

NN Bank Annual Report 2025

Nationale-Nederlanden Bank N.V.
Annual Report 2025



Contents

About NN

About NN 4

Report of the Management Board

Our Strategy 6

Progress on our commitments 7

Managing our risks

Managing our risks 14

Governance

Composition of the Boards 21

Corporate governance 22

Report of the Supervisory Board 25

Conformity statement 27

Annual accounts

Consolidated statement of financial position 30

Consolidated statement of profit or loss 31

Consolidated statement of comprehensive income 32

Consolidated statement of changes in equity 33

Consolidated statement of cash flows 34

Notes to the Consolidated annual accounts 36

Authorisation of the Consolidated annual accounts 90

Parent company annual accounts

Parent company statement of financial position 93

Parent company statement of profit or loss 94

Parent company statement of changes in equity 95

Notes to the Parent company annual accounts 96

Authorisation of the Parent company annual accounts 104

Other information

Independent auditor's report 106

Appropriation of result 112



About NN



About NN

NN Group profile

NN Bank is a fully-owned subsidiary of NN Group N.V. (NN Group). As an international financial services company, we are committed to helping people care for what matters most to them.

We offer pension, insurance, banking and investment products to around 18 million customers in Europe and Japan.

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, HeinenoordZicht Groep, BeFrank, OHRA and Woonnu as well as via our joint venture, ABN AMRO Verzekeringen.

Our roots lie in the Netherlands, with a rich history that stretches back over 180 years. NN Group is listed on Euronext Amsterdam (NN).

NN Bank Profile

NN Bank is a Dutch retail bank serving approximately 1.2 million retail customers in the Netherlands. An equivalent of 1,198 full time-employees are working for NN Bank¹. As a fully-owned subsidiary of NN Group, we offer mortgages, payment services and savings, investment and bancassurance products. We serve retail customers both directly and through independent advisors.

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 Dutch residential mortgages, whilst stimulating customer interaction and supporting communities with sustainability initiatives. For more on our strategy, please see [Our Strategy](#).

NN Bank had one fully owned subsidiary:

HQ Hypotheken 50 B.V. (HQ 50), 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. On 20 February 2026, NN Bank entered into a legal merger with HQ 50, which merger became effective on 21 February 2026. As a result of this merger, HQ 50 ceased to exist as a separate legal entity and NN Bank acquired all assets and liabilities of HQ 50 under universal title of succession.

1 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.



Report of the Management Board



Our Strategy

Strategy NN Group

Our strategy

Our strategy is anchored in five strategic commitments, which serve as the foundation for our decisions and actions. Each commitment reinforces the others, creating a cohesive framework that supports our company towards sustainable, long-term value creation for our stakeholders.

- **Engaged customers:** we put customers at the heart of everything we do as we shift to the digital experiences they expect, while keeping the right mix of innovation, speed, reliability and cost efficiency.
- **Talented People:** we foster a values-based culture and empower our colleagues to be their best, investing in training and retention while seeking to attract the specialists that are increasingly in demand across our sector.
- **Contribution to society:** we contribute to the well-being of people and the planet, while recognising the business landscape we operate in.
- **Financial strength:** we are financially strong, which enables us to honour our commitments to customers while delivering solid long-term returns for shareholders.
- **Digital & data-driven organisation:** we use technology and data to digitally transform our business and processes. We need to ensure that innovation strongly aligns with responsible use, trust and accountability.

Future ready

Since the launch of our updated strategy in 2020, we have made good progress on our ambitions, as reflected by consistently strong business performances, improvements in customer and employer satisfaction scores, satisfaction of intermediaries (Intermediaire Tevredenheid, ITV) and our positive impact on society.

At our Capital Markets Day on 27 May 2025, we announced new growth targets for 2028, driven by increased contributions from our European businesses, Netherlands Non-life and Japan. To support our growth ambitions, we launched the Future Ready programme, transforming our business and simplifying our technology and operations. This will improve our operational efficiency and digital customer experience, leading to more opportunities for growth.

Steadfast commitment

Our commitment to customers, colleagues and society remains unchanged, even as we transform our company and face a turbulent geopolitical and macroeconomic environment. Our resilience, disciplined risk management and focus on innovation enable us to navigate this volatility while pursuing long-term growth and responsible business practices for the benefit of all our stakeholders.

Our values and behaviours

Our culture is what sets us apart. It is a fundamental part of our strategic framework and influences how we operate and succeed as an organisation.

Strategy NN Bank

Our strategy

NN 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 services brand. By strengthening our relationships with our customers, we aim to become their primary bank and help to gradually improve their financial well-being. In terms of our distribution channels, the intermediary channel is very important to us and we therefore place a high priority on ensuring our intermediaries are satisfied and well supported.

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 institutional 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, NN Bank's strategy and its associated strategic commitments guide us in anticipating tomorrow's world today.



Progress on our commitments

Engaged customers

Meeting our customers' needs starts with understanding what matters most to them. We aim to deliver lasting value through tailored solutions, supported by digital capabilities and a strong distribution network.

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 to developing and providing attractive products and services. Our ambition is to offer frictionless, convenient and digital customer journeys, supported by our customer service teams whenever needed.

Customer satisfaction

It is our ambition to continuously enhance the customer experience and to streamline digital processes. In 2025, for example, NN Bank streamlined the application process for pension investments within the Additional Pension Accrual product. By using pre-existing customer data, the process is quicker and more efficient for customers to update their investment profiles. Within the Mortgages division, the approval process for divorce-related applications has also been improved.

We measure customer engagement through the Net Promoter Score (NPS), which measures customer satisfaction and loyalty by asking how likely they are to recommend us to others, and through the Customer Effort Score (CES), which assesses customers' perception of how easy it is to buy a product or request a service.

Awareness

We have invested in increasing awareness about pension accumulation and interest-only mortgages, informing 20,000 customers of the associated risks through an online mortgage scan to assess their future financial situation. To reach younger age groups on the topic of pension accumulation we collaborated with consumer magazines Quest, Cosmopolitan and LINDA.

