									0%	0%		0%	0%	0%
24	**Households**									**97%**	**22%**	**22%**	**0%**	**0%**	**90%**
25	of which loans collateralised by residential immovable property									97%	22%	22%	0%	0%	90%
26	of which building renovation loans									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans									0%	0%	0%	0%	0%	0%
28	**Local governments financing**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing									0%	0%	0%	0%	0%	0%
30	Other local government financing									0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
32	**Total GAR assets**									**100%**	**22%**	**22%**	**0%**	**0%**	**92%**

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2023 – CapEx

% (compared to total covered assets in the denominator)		2023																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100%	23%	23%														
2	**Financial undertakings**	**2%**	**0%**	**0%**														
3	Credit institutions	0%	0%	0%														
4	Loans and advances	0%	0%	0%														
5	Debt securities, including UoP	0%	0%	0%														
6	Equity instruments	0%	0%															
7	Other financial corporations	2%	0%	0%														
8	of which investment firms	0%	0%	0%														
9	Loans and advances	0%	0%	0%														
10	Debt securities, including UoP	0%	0%	0%														
11	Equity instruments	0%	0%															
12	of which management companies	0%	0%	0%														
13	Loans and advances	0%	0%	0%														
14	Debt securities, including UoP	0%	0%	0%														
15	Equity instruments	0%	0%															
16	of which insurance undertakings	1%	0%	0%														
17	Loans and advances	1%	0%	0%														
18	Debt securities, including UoP	0%	0%	0%														
19	Equity instruments	0%	0%															
20	**Non-financial undertakings**	**0%**	**0%**	**0%**														
21	Loans and advances	0%	0%	0%														
22	Debt securities, including UoP	0%	0%	0%														
23	Equity instruments	0%	0%															
24	**Households**	**97%**	**23%**	**23%**														
25	of which loans collateralised by residential immovable property	97%	23%	23%														
26	of which building renovation loans	0%	0%	0%														
27	of which motor vehicle loans	0%																
28	**Local governments financing**	**0%**	**0%**	**0%**														
29	Housing financing	0%	0%	0%														
30	Other local government financing	0%	0%	0%														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**														
32	**Total GAR assets**	**100%**	**23%**	**23%**														

Appendix EU Taxonomy Tables continued

3. GAR KPI stock 2023 – CapEx

	% (compared to total covered assets in the denominator)														2023
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation									100%	23%	23%	0%	0%	94%
2	**Financial undertakings**									**2%**	**0%**	**0%**	**0%**	**0%**	**4%**
3	Credit institutions									0%	0%	0%	0%	0%	0%
4	Loans and advances									0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
6	Equity instruments									0%	0%		0%	0%	0%
7	Other financial corporations									2%	0%	0%	0%	0%	2%
8	of which investment firms									0%	0%	0%	0%	0%	0%
9	Loans and advances									0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
11	Equity instruments									0%	0%		0%	0%	0%
12	of which management companies									0%	0%	0%	0%	0%	0%
13	Loans and advances									0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
15	Equity instruments									0%	0%		0%	0%	0%
16	of which insurance undertakings									1%	0%	0%	0%	0%	2%
17	Loans and advances									1%	0%	0%	0%	0%	1%
18	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
19	Equity instruments									0%	0%		0%	0%	0%
20	**Non-financial undertakings**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances									0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP									0%	0%	0%	0%	0%	0%
23	Equity instruments									0%	0%		0%	0%	0%
24	**Households**									**97%**	**23%**	**23%**	**0%**	**0%**	**90%**
25	of which loans collateralised by residential immovable property									97%	23%	23%	0%	0%	90%
26	of which building renovation loans									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans									0%	0%	0%	0%	0%	0%
28	**Local governments financing**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing									0%	0%	0%	0%	0%	0%
30	Other local government financing									0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
32	**Total GAR assets**									**100%**	**23%**	**23%**	**0%**	**0%**	**92%**

Appendix EU Taxonomy Tables continued

4. GAR KPI flow 2024 – Turnover

% (compared to flow of total eligible assets)

		2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100%	18%	18%														
2	**Financial undertakings**	**0%**	**0%**	**0%**														
3	Credit institutions	0%	0%	0%														
4	Loans and advances	0%	0%	0%														
5	Debt securities, including UoP	0%	0%	0%														
6	Equity instruments	0%	0%															
7	Other financial corporations	0%	0%	0%														
8	of which investment firms	0%	0%	0%														
9	Loans and advances	0%	0%	0%														
10	Debt securities, including UoP	0%	0%	0%														
11	Equity instruments	0%	0%															
12	of which management companies	0%	0%	0%														
13	Loans and advances	0%	0%	0%														
14	Debt securities, including UoP	0%	0%	0%														
15	Equity instruments	0%	0%															
16	of which insurance undertakings	0%	0%	0%														
17	Loans and advances	0%	0%	0%														
18	Debt securities, including UoP	0%	0%	0%														
19	Equity instruments	0%	0%															
20	**Non-financial undertakings**	**0%**	**0%**	**0%**														
21	Loans and advances	0%	0%	0%														
22	Debt securities, including UoP	0%	0%	0%														
23	Equity instruments	0%	0%															
24	**Households**	**100%**	**18%**	**18%**														
25	of which loans collateralised by residential immovable property	100%	18%	18%														
26	of which building renovation loans	0%	0%	0%														
27	of which motor vehicle loans	0%																
28	**Local governments financing**	**0%**	**0%**	**0%**														
29	Housing financing	0%	0%	0%														
30	Other local government financing	0%	0%	0%														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**														
32	**Total GAR assets**	**100%**	**18%**	**18%**														

Appendix EU Taxonomy Tables continued

4. GAR KPI flow 2024 – Turnover

% (compared to flow of total eligible assets) — 2024

		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation									100%	18%	18%			100%
2	**Financial undertakings**									**0%**	**0%**	**0%**			**0%**
3	Credit institutions									0%	0%	0%			0%
4	Loans and advances									0%	0%	0%			0%
5	Debt securities, including UoP									0%	0%	0%			0%
6	Equity instruments									0%	0%	0%			0%
7	Other financial corporations									0%	0%	0%			0%
8	of which investment firms									0%	0%	0%			0%
9	Loans and advances									0%	0%	0%			0%
10	Debt securities, including UoP									0%	0%	0%			0%
11	Equity instruments									0%	0%	0%			0%
12	of which management companies									0%	0%	0%			0%
13	Loans and advances									0%	0%	0%			0%
14	Debt securities, including UoP									0%	0%	0%			0%
15	Equity instruments									0%	0%	0%			0%
16	of which insurance undertakings									0%	0%	0%			0%
17	Loans and advances									0%	0%	0%			0%
18	Debt securities, including UoP									0%	0%	0%			0%
19	Equity instruments									0%	0%	0%			0%
20	**Non-financial undertakings**									**0%**	**0%**	**0%**			**0%**
21	Loans and advances									0%	0%	0%			0%
22	Debt securities, including UoP									0%	0%	0%			0%
23	Equity instruments									0%	0%	0%			0%
24	**Households**									**100%**	**18%**	**18%**			**100%**
25	of which loans collateralised by residential immovable property									100%	18%	18%			100%
26	of which building renovation loans									0%	0%	0%			0%
27	of which motor vehicle loans									0%	0%	0%			0%
28	**Local governments financing**									**0%**	**0%**	**0%**			**0%**
29	Housing financing									0%	0%	0%			0%
30	Other local government financing									0%	0%	0%			0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									**0%**	**0%**	**0%**			**0%**
32	**Total GAR assets**									**100%**	**18%**	**18%**			**100%**