Cashcow Award

Our efforts to improve our services have again been recognised. In 2025, we won the Cashcow Award in the category 'Best Online Asset Manager' for the seventh consecutive year for our Managed Investments (Beheerd Beleggen) online investment proposition.

Payments

A milestone in 2025 was the introduction in May of payment services. NN Bank expanded its product range by adding payment accounts to its offering. Private individuals can now open an individual and joint account. The payments proposition enables us to offer a 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. The account comes with NN Inzicht (NN Insight), a tool that provides users with insights, notifications and suggestions about their spending behaviour to help them get more out of their money.

Talented people

We foster an environment where people feel valued, inspired, and equipped to grow. By encouraging diverse perspectives, continuous learning, and collaboration, we help all colleagues thrive and prepare for the future.

What we aim for

In 2025, NN Bank continued to invest in developing employees' skills and working practices.

We aim to promote continuous learning, collaboration and diverse thinking, and maintain an inclusive work environment. This is guided by our NN values: Care, Clear, Commit and our NN Future Ready Behaviours: Team up, Speak up, Step up.

We measure employee engagement through regular surveys, using the results to improve where needed in order to retain talent and uphold our reputation as an attractive employer. Our 2025 engagement score remained stable compared to 2024, at 7.8.

Skills and knowledge development

In today's rapidly changing environment, we ensure that employees' skills align with our strategic needs by actively managing talent development and prioritising succession planning for all management positions. Our strategic workforce planning assesses current skills, identifies gaps and ensures all colleagues are prepared for future business needs. This includes participation in NN-wide data literacy programmes and English language skills in an increasingly international work environment.

Our leadership journey cultivates skills and behaviours through workshops on communicating with impact and tailored peer coaching.



Diversity, equity and inclusion

Our approach to diversity, equity and inclusion is simple. It is about embracing everyone. Together we build an environment in which people feel welcome, valued, and respected. A company where our colleagues can bring their whole selves to work, where an inclusive customer experience is the status quo, and where we contribute to the well-being of our communities.

Initiatives to achieve this include active management of our diversity pipeline in talent management, the introduction of an amended language policy—using English as a bridge language—to enhance inclusion of our growing population of non-Dutch-speaking colleagues, and cultural awareness training for managers.

Contribution to society

We aim to contribute to the well-being of people and the planet, and to act with future generations in mind, enabling us to contribute to a world in which everyone can thrive.

What we aim for

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.

Climate action

NN Bank follows NN Group strategy on decarbonisation targets for own operations and suppliers, and specific targets related to our residential mortgage portfolio where we aim to reach net zero by 2050. In July 2023, we set an interim target to reduce emissions by 34% reaching 18.1 kg CO₂e/m² by 2030 using 2021 as the base year – a target aligned with the Carbon Risk Real Estate Monitor (CRREM) 2021 decarbonisation pathway. The CRREM model was updated in 2023. More information on how this update affects our targets and reporting, can be found in NN Group's Climate Action Plan, published in April 2025.

The mortgage portfolio carbon footprint at 2025 year-end, based on the Partnership for Carbon Accounting Financials (PCAF) Netherlands calculation method is 18.9 kg CO₂e/m², a reduction of 4.7 kg CO₂e/m² compared to 2024. This decrease is due to two main factors. First, as a result of energy price hikes, gas consumption has reduced by 18.5% and electricity usage by 3.5%. Secondly, the share of coal in the electricity mix has declined, making electricity more than 18% less carbon-intensive. While the Dutch national statistics office (Centraal Bureau voor de Statistiek, CBS) has released an updated calculation methodology, this came too soon before the close of the Annual Report to be included. PCAF Netherlands will review this

update during 2026. At year-end 2025, 26.4% (2024: 25.4%) of NN's mortgage portfolio had an energy label of A or higher, based on provisional and definitive labels from the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO).

Since NN Group reports its non-financial disclosures, NN Bank does not produce a separate report on this information. NN Bank is not in scope for EU Taxonomy, but taxonomy-eligible covered assets would be approximately EUR 24.3 billion (2024: approx. EUR 23.4 billion) and the Green Asset Ratio (GAR) stock regarding taxonomy-aligned economic activities would be approximately 23.5% (2024: approx. 22.1%). The GAR flow for NN Bank's newly originated loans would be approximately 19.0% for 2025 (2024: approx. 18.2%).

Engagement with customers

NN Bank collaborates with customers to improve sustainability and property value while lowering energy costs. In 2025, the Bank reached customers through both intermediaries and direct communication. Key actions included the launch of a campaign and white paper for advisors on climate risk, and conducting market research to better understand customer expectations of mortgage providers, including views on foundation issues.

Leveraging NN Bank's Green Bond Framework

Under the Green Bond Framework, NN Bank aligns its funding strategy with sustainability goals. The framework incorporates the EU Taxonomy and is in line with the International Capital Market Association (ICMA) Green Bond Principles and the Loan Market Association (LMA) Green Loan Principles. By focusing on energy-efficient buildings, NN Bank secures sustainable financing that meets regulatory requirements and reflects market best practice.

Contributing to sector-specific initiatives and partnerships

To strengthen our customer propositions, NN Bank participates in various initiatives that share knowledge and promote healthy and sustainable living. Collaborations with organisations such as the Energy Efficient Mortgages Netherlands Hub (EEM NL Hub), PCAF and SBR Nexus enable NN Bank to develop harmonised standards and frameworks for energy-efficient mortgages and carbon footprint measurement. NN Bank also joined the European Energy Efficiency Financing Coalition.



Financial Health and digital inclusion

Besides climate action, NN Bank also aims to contribute to our customer's financial health and digital inclusion. NN Bank participates in a national effort to reduce the number of financially vulnerable households by 2030 through large-scale knowledge-sharing and intervention, and strengthened public-private cooperation. The Financially Healthy Netherlands Foundation (Stichting Financieel Gezond Nederland, SFGN) brings together the expertise of Debt Lab NL (SchuldenlabNL) and the National Coalition for Financial Health to structurally improve financial well-being in the Netherlands.

In March 2025, NN Bank endorsed the framework for socially responsible debt collection, further formalising our commitment to a respectful, empathetic and sustainable approach to supporting customers with payment challenges. The commitment reflects our broader contribution to sector-wide improvements in the way debt issues are recognised and addressed.

We also concluded a successful pilot aimed at strengthening customers' digital capabilities and financial literacy. Building on this, we launched a digital inclusion platform to support customers in confidently navigating and managing their online banking activities.

Governance

ESG considerations are embedded in NN Bank's standard target structure for the Management Team, which includes specific targets such as reducing greenhouse gas (GHG) emissions from the mortgage portfolio. To support effective monitoring and delivery of our strategy, NN Bank has established a dedicated ESG Committee, chaired by the CEO and CRO.

For more on our contribution to society, please see the Sustainability Statement in the 2025 NN Group Annual Report.

Financial strength

Delivering strong financial performance and long-term value for our shareholder is our core focus. By managing assets efficiently and leveraging our scale, we maintain a solid balance sheet and financial resilience.

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 a number of ways. First, to ensure we can deliver our products and services to our customers. Secondly, to uphold our commitment to our shareholder by providing solid, long-term returns. And finally, to offer a sustainable perspective to our colleagues while contributing positively to society.

Growth

To achieve these objectives, we continue to focus on increasing the proportion of customer business conducted with us, expanding our customer base, and diversifying our income through higher fee generation, while continuously optimising our operational cost base.



Analysis of results

Results

Amounts in millions of euro

	2025	2024
Net interest income	310.1	385.8
Gains and losses on financial transactions and other income	1.2	1.4
Net fee and commission income	47.1	65.5
Valuation results derivatives	-9.7	-32.7
Total income	348.7	420.0
Impairment charges on financial instruments	0.1	-1.2
Staff expenses	152.7	155.2
Regulatory levies	1.4	6.6
Other operating expenses	106.7	106.8
Total expenses	260.8	267.4
Result before tax	87.9	152.6
Taxation	22.7	39.4
Net result	65.2	113.2

NN Bank's net result for the year 2025 was EUR 65.2 million, compared to the previous year's net result of EUR 113.2 million. Therefore, the Bank's return on equity decreased to 5.4% in 2025 (2024: 9.5%). Decreased interest rates were an important driver of the lower net result in 2025.

Total income in 2025 decreased from EUR 420.0 million to EUR 348.7 million compared to 2024, partially due to lower net interest income. Our net interest income decreased from EUR 385.8 million in 2024 to EUR 310.1 million in 2025, mainly driven by lower interest income, as the decline in savings rates lagged the decline in market rates. On the other hand, interest income on our mortgage portfolio increased. The overall decrease in net interest income resulted in a decrease in the net interest margin, from 1.52% in 2024 to 1.21% in 2025. Net fee and commission income decreased by EUR 18.4 million to EUR 47.1 million. This decline is mainly attributable to the one-off impact of the settlement of commission expenses for its bancassurance activities. Valuation result on derivatives decreased from a loss of EUR 32.7 million in 2024

to a loss of EUR 9.7 million in 2025. This positive shift is primarily attributable to favourable development of interest rates and measures to improve the efficiency of Hedge Accounting programmes.

Total expenses decreased by EUR 6.6 million to EUR 260.8 million in 2025, primarily driven by lower regulatory levies resulting from lower contributions to the Deposit Guarantee Schemes. In addition, the Single Resolution Fund was not collecting contributions from banks in 2025, as the target level has been reached. Staff expenses decreased by EUR 2.5 million to EUR 152.7 million in 2025. This decrease is due to a reduction in our external staff, resulting from improved operational efficiencies and finalisation of projects. The Cost/Income ratio was 74.4%, compared with 62.5% in 2024, reflecting a lower total income in 2025.

Key figures

Amounts in millions of euro

	2025	2024
Loans	23,063	22,407
Customer deposits and other funds on deposit	17,946	17,492
Net interest margin ¹	1.21%	1.52%
Cost/Income ratio ¹	74.4%	62.5%
Return on assets ¹	0.3%	0.4%
Return on equity ¹	5.4%	9.5%
Total assets	25,829	25,522
Common Equity Tier 1 Capital (CET1)	1,079	1,162
Total capital ²	1,094	1,207
CET1 ratio ^{2/3}	20.5%	17.8%
Total capital ratio ^{2/3}	20.8%	18.5%
Leverage ratio	4.1%	4.5%
Liquidity Coverage Ratio (LCR)	149%	174%
Average number of internal FTE ⁴	1,027	1,069

¹ These ratios are calculated as follows:

'Net interest margin': annualised net interest income divided by the average total assets in a year (for reference, see Note 17 'Net interest income').

'Cost/Income ratio': staff expenses plus other operating expenses divided by total income.



'Return on assets': annualised net result divided by the average total assets in a year.

'Return on equity': annualised net result divided by the average equity in a year.

- 2 'Total capital', 'CET1 ratio' and 'Total capital ratio' remain unchanged after inclusion of the net result for the year 2025, less the payment of the proposed final cash dividend.
- 3 The 'CET1 ratio' per year-end 2024 changed from 17.9% to 17.8% and the 'Total capital ratio' per year-end 2024 has been restated from 18.6% to 18.5% due to a resubmission of 2024 Regulatory returns.
- 4 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.

Capital, funding and liquidity

Maintaining a strong balance sheet remains a key priority, and securing funding and liquidity from retail customers and institutional investors 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 February 2025, the 0.375% EUR 500 million senior unsecured bond matured and was refinanced by the issuance of a 3% EUR 500 million 6-year green Soft Bullet Covered Bond in March 2025. Additionally, in August 2025, NN Bank issued another EUR 250 million Soft Bullet Covered Bond. This bond is a so-called tap issuance of the outstanding 3% green EUR 500 million Covered Bond issued in March 2025, with maturity date March 2031. Our balance sheet increased due to growth of the mortgage book, financed mainly by an increased inflow from retail savings and wholesale deposits.

As of year-end 2025, the total nominal amount outstanding of senior unsecured funding was EUR 0.6 billion and secured funding through covered bonds was EUR 5.6 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 position when needed. Our liquidity position remained strong, with an LCR of 149% at year-end 2025.