Appendix EU Taxonomy Tables continued

4. GAR KPI flow 2024 – Capex

% (compared to flow of total eligible assets)		2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100%	18%	18%														
2	**Financial undertakings**	**0%**	**0%**	**0%**														
3	Credit institutions	0%	0%	0%														
4	Loans and advances	0%	0%	0%														
5	Debt securities, including UoP	0%	0%	0%														
6	Equity instruments	0%	0%															
7	Other financial corporations	0%	0%	0%														
8	of which investment firms	0%	0%	0%														
9	Loans and advances	0%	0%	0%														
10	Debt securities, including UoP	0%	0%	0%														
11	Equity instruments	0%	0%															
12	of which management companies	0%	0%	0%														
13	Loans and advances	0%	0%	0%														
14	Debt securities, including UoP	0%	0%	0%														
15	Equity instruments	0%	0%															
16	of which insurance undertakings	0%	0%	0%														
17	Loans and advances	0%	0%	0%														
18	Debt securities, including UoP	0%	0%	0%														
19	Equity instruments	0%	0%															
20	**Non-financial undertakings**	**0%**	**0%**	**0%**														
21	Loans and advances	0%	0%	0%														
22	Debt securities, including UoP	0%	0%	0%														
23	Equity instruments	0%	0%															
24	**Households**	**100%**	**18%**	**18%**														
25	of which loans collateralised by residential immovable property	100%	18%	18%														
26	of which building renovation loans	0%	0%	0%														
27	of which motor vehicle loans	0%																
28	**Local governments financing**	**0%**	**0%**	**0%**														
29	Housing financing	0%	0%	0%														
30	Other local government financing	0%	0%	0%														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**														
32	**Total GAR assets**	**100%**	**18%**	**18%**														

Appendix EU Taxonomy Tables continued

4. GAR KPI flow 2024 – Capex

% (compared to flow of total eligible assets)

		2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation									100%	18%	18%			100%
2	**Financial undertakings**									**0%**	**0%**	**0%**			**0%**
3	Credit institutions									0%	0%	0%			0%
4	Loans and advances									0%	0%	0%			0%
5	Debt securities, including UoP									0%	0%	0%			0%
6	Equity instruments									0%	0%	0%			0%
7	Other financial corporations									0%	0%	0%			0%
8	of which investment firms									0%	0%	0%			0%
9	Loans and advances									0%	0%	0%			0%
10	Debt securities, including UoP									0%	0%	0%			0%
11	Equity instruments									0%	0%	0%			0%
12	of which management companies									0%	0%	0%			0%
13	Loans and advances									0%	0%	0%			0%
14	Debt securities, including UoP									0%	0%	0%			0%
15	Equity instruments									0%	0%	0%			0%
16	of which insurance undertakings									0%	0%	0%			0%
17	Loans and advances									0%	0%	0%			0%
18	Debt securities, including UoP									0%	0%	0%			0%
19	Equity instruments									0%	0%	0%			0%
20	**Non-financial undertakings**									**0%**	**0%**	**0%**			**0%**
21	Loans and advances									0%	0%	0%			0%
22	Debt securities, including UoP									0%	0%	0%			0%
23	Equity instruments									0%	0%	0%			0%
24	**Households**									**100%**	**18%**	**18%**			**100%**
25	of which loans collateralised by residential immovable property									100%	18%	18%			100%
26	of which building renovation loans									0%	0%	0%			0%
27	of which motor vehicle loans									0%	0%	0%			0%
28	**Local governments financing**									**0%**	**0%**	**0%**			**0%**
29	Housing financing									0%	0%	0%			0%
30	Other local government financing									0%	0%	0%			0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**									**0%**	**0%**	**0%**			**0%**
32	**Total GAR assets**									**100%**	**18%**	**18%**			**100%**

Appendix EU Taxonomy Tables continued

5. KPI off-balance sheet exposures

% (compared to total eligible off-balance sheet assets)														2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)													
2	Assets under management (AuM KPI)													

% (compared to total eligible off-balance sheet assets)																			2024
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)																		
2	Assets under management (AuM KPI)																		

Appendix EU Taxonomy Tables continued

Standard templates for the disclosure referred to in Article 8(6) and (7)

The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI).

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	NO

Glossary

Actions
Actions refer to:

i. actions and action plans (including transition plans) that are undertaken to ensure that the undertaking delivers against targets set and through which the undertaking seeks to address material impacts, risks and opportunities; and

ii. decisions to support these with financial, human or technological resources.

Adequate wage
A wage that provides for the satisfaction of the needs of the worker and his/her family in the light of national economic and social conditions.

Administrative, management and supervisory bodies
The governance bodies with the highest decision-making authority in the undertaking including its committees. If in the governance structure, there are no members of the administrative, management or supervisory bodies of the undertaking, the CEO, and if such function exists, the deputy CEO, should be included. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated. In such cases, both tiers are included under the definition of administrative, management and supervisory bodies.

Annual total compensation
Compensation provided over the course of a year.

Anticipated financial effects
Financial effects that do not meet the recognition criteria for inclusion in the financial statement line items in the reporting period and that are not captured by the current financial effects.

Average FTE
Average FTE in the business unit for whom sick leave is registered. Definition of total workdays:

either 365 or the number of actual working days of
the reported year for a full-time FTE.

Average years of service
Average of all service years of all employees. Service years are calculated by looking at the years between 31/12/YYYY and the value of Continuous Service Years.

Base year
Historical date (such as year) against which a measurement is tracked over time.

Baseline
Starting point used for comparisons. In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

Bribery
Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.

Business partner
Entity with which the organisation has some form of direct and formal engagement for the purpose of meeting its business objectives.

Business relationships
The relationships the undertaking has with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services. Business relationships are not limited to direct contractual relationships. They include indirect business relationships in the undertaking's value chain beyond the first tier, and shareholding positions in joint ventures or investments.

Business travel by air
Greenhouse gas emissions (GHG) based on the total distance and cabin class of business travel by air by NN employees.

Child labour
Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:
i. is mentally, physically, socially or morally dangerous and harmful to children; and/or
ii. interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

A child is defined as a person under the age of 18. Whether or not particular forms of 'work' can be called 'child labour' depends on the child's age, the type and hours of work performed and the conditions under which it is performed. The answer varies from country to country, as well as among sectors within countries.

The minimum age of work should not be less than the minimum age of completion of compulsory schooling, and, in any case, should not be less than 15 years according to International Labour Organisation (ILO) Convention No. 138 on Minimum Age. Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organisation (ILO) in response to a special application by the country concerned and in consultation with representative organisations of employers and workers. National laws may permit the employment of persons 13 to 15 years of age in light work as long as it is not likely to be harmful to their health or development and does not prejudice their attendance at school or participation in vocational or training programmes. The minimum age for admission into work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.

Climate change adaptation
The process of adjustment to actual and expected climate change and its impacts.

Climate change mitigation
The process of reducing GHG emissions and holding the increase in the global average temperature to 1.5 °C above pre-industrial levels, in line with the Paris Agreement.

Climate resilience
The capacity of an undertaking to adjust to climate changes, and to developments or uncertainties related to climate change. Climate resilience involves the capacity to manage climate-related Scope 1 and benefit from climate-related opportunities, including the ability to respond and adapt to transition risks and physical risks. An undertaking's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments or uncertainties associated with climate change.

Climate-related physical risk (Physical risk from climate change)
Risks resulting from climate change that can be event-driven (acute) or from longer-term shifts (chronic) in climate patterns. Acute physical risks arise from particular hazards, especially weather-related events such as storms, floods, fires or heatwaves. Chronic physical risks arise from longer-term changes in the climate, such as temperature changes, and their effects on rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.

Glossary continued

Climate-related transition risk
Risks that arise from the transition to a low-carbon and climate-resilient economy. They typically include policy risks, legal risks, technology risks, market risks and reputational risks.

Collective bargaining
All negotiations that take place between one or more employers or employers' organisations and one or more workers' organisations (e.g., trade unions), for determining working conditions and terms of employment or for regulating relations between employers and workers.

Corporate culture
Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.

Corruption
Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

Customer engagement measured through Net Promoter Score (NPS)
The internationally recognised Net Promoter Score (NPS) system, one of the key metrics in the Global brand Health Monitor (GBHM), measures how likely it is that our customers recommend our products and services to colleagues, friends or family. We use relational NPS (NPS-r) to measure the strength of the relationship with customers and gain understanding of customer satisfaction over time.

Data privacy
Handling (personal) data in compliance with data protection laws, regulations, and general privacy best practices.

Decarbonisation levers
Aggregated types of mitigation actions such as energy efficiency, electrification, fuel switching, use of renewable energy, products change, and supply-chain decarbonisation that fit with undertakings' specific actions.