To hedge the interest rate risk in 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 20.8% (2024: 18.5%) and a CET1 ratio of 20.5% (2024: 17.8%). The capital target for the Total Capital Ratio increased from 17.6% to 18.5%. The implementation of Basel IV has contributed to Risk-Weighted Exposure Amount (RWEA) release in 2025, thereby enhancing the bank's capital position.

NN Bank will propose a final dividend of EUR 65.0 million over the 2025 financial year, following an interim dividend payment of EUR 84.0 million in December 2025. NN Bank has maintained a solid capital position supported by the Basel IV implementation as at 1 January 2025, which has led to the release of the RWEA. As a consequence, the final dividend proposal has taken the benefit from this release into account.

Targets and regulatory requirements

NN Bank has set the following financial targets for 2028: a Cost/Income ratio below 58% and a Net operating return on equity of 9% or higher, both on a statutory basis¹. In addition to these financial targets, we have set a capital target of maintaining a Total Capital Ratio of at least 18.5%.

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 Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP). The ICLAAP and Supervisory Review and 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 proper 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.

¹ A Cost/Income ratio of 58% on statutory basis equals a Cost/Income ratio of approximately 55% on Group reporting basis. A net operating return on equity of 9% on statutory basis equals a return on equity of approximately 12% on Group reporting basis.



- 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.

Given its inherent limitations, internal control over financial reporting and sustainability reporting may not prevent or detect all misstatements. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate as a result 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 on the International Financial Reporting Standards (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 Stages 1, 2, 3 and POCI provisions.
- Approval: The NN Bank Impairment and Provisioning Committee (IPC) reviews and approves the figures.

Non-financial statement

NN Bank is exempt from the requirements of the Decree disclosure of non-financial information (Besluit bekendmaking niet-financiële informatie, the 'Decree'). NN Bank is a direct subsidiary of NN Group. NN Group includes a non-financial statement in its Report of the Management Board for NN Group as a whole pursuant to the Decree.

Digital & data-driven organisation

Ease of access, relevance and efficiency are key items we aim to embed in all our products and services. By investing in simplification, adoption of new technologies and data literacy we continue to improve how we operate, serve our customers and grow as a company.

What we aim for

At NN Bank we aim to provide and develop 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.

Operational excellence

To be efficient and provide excellent service to our customers, we strive to make our processes streamlined, automated and digitised. We use data to better inform business decisions and as such have established a solid data foundation, including an automated and standardised reporting process for regulators that ensures reporting procedures are controlled and efficient.

In 2025, NN Bank made significant progress in its journey towards becoming a future-proof, digital organisation. Enhancements were implemented to simplify opening an online savings account for existing payment account customers. Eligible customers are now able to initiate the account-opening procedure directly through the NN App with a single action. In addition, customers are provided with access to their Box 3 data for the period 2017–2024 via Mijn.nn and the NN App, enabling accurate and compliant reporting of returns for tax purposes. The automation of digital processes continues with, for example, an entirely online means of settling an estate after a bereavement, providing relatives with timely and attentive support.

Artificial intelligence

NN launched SanneGPT, our customer chatbot which has been upgraded to conduct smart, data-driven conversations that feel natural. The tool has the ability to identify intent and context, enabling flexible and meaningful interactions, while providing personalised answers based on real-time knowledge-based updates. It reduces manual handling of customer queries by automating complex interactions. With SanneGPT, mortgage customers receive quicker, round-the-clock answers to questions not relating to individual files.

Regulations

In becoming a digital and data-driven organisation, we carefully balance individual privacy with our duty of care and social responsibility, making every effort to comply with data and cyber protection regulations. NN Bank is convinced that a healthy operational resilience base is indispensable to fending off cyber threats.



Managing our risks



Managing our risks

Risks are potential future events that could adversely impact our business performance and/or the achievement of our strategic targets. Strong risk management helps us monitor developments in our operating environment so we can act when and where necessary.

Introduction

This section covers the following topics:

- Risk control cycle (pages [14-17](#))
- Risk profile, with a focus on material risks as established by our Management Board (pages [17-19](#)).

Details of our financial risk profile can be found in [Note 37 Risk management](#).

Risk control cycle

We manage risk inherent to our business model and the environment in which we operate within our risk appetite and framework. Every employee has a role to play in identifying risks in their area of responsibility and managing them in a proactive way. It is important to know which risks we need to avoid and which we are prepared to take, in order to ensure an appropriate return for the risks assumed within the business and be aware of potential existing and emerging risks.

The risk control cycle helps NN Bank operate within our risk appetite:

1. Define risk strategy through risk appetite, policies and standards
2. Identify and assess the risks that need to be managed
3. Mitigate risks through controls and/or other mitigation measures
4. Monitor effectiveness of mitigating measures and report on them

This cycle is supported by a sound risk culture. The risk control cycle is integrated within NN Bank and supports the strategy and subsequent execution.

Step 1: risk strategy

The risk strategy is determined together with the business strategy. During this strategy-setting process, strategic and emerging risks need to be considered carefully. These risks look, for example, at sensitivities

around assumptions behind the proposed business strategy, or the possibility that a proposed business strategy does not align with NN Bank's values.

The risk strategy further clarifies what risks NN Bank is willing to take in pursuit of its business objectives. Risk appetite statements describe how NN Bank weighs strategic decisions and communicates its strategy to key stakeholders with respect to the desired level of risk-taking. This helps us avoid unwarranted or excessive risk-taking, and optimise our use of capital. To the extent necessary, the risk appetite is further operationalised into risk metrics. Furthermore, requirements and/or guidance on how to mitigate risks is provided through policies and standards.

Embedding a sound risk culture within properly organised and governed business processes and projects is an important part of our risk strategy. More on how risk management responsibilities within NN Bank are organised can be found under [Corporate governance \(p. 22\)](#).

Risk Appetite Framework

We have the following four risk appetite levels:

Risk appetite	Description
Avoid	We apply considerable efforts to avoid these risks from happening, or even eliminate them. If they materialise, we apply a zero-tolerance attitude to address incidents.
Limited	We accept these risks, but still try to limit them with reasonable efforts to manage potential impact.
Moderate	We accept these risks, but neither avoid nor seek them actively. We use a risk/reward or risk/cost consideration to manage these risks.
Actively pursue	We are risk-seeking regarding this type of risk, accepting uncertainty or volatility, as we expect taking the risk will ultimately be rewarded.