Discrimination
Discrimination can occur directly or indirectly. Direct discrimination occurs when an individual is treated less favourably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a 'protected ground'. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group is disadvantaged by a decision when compared to a comparator group.

Distance-based method
Involves determining the distance and transport mode of trips and applies the appropriate emission factor for the transport mode used in line with the applicable GHG Protocol Standards.

Due diligence
Process to identify, prevent, mitigate, and account for how the organisation addresses its actual and potential negative impacts.

Employee engagement
We measure employee engagement through our biannual global employee engagement survey to determine progress against one of our key KPIs. This survey contains a broad selection of questions covering how employees feel about the company culture, how they are managed and the direction of the company as a whole. The scoring of these questions results in an employee engagement score, that is compared to the finance industry benchmark from Peakon.

Employee engagement survey
A questionnaire measuring how a company's brand and values are experienced by its employees, how its leaders live up to the standards the company sets, and how the company fulfils its employee value proposition as an organisation.

Employee turnover
Employees (individual who is in an employment relationship with the organisation according to national law or practice) who leave the organisation voluntarily or due to dismissal, retirement, or death in service. Total of HC of all terminated employees/Avg employee headcount. A termination is defined as a termination when the following Business Processes are successfully completed: 'End Contract Event' and 'Terminate Employee Event'.

Employees covered by Collective Labour Agreement (CLA)
Internal employees who are covered by a collective bargaining agreement can be read as covered by a Collective Labour Agreement contract.

Employees represented by an employee representative body
Internal employees who are covered by a works council, unions or other organisations representing employees.

Employees with completed standard performance process
All employees that have performed all the steps in the performance process concerning the goal setting, first snapshot, team review, second snapshot and year-end review.

Energy consumption
We provide a comprehensive overview of the total energy consumption associated with NN Group's operations. "Own operations" specifically refers to the activities and processes of entities included in the NN Group's consolidation. The energy consumption primarily stems from the use of buildings operated by NN Group. In this context, "purchased or acquired energy" denotes energy that has been sourced from third parties.

Energy reduction
Amount of energy no longer used or needed to carry out the same processes or tasks.

Environmental, social and governance (ESG) factors
Environmental factors include (non-exhaustive): climate change, other forms of environmental degradation (e.g., air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation) and animal welfare, in addition to corrective policy actions aimed at addressing such factors. Climate change is further divided into:
a) transitional effects resulting from the transition to a green economy, and
b) physical effects resulting from changes in weather patterns, temperature, hydrological conditions or natural ecosystems (both acute or longer-term shifts).
• Social factors include (non-exhaustive): rights, well-being and interests of people and communities, including human rights, (in) equality, health, inclusiveness, diversity, employee rights and labour relations, workplace health and safety. • Governance factors include (non-exhaustive):
pursuing or applying proper governance practices, amongst others including executive leadership, executive pay, audits, internal controls, responsible tax practices, board independence, shareholder rights, anticorruption and anti-bribery, and also the way in which companies or entities include environmental and social factors in their policies and procedures.

Glossary continued

Equal opportunities
Equal and non-discriminatory access, among individuals, to opportunities for education, training, employment, career development and the exercise of power without their being disadvantaged on the basis of criteria such as gender, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation.

Equal treatment
The principle of equal treatment is a general principle of European law which presupposes that comparable situations or parties in comparable situations are treated in the same way. In the context of ESRS S1, the term 'equal treatment' also refers to the principle of non-discrimination, according to which there shall be no direct or indirect discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.

Financial economic crime (FEC)
Involvement in money laundering, the funding of terrorism or other criminal activities that could harm stakeholder confidence in a financial services provider such as NN.

Financial sector oath or promise
An ethical statement introduced in early 2013 for employees in the Dutch financial sector, along with the introduction of a social charter and update of the Banking Code. It applies to employees of banks and other financial enterprises, including insurance companies, investment firms and financial service providers. By taking the oath, employees declare that they are bound by a code of conduct to the ethical and careful practice of their profession.

Forced labour
All work or service which is exacted from any person under the threat of penalty and for which the person has not offered himself or herself voluntarily. The term encompasses all situations in which persons are coerced by any means to perform work and includes both traditional 'slave-like' practices and contemporary forms of coercion where labour exploitation is involved, which may include human trafficking and modern slavery.