The risk appetite is evaluated at least annually and approved by the Management Board.

Our key risk appetite statements are:



Risk Appetite Statement	Risk appetite	Description
Managing strategy	Moderate	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 associated with these changes, including when attracting and retaining business leaders and (world-class) talent.
Solvency risks	Limited	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>The purpose is to provide assurance that NN Bank will always be able to meet supervisory capital adequacy requirements and internal capital targets.</p>
Liquidity risks	Limited	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.
Sound business conduct	Avoid	We have no appetite for material breaches of business integrity-related policies and standards.
People conduct culture	Limited	We nurture a culture aligned with our purpose, values and ambitions, which supports continuous learning, collaboration and diversity of thinking, and limits risks that could harm this culture.
Product suitability	Avoid	We only market products and services that add value to our customers over their expected lifetime in line with their preferences, and that can be explained in a simple, transparent manner.
Operational risks	Moderate	We moderately accept human errors and, as such, failures in processes and therefore manage to agreed tolerance levels.
Technology risks	Limited	We limit losses arising from technology risks, and therefore ensure our technology assets are sufficiently resilient and responsibly used.
Reliable reporting	Avoid	We have no appetite for material errors in external financial and non-financial reporting, or internal reports used for strategic decision-making.

Business continuity	Limited	We avoid, to the extent possible and even under severe circumstances, sustained discontinuation of business (people, offices, IT).
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Risk metrics

Risk monitoring is a regular process to assess and evaluate developments in the risk profile. It determines whether risks are within the risk appetite and in line with policies and standards. Monitoring activities are performed following developments in qualitative and quantitative boundaries (risk metrics) around risk taking, such as:

- Risk limit – maximum exposure of a risk that management is willing to accept and that should not be breached.
- Risk tolerance – level of exposure to a risk where management wants to be actively informed. A tolerance is set to function as a trigger for reviewing the exposure regularly and reflects an ambition level management wants to act within over the medium term.
- Key Risk Indicator (KRI) – can assist management in determining whether specific areas or business objectives are at risk of moving beyond the risk appetite. The KRIs indicate when specific actions might be necessary to stop or reduce increasing risk levels.
- Policies and standards – in addition to risk metrics, requirements and/or guidance on how to mitigate risks can be provided through policies and standards.

This table gives an overview of the risk metrics within NN Bank:

Risk class ¹	Risk metrics
Strategic risks	<p>We manage and monitor strategic risks through various measures, including regularly monitoring how we perform relative to our strategic commitments:</p> <ul style="list-style-type: none"> • Customer engagement (Net Promoter Score, NPS) • Absenteeism rate • Effective control framework maturity • ESG-related metrics
Solvency risks ²	<ul style="list-style-type: none"> • Capital ratios (CET1, Minimum Requirement for Own Funds and Eligible Liabilities (MREL), Leverage ratio) • Credit risk metrics (delinquencies, Non-Performing Loans (NPL), Loss Given Default (LGD), risk costs) • Interest rate Risk metrics (Earnings at Risk (EaR), Interest Rate Risk Sensitivity of Economic Value of Equity (IRR dEVE))



Liquidity risks ²	<ul style="list-style-type: none"> Liquidity ratios (Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR)) Asset encumbrance (%) DNB Internal Liquidity Adequacy Assessment Process (ILAAP) survival period (months) Total Central Bank cash
Non-financial risks	<ul style="list-style-type: none"> Control completeness: timely execution and complete registration of control monitoring by management and control functions Control effectiveness: controls are embedded and effectively executed to prevent or mitigate risks within the risk appetite Overdue issues: the number of issues that are not solved in a timely manner within the agreed remediation period Incident cost (losses): the number of realised incidents that have a financial and/or reputational impact Mandatory trainings: the percentage of completed trainings Code of conduct/oath: acknowledgement by employees of adherence to the Code of Conduct Technology risk: Availability IT systems, Cyber Risk in IT landscape, Supplier risk Policies and standards that define objectives and requirements around compliance, IT, operations, security and business continuity

1 These are the risk classes of the Risk Taxonomy of NN Bank at the highest level. For risks on a more granular level refer to [Risk profile](#) further in this section and [Note 37 Risk management](#).

2 Solvency risks and Liquidity risks are captured as part of the risk class "Financial risks".

Step 2: Risk assessment

Risk assessments specifically seek to identify and assess risks to the business of NN Bank and its business units. Non-quantifiable risks, and non-financial impact of quantifiable risks, are assessed through control effectiveness in relation to acceptable impact. Tail events are explored through scenario analysis and addressed with Business Continuity or Contingency plans. This table gives an overview of the various risk assessments within NN Bank:

Risk class	Risk assessed via
Strategic risks	Strategic Risk Assessment (SRA) and scenario analysis, including Internal Capital Adequacy Assessment Process (ICAAP) and ILAAP
Interest rate risk	Interest Rate Risk in the Banking Book (IRRBB) risk assessment, ICAAP
Counterparty default risks	Assessment of maximum exposure on asset class, issuer and country basis; scenario analysis including ICLAAP; Capital Risk Assessment
Underwriting & pricing risks	Product approval and review process (PARP)
Liquidity risk	Liquidity Risk Assessment, scenario analysis including ILAAP
Non-financial risks	Non-Financial Risk Assessments (NFRA); Detailed Risk Assessments (DRA) of processes, products, themes and projects (including aspects of IT, financial economic crime, fraud, outsourcing, etc.); Systematic Integrity Risk Assessment (SIRA), looking at conduct and integrity risks; ECF Maturity Reflection, looking at risk maturity and culture

Step 3: Risk control

Risk control refers to activities undertaken to ensure proper mitigating measures are designed, documented and executed in such a way that risks are managed within defined risk limits and tolerances, and in line with policies and standards. Through Business Continuity Management, we have determined a set of measures for early detection of and potential response to a crisis, should it occur. The plan's aim is to ensure tools, measures and processes are in place to enable NN Bank to:

- Avoid going into recovery.
- Anticipate any approaching financial distress and/or potential recovery situation.
- Quickly recover to an acceptable minimum capital and liquidity level when faced with financial distress and/or recovery.