Formal meetings held with employee representative bodies
Number of formal meetings are seen as how often the Executive Board has consulted with the works council, union or other organisations representing employees.

Formal meetings held with employee representative bodies
Count of the number of meetings held with employee representative bodies.

Fuel-based method
Involves determining the amount of fuel and electricity consumed during transportation and applies the appropriate emission factor for that fuel or electricity in line with the relevant GHG Protocol Standards.

Full-time employee
Employee whose working hours per week, month, or year are defined according to national law or practice regarding working time. FTE is not maximised at 100% (e.g., an employee with 36 default hours and 40 scheduled weekly hours is counted as 111.11% FTE).

General Data Protection Regulation (GDPR)
Regulation by which the European Parliament, Council of the European Union and European Commission aim to unify data protection for all individuals within the European Union. The GDPR came into effect on 25 May 2018.

GHG emissions of our own operations
Sum of our GHG emissions in scope 1, 2 and 3 in tonnes of CO2 equivalent (CO2e). The main sources concern:
- International Energy Agency or IEA. It uses emission factors from electricity of national grids.
- Association of Issuing Bodies or AIB. It provides emission factors from electricity of national grids.
- CO2emissiefactoren.nl which uses international or European values. It provides a variety of emission factors.
- Department for Energy Security & Net Zero or DESNZ. It provides a variety of emission factors.

GRESB
GRESB is a mission-driven and industry-led organisation that provides actionable and transparent ESG data for commercial real estate nd infrastructure to financial markets. GRESB collects, validates, scores and benchmarks ESG data to provide business intelligence, engagement tools and regulatory reporting solutions for investors, asset managers and the wider industry.

Grievances on labour practices
NN's general policy is that employees who feel they have been harmed in their work situation as a result of an individual decision that the management has either made or failed to make, and employees who have been confronted with behaviour they perceive to be inappropriate, should attempt to resolve their situation by discussing their grievances. If discussions fail to render an acceptable solution, the employee has the option of submitting a complaint or dispute to the Complaints & Disputes Committee.

Headcount
The total number/headcount of all employees categorised as 'fixed term' and 'permanent'.

Human capital return on investment
Calculated as (Operating Results Ongoing Business + Employee Expenses)/Employee Expenses. Employee Expenses = Staff Expenses – External Staff Costs.

Male/female ratio
Total headcount of all employees where gender is male or female/Total headcount of all employees. Employee is Worker Sub Type 'fixed term' and 'permanent'.

Net-zero
Reducing emissions in the real economy as close to zero as possible and remaining emissions are balanced using carbon removal technologies. The ambition is based on the Paris Climate Agreement to limit temperature rise to 1.5°C.

New hires
Total headcount of all hired employees. A hire is defined as a hire when the following Business Processes are successfully completed: 'Contract Contingent Worker Event' or 'Hire Employee Event'.

Non-governmental organisation (NGO)
An organisation that is neither part of a government nor a conventional for-profit business. Usually set up by citizens, NGOs may be funded by governments, foundations, businesses or private individuals.

OECD
The Organisation for Economic Co-operation and Development, an international organisation, established after World War II, with the aim of shaping policies that foster prosperity, equality, opportunity and well-being for all.

Glossary continued

Open positions filled by internal candidates
Percentage of hires from the internal NN population for the stated period. Included in the percentage are the categories ‘internal mobility’, ‘conversion from intern’ and ‘redundant’.

Other incidents and concerns
Concerns refer to a report raised by an employee about an actual or suspected irregularity or misconduct within NN that leads or could lead to a violation of: NN’s Values; any NN Policy; and/or any national law, regulation or code.

Participation in engagement survey
Percentage of employees who filled in the engagement survey.

Part-time employees
Sum of all employees who have an FTE value of <100%.

People supported
Following the B4SI Guidance Manual on defining output, this is the number of beneficiaries who receive a product or service as a result of our contribution. We divide that into two categories, which are our strategic themes: ‘Financial wellbeing’ and ‘Physical and mental well-being’. Allocation to one of these categories is based on how resources we contributed were allocated within the theme. For example, in 2023, our cash contribution to Brand New Job is part of the ‘financial well-being’ strategic theme. The number reported is a cumulative figure over the years 2022-2023-2024-2025.

Product approval and review process (PARP)
The assessment of a product in relation to its customer suitability, financial and non-financial risks, and profitability. NN conducts a PARP when it introduces a new product, changes the characteristics of an existing product or reviews a product. This is to ensure the product is acceptable to our company, our customers and society in general.

Ratio of CEO compensation to the average employee compensation
CEO compensation/Average employee compensation. The ratio of CEO compensation to the average employee compensation refers to the pay ratio calculation method as prescribed by the Dutch Monitoring Commission Corporate Governance. The pay ratio should be understood to mean: the ratio between the total annual remuneration of the CEO and the average annual remuneration of the employees in which the total annual remuneration of the CEO includes all remuneration components (such as base salary, variable compensation in both cash and shares, social premiums, pension, expense allowances, etc.). The average annual remuneration of employees is the total wage costs divided by the average number of FTEs during the year. The value of the share-based remuneration is determined at the moment of grant.

Recalculation Policy for Baseline GHG emissions targets
In order to accurately report on the progress towards our decarbonisation targets we will on an annual basis assess whether there are significant changes that require a recalculation of our targets and the related baselines. A materiality threshold is set at 10%, but we may choose to recalculate our base year for changes below this threshold such as in case of structural changes (i.e. mergers, acquisitions and/or divestitures). Regardless of such events NN will review and update its targets at least every 5 years. Relevant events triggering an update of baselines and associated targets before this 5-year time horizon has passed are amongst others (1) Structural changes to our organisation such as mergers, acquisitions and divestitures (2) Methodological changes and/or significant improvements in data accuracy (3) External factors affected a single base year value making it not representative (4) other changes such as the discovery of material (cumulative) reporting errors or a material change in the scope of targets.

Report of the management board
The NN Group N.V. 2024 Report of the management board (Bestuursverslag), as referred to in section 2:391 of the Dutch Civil Code. It includes the following chapters of the Annual Report: About NN, Our strategy and business, Our performance, Managing our risks, Governance (excluding A conversation with our Supervisory Board, and, Report of the Supervisory Board), Sustainability Statement, and Our response to the TCFD disclosures and GHG emissions as included in the Appendix.

Responsible Investment (RI) Framework policy
Sets out NN’s vision, approach and key principles on responsible investment. NN defines RI as the systematic integration of relevant ESG factors into investment decision-making and active ownership practices.

Road travel
GHG from transportation in vehicles leased and owned by NN. The calculation is based on the fuel (including electricity) consumption and otherwise the distance travelled in kilometres.

Scope 1 GHG emissions
Direct GHG from sources that are owned or controlled by NN.

Scope 2 GHG emissions
Indirect GHG that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed in the office buildings owned (and held for own use) or leased by NN.

Scope 3 GHG emissions
Indirect greenhouse gas emissions other than those reported in scope 1 and 2 that occur in NN’s upstream and downstream value chain.

SME
Small- and medium-sized enterprise.

Spend on training and development
NN Group provides insights to enable an understanding of the training and skills development-related activities that have been offered to employees. The total amount spent on training and development is expressed in euros and divided by the total number of employees (incl. interns) in headcount at the end of the reporting period.

Sustainability matters
Sustainability matters are opportunities, risks and positive & adverse impacts related to environmental, social and governance factors, including climate change, employee and human rights, anti-corruption and anti-bribery. Sustainability matters are identified based on the double materiality concept: our impact on the environment and society (inside-out perspective), but also how these matters impact our company (outside-in perspective).

Sustainability impacts
Sustainability impacts are positive/adverse impacts on environmental, social and governance factors that are created/caused by or (in)directly linked to NN Group’s activities (NN’s strategy, investment decisions, underwriting and operations).

Sustainability opportunities
Sustainability opportunities are opportunities related to environmental, social and governance factors that can create a positive contribution to NN Group’s (non-)financial and/or strategic targets, reputation and/or balance sheet, as well as a positive impact to environment or society.