This table gives an overview of the risk control activities within NN Bank:



Risk class	Risks are mitigated/controlled through
Strategic risks	<ul style="list-style-type: none"> Scenario analysis and recovery planning Adjusting the strategic targets/business model to meet the changing environment, implemented through strategic initiatives/programmes Business planning, monitoring of strategic execution
Interest rate risk	<ul style="list-style-type: none"> Balance sheet steering and hedging using interest rate swaps Monitoring based on limits by the Asset and Liability Committee
Counterparty default risks	Monitoring based on limits and tolerances by the Credit Risk Committee
Underwriting & pricing risks	<ul style="list-style-type: none"> Monitoring based on concentration and exposure limits and tolerances, and acting in case of breaches Setting risk policies and sample checks PARP
Liquidity risk	<ul style="list-style-type: none"> Frequent monitoring based on limits/tolerances and adjustment of positions as necessary Cash management/treasury techniques
Non-financial risks	<ul style="list-style-type: none"> Control and control testing Incident management and external insurance Risk culture, awareness and training Project risk logs and monitoring Business Continuity management

Step 4: Risk monitoring and reporting

Risk monitoring helps us identify and evaluate developments in the risk profile. It determines whether risks are managed within the applicable risk appetite and related limits and tolerances, and in line with policies and standards.

The results of risk monitoring are part of the Effective Control Framework (ECF) reporting cycle and reported quarterly to the responsible department managers, as well as the Management and Supervisory Board of NN Bank. This includes information on the risk levels of various risk classes, for example non-financial risks, strategic risks, financial risks and developments, and control effectiveness. Management takes action when monitoring indicates that risks are not sufficiently controlled.

Specifically, the Credit Risk Committee and the Asset and Liability Committee monitor on a monthly basis credit risk, interest rate risk in the banking book (Credit Risk Committee), business/customer behaviour risk,

liquidity risk and funding risk (Asset and Liability Committee). On a monthly basis, the Non-Financial Risk Committee monitors non-financial (i.e. emerging, strategic, operational and compliance) risks. At least on a quarterly basis, the Management Board oversees the integrated risk profile across all risk types. All risk reporting and monitoring is performed in a forward-looking manner.

Risk profile

When looking at our risk profile and the results of the annual Strategic Risk Assessment, compared to 2024 cyber and fraud risk has increased, driven by the introduction of new payment services and rapid technological developments that impact the threat landscape. In addition, geopolitical risk has risen due to rising global tensions and economic uncertainty, which impact market stability and operational resilience. These developments also heighten outsourcing risks, as greater reliance on third-party providers for critical services amplifies exposure to cyber threats and geopolitical disruptions.

The 2025 Strategic Risk Assessment identified nine key risks (ranked by relative importance):

Rank	Key risk	Risk class	Risk level (vs 2024)
1	Cyber and fraud risk	Technology risks ¹	↗
2	Geopolitical risk	Strategic risks	↗
3	Outsourcing risk	Operations risks ⁴	↗
4	Business model disruption risk	Strategic risks	→
5	Margin and cost pressure risk	Strategic risks	→
		Underwriting and pricing risks ²	
6	Regulatory risk	Strategic risks	→
7	ESG risk	Strategic risks	→
8	Funding risk	Market risks ²	→
9	Lack of agility risk	Strategic risks	→

1 This risk class forms part of the higher risk level "Non-financial risks".

2 This risk class forms part of the higher risk level "Financial risks".



Cyber and fraud risk

The risk of cyberattacks or fraudulent activities, leading to misuse or loss of information or privacy breaches, discontinuity of operations, or financial or reputational loss. Given their pivotal role in the financial infrastructure, and our possession of large amounts of financial data and/or personal information about our customers, financial services companies may be a target for hackers, state actors and increasingly sophisticated criminal networks. Cyber incidents and fraud may lead to data loss, disruption or shutdown of business activities, account takeovers, fraudulent transactions, criminal theft or reputational damage.

NN Bank is continuously monitoring its IT infrastructure through the IT General Controls, as well as improving its security governance, processes and technology. At the same time, the number of threats and their levels of sophistication are also increasing. Continuous investments are therefore needed to avoid, for example, our systems becoming unavailable, which could affect our daily business and customer confidence. Group IT's Enterprise Security Services (ESS) function leads all efforts to further enhance our information security and provide 24/7 protection against cyberthreats. In particular, education and awareness-raising are part of our security strategy.

Geopolitical risk

The risk of increased geopolitical tensions globally, which may lead to economic impacts for Europe (e.g. disruption of supply chains, trade tariffs or unavailability of resources), as well as diversion of resources to military goals (e.g. increased NATO spending). Geopolitical risk is the risk associated with tensions or actions between states and political actors that affect the normal and peaceful course of international relations. Geopolitically, more and more alliances are forming or shifting worldwide, with less clear or stable demarcations between countries and different power blocks/international alliances.

We do not have direct business activities in, or exposure to Ukraine, Russia, China or Israel. However, the impact on our operating environment will depend on how geopolitical tensions progress and/or escalate, which may coincide with other inflationary, governmental debt or recessionary developments. So far, NN Bank has experienced limited impact from these adverse developments. NN Bank manages its asset exposures via concentration limits that are regularly reviewed and monitored. We also closely monitor the credit quality of portfolios.

Outsourcing risk

We rely on critical suppliers and outsourcing partners for technology and operational services. Risks include supplier underperformance, lock-in due to limited technology providers, and dependencies, which can lead

to higher costs and reduced innovation. NN Bank strengthens supplier due diligence through financial due diligence, fallback plans, improved governance and implementing DORA (Digital Operational Resilience Act) requirements as part of our information security and business continuity practices.

Business model disruption risk

The risk of losing customer and distribution partner relevance due to less competitive products and services that fail to meet changing needs. This includes potential disruption or unbundling of NN Bank's business model as Big Tech and FinTech entrants enter the financial services market. Regulatory and market developments may enable third parties to become single access platforms for financial products, reducing direct customer access. Emerging trends such as the potential entrance of the Digital Euro and cryptocurrencies could further shift consumer demand.

NN Bank mitigates this risk by ensuring strategic alignment and strengthening operational resilience through regular evaluations of its business model, scenario analysis and regulatory assessments, and the integration of innovation and sustainability considerations into strategic planning.

Margin and cost pressure risk

The risk that rising operating costs lead to higher product pricing, reducing competitiveness and increasing potential pressure on margins and profitability. This risk is amplified by regulatory demands, higher inflation for procured services and higher salaries of our own staff due to inflation/Collective Labour Agreements.

This risk is mitigated through structured cost control measures, including operating results and margin analysis, regular business planning and reviews, and execution of efficiency programmes aimed at digitalisation, process simplification and organisational optimisation.

Regulatory risk

Risk of adverse regulatory change due to political shifts or increased supervisory scrutiny and ambitions, which may have a profound impact on our business model, performance or ability to deliver our innovation or strategic initiatives. Examples of these changes include more severe regulation, developments on interest-only loans and extensive sustainable finance legislation. Ongoing regulatory changes and topics subject to additional supervisory scrutiny may affect our business model, solvency position or business operations.



We follow the development of regulations closely so we can take timely action. Furthermore, we proactively maintain relationships with regulators and supervisors and regularly calculate the potential impact of regulatory changes to our capital position and risk profile.

ESG risk

Increasing physical and transition climate risks could negatively affect NN Bank's business model resilience, increase litigation and reputational risks, and reduce the value of collateral. Additionally, there is a risk of not meeting regulatory requirements or societal expectations due to stakeholder pressures, insufficient sustainability communication or inadequate (or perceived to be inadequate) ESG risk mitigation in our products and services.

ESG risk is monitored and discussed by the Sustainability Committee, which evaluates developments, progress on mitigation efforts and critical updates to ensure oversight and strategic alignment.

Funding risk

The risk that NN Bank cannot secure sufficient funding to meet client demand for mortgage origination. This risk may arise from market volatility, rising funding costs or regulatory requirements. NN Bank mitigates this by diversifying funding sources, maintaining liquidity buffers, conducting regular stress tests, and implementing and executing a funding plan.

Funding risk is actively monitored as part of our liquidity management framework to ensure resilience under various market conditions.

Lack of agility risk

Risk of lacking operational agility and efficiency due to technical debt and inability to align in a timely fashion workforce capacity and competencies with strategic priorities. Transformation efforts to build strategically relevant resources may lack sufficient speed or fail to deliver qualitative improvements, or internal skill development may be inadequate. This could result in inconsistent and ineffective execution of strategy, limiting NN Bank's ability to adapt to market changes and regulatory demands.

NN Bank mitigates this risk through structured oversight of, amongst other things, strategic workforce planning, which is reviewed regularly, and by monitoring progress on workforce transformation initiatives, including internal skills and leadership capabilities development, in order to ensure alignment and execution quality.



Governance



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 2025 was as follows:

Management Board

G.P. (Guido) Bosch (1971), CEO and chair¹

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

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

F.E.G. (Femke) Jacobs (1980), CTO²

Resigned in 2025

A.J.M. (Marcel) Zuidam (1970)³

Supervisory Board

E. (Erik) Muetstege (1960), chair

T. (Tjeerd) Bosklopper (1975)

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

J.V. (Koos) Timmermans (1960)⁴

Resigned in 2025

A.T.J. (Annemiek) van Melick (1976)⁵

¹ Appointed as of 1 August 2025 by the General Meeting on 18 July 2025.

² Non-statutory Board member as defined by Company Internal Governance.

³ Resignation as of 1 March 2025 by resignation letter.

⁴ Appointed as of 1 October 2025 by the shareholder.

⁵ Resignation as of 1 October 2025 by resignation letter.



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 its stakeholders' interests (such as customers, investor and employees). The Supervisory Board advises the Management Board and supervises the Management Board's pursuit of policy and 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.

NN Bank's governance and control structure 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 monitoring an appropriate 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 policies in the areas concerned.

Diversity and inclusion

NN Group aims to have an adequate and balanced composition of its boards. To ensure such composition, several relevant selection criteria are balanced, and (re)appointments to these boards are made on the basis

of harmonised policies, including NN Group's Diversity, Equity and Inclusion Policy (updated in 2025), and in accordance with legal and regulatory requirements.

NN Group aims to have a gender diversity of at least 40% women and 40% men on its boards and in senior management positions. As of May 2025, NN Group's target to have at least 40% women and 40% men in senior management positions by 2028 refers to the Management Board and managerial positions in the two levels below.

For each Dutch NN Group entity in scope of the Dutch Gender Balance in Leadership Act¹, including NN Bank, senior management means the management team.

In support of the ambitious gender diversity targets, NN Group has set up an action plan that has been adopted by the NN Group companies in scope of the Dutch Gender Balance in Leadership Act (including NN Bank). We are committed to the following actions (amongst others) to achieve our gender diversity target:

- Inclusive hiring practices with gender-diverse slates to include 50% women and 50% men on shortlists in pre-determined pipeline grades.
- Continuing to build inclusion within the talent management processes, ensuring quality and strength of gender balance in the leadership pipeline.
- Taking the 40% target into account in succession planning and appointment processes.
- Leveraging data insights on hiring, promotion, attrition and exit data to understand movement between grades and leaks in the pipeline.
- Expanding learning and development opportunities for colleagues by offering resources on topics such as unconscious bias and microaggressions.
- Evolving the gender equity networks into impactful employee resource groups that can support diversity initiatives.
- Striving for gender balance of 50% men and 50% women in our leadership training programmes and the NN Group Traineeship tracks.
- Having signed the SER Diversity Charter, we aim to comply with the Dutch Civil Code, meeting annual SER reporting obligations for qualifying Dutch entities by reporting on gender diversity targets, board composition and action plans in the SER's Diversity Portal.

¹ For reference to the act, please refer to: 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 vennootschappen.