Glossary continued

Sustainability risk
NN considers sustainability risks as risks related to ESG factors that can cause material negative impact to NN's long-term performance, reputation, value, balance sheet or operations.

Temporary employees
Temporary employees are employees with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees).

Total spending on training and development
The total amount spent on facilitating training and development for employees (internal and external).

Transition plan
Specific type of action plan that is adopted by the undertaking in relation to a strategic decision and that addresses:
i. a public policy objective; and/or
ii. an entity-specific action plan organised as a structured set of targets and actions, associated with a key strategic decision, a major change in business model, and/or particularly important actions and allocated resources.

UN Global Compact
A UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and report on their implementation. It is a principle-based framework for business containing ten principles in the areas of human rights, labour, environment and anti-corruption.

Value chain worker
An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In the ESRS, the scope of workers in the value chain include all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted by the undertaking. This includes impacts that are connected to the undertaking's own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of 'Own Workforce' ('Own Workforce' includes people who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in employment activities. (NACE Code N78)

Voting
Voting is one of the most powerful tools of active ownership and we vote at shareholder meetings on behalf of our own assets. Our Voting Policy for Proprietary Assets guides the voting considerations on behalf of NN Group's proprietary equity portfolio, and we publish our voting records on our website.

Weighted average carbon intensity
We calculate this metric to understand exposure to carbon intensive companies. Portfolio's exposure to carbon intensive companies, expressed as tCO2 e/€M company revenue. This normalises each company's emissions by its sales. The weighted average is then calculated by portfolio weight.

Whistleblower concerns filed
Number of whistleblower concerns filed and assessed as being in scope of the Whistleblower policy/standard.

Women in senior management positions
All the women in the Management Board, in managerial positions reporting directly to the Management Board, and in managerial positions reporting directly to the CEOs of NN Non-life, NN Bank or the CEOs of the NN International business units.

Workforce
The total number of employees with an employment contract.

Workers' representatives
Workers' representatives means:
i. trade union representatives, namely representatives designated or elected by trade unions or by members of such unions in accordance with national legislation and practice;
ii. duly elected representatives, namely representatives who are freely elected by the workers of the organisation, not under the domination or control of the employer in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are the exclusive prerogative of trade unions in the country concerned and which existence is not used to undermine the position of the trade unions concerned or their representatives.

Work/life balance
Satisfactory state of equilibrium between an individual's work and private life. Work/life balance in a broader sense encompasses not only the balance between work and private life given family or care responsibilities, but also time allocation between time spent at work and in private life beyond family responsibilities.

Contact and legal information

Contact us

Nationale-Nederlanden Bank N.V.
Prinses Beatrixlaan 35-37,
2595 AK The Hague

PO Box 90504, 2509 LM The Hague
The Netherlands
Telephone +31 70 37 81887
Internet: www.nn.nl
Commercial Register number 52605884

Nationale-Nederlanden Bank N.V. is part of NN Group N.V.

Disclaimer

Small differences are possible in the tables due to rounding.

Certain of the statements in this 2024 Annual Report are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Bank's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit and capital markets generally, (5) changes affecting interest rate levels, (6) changes affecting currency exchange rates, (7) changes in investor and customer behaviour, (8) changes in general competitive factors, (9) changes in laws and regulations and the interpretation and application thereof, (10) changes in the policies and actions of governments and/or regulatory authorities, (11) conclusions with regard to accounting assumptions and methodologies, (12) changes in ownership that could affect the future availability to NN Bank of net operating loss, net capital and built-in loss carry forwards, (13) changes in credit and financial strength ratings, (14) NN Bank's ability to achieve its strategy, including projected operational synergies, (15) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (16) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (17) business, operational, regulatory, reputation and other risks and challenges in connection with Sustainability matters (please see the link to our Sustainability matters definition www.nn-group.com/sustainability/policies-reports-and-memberships/policy-and-report-library.htm, (18) the inability to retain key personnel, (19) catastrophes and terrorist-related events, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties detailed in the Risk management section and/or contained in recent public disclosures made by NN Bank and/or related to NN Bank.

Any forward-looking statements made by or on behalf of NN Bank in this Annual Report speak only as of the date they are made, and NN Bank assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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