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 2025, NN Bank's statutory Management Board consisted of one woman and two men, thus meeting this target.

NN Bank's Supervisory Board consists of four members, comprising 25% women and 75% men, and therefore does not meet the target².

NN Bank's Management Team consists of its three statutory Management Board members, the CTO and five other senior management positions. In 2025, women held 56% of NN Bank's Management Team positions and men 44%, 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. This is why NN Group, including NN Bank, takes a stand for diversity, inclusion and equal opportunities for all. When people inside our company reflect the people outside our company we can be more responsive to what they expect.

More information about diversity and inclusion can be found on the [NN Group website](#).

External auditor

On 19 May 2022, NN Group's 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 24 March 2025, 28 August 2025 and 23 March 2026.

On 15 May 2025, NN Group's general meeting appointed EY Accountants B.V. (EY) as its external auditor for the financial years 2026 through 2029. On 28 May 2025, the General Meeting appointed 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](#).

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, the Sustainable Finance Disclosure Regulation, the (Anti-) Money Laundering and Terrorist Financing (Prevention) Act and Sanction laws, the Payment Services Directive 2 (PSD2), the Market Abuse Regulation (MAR)/ Market Abuse Directive (MAD), the Anti Money Laundering Directive (AMLD) 4, 5 and 6, the Anti Money Laundering Authority Regulation (AMLAR) and the Mortgage Credit Directive.
- Prudential laws and regulations, such as the Capital Requirements Directive/Capital Requirements Regulation and Basel IV.
- Other laws and regulations, such as DORA, the Dutch Civil Code, the General Data Protection Regulation, the Telecommunications Act, Trade name act and Trade register act, Taxonomy Regulation, and further legal acts based on these pieces of legislation.

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 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 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](#).

² Considering the resignation of Annemiek van Melick, an assessment was carried out to determine the most suitable candidate to strengthen the Supervisory Board, particularly in light of NN Bank's growth and increasingly complex risk profile. Based on his extensive experience in the Dutch banking sector and proven managerial and supervisory expertise, Koos Timmermans was identified as the most suitable candidate. Regrettably, his appointment results in a male-female ratio of 75% male and 25% female, thereby falling short of the 40% target.



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 comprises the organisation's oversight functions, within which the risk management organisation and the legal and compliance functions assume a central role. 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 unwarranted or excessive risk.

The Third Line of Defence is provided by the Internal Audit function 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 how they are managed, please see [Note 37 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.

The Hague, 30 March 2026

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, significant participations and capital investments, and the termination of employment of a large group of employees.

Meetings

In 2025, NN Bank's Supervisory Board and its Audit & Risk Committee convened four times at regular intervals. 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 payments proposition; NN Bank's ICLAAP submission; risk appetite; balance sheet transactions; the Business, Capital, Funding and Recovery Plans; and making the internal organisation even stronger. In addition, in the context of its continuous education, the Supervisory Board performed a deep dive into ESG principles.

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), along with 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 2025, the Audit & Risk Committee, which is composed of two members of the Supervisory Board, convened four times at regular intervals. NN Bank's Management Board and Internal Audit (CAS) attended these meetings. The external auditor attended two of the meetings. The Audit & Risk Committee discussed in depth and monitored the key risk topics covering all risk types, including the functioning of NN Bank's

internal governance, its risk framework, the functioning of the Second Line of Defence and its IT Security, also regarding the DORA regulation. The internal and external audit plans were approved and monitored, and the progress that had been 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 were also reviewed. 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

For the year 2025, the Supervisory Board performed its annual mandatory self-assessment. This was combined with an assessment of NN Bank's Management Board. The Supervisory Board concluded that NN Bank's Management Board was capable and effective.

Composition of the Management Board

On 1 March 2025, NN Bank's CEO, Marcel Zuidam, resigned. Pieter Emmen was appointed CEO ad interim. During this interim period, he also continued his duties as CRO.

On 1 August 2025, Guido Bosch was appointed CEO of NN Bank.

Please refer to page [21](#) of this Annual Report for the current Management Board 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 through an appropriate mix of experience and expertise.

On 1 October 2025, Annemiek van Melick resigned and Koos Timmermans was appointed as member of the Supervisory Board.

Please refer to page [21](#) of this Annual Report for the current Supervisory Board 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 2026 annual General Meeting. NN Bank will propose a final dividend over 2025 of EUR 65.0 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 2025, especially in view of the continuing challenges that the current times are creating.

The Hague, 30 March 2026

The Supervisory Board



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 any International Financial Reporting Standards that have been 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 significant 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 or her knowledge:

- The Nationale-Nederlanden Bank N.V. 2025 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. 2025 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 2025 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 with which Nationale-Nederlanden Bank N.V. is confronted
- 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. 2025 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, 30 March 2026

The Management Board

G.P. (Guido) Bosch, CEO

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

P.C.A.M. (Pieter) Emmen, CRO



Annual accounts



Contents

Consolidated statement of financial position

Consolidated statement of profit or loss

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

Notes to the Consolidated annual accounts

1	Accounting policies	36
2	Cash and balances at central banks	45
3	Amounts due from banks	45
4	Investment securities	45
5	Loans	46
6	Intangible assets	50
7	Other assets	51
8	Amounts due to banks	51
9	Customer deposits and other funds on deposit	51
10	Financial liabilities at fair value through profit or loss	52
11	Other borrowed funds	52
12	Provisions	53
13	Debt securities issued	54
14	Subordinated debt	56
15	Other liabilities	57
16	Equity	57
17	Net interest income	59
18	Gains and losses on financial transactions and other income	60
19	Net fee and commission income	60

20	Valuation results on non-trading derivatives	61
21	Staff expenses	61
22	Regulatory levies	62
23	Other operating expenses	63
24	Taxation	63
25	Fair value of financial assets and liabilities	65
26	Derivatives and hedge accounting	68
27	Assets by contractual maturity	71
28	Liabilities by maturity	72
29	Assets not freely disposable	73
30	Contingent liabilities and commitments	73
31	Legal proceedings	74
32	Principal subsidiaries	74
33	Structured entities	75
34	Related parties	76
35	Key management personnel compensation	77
36	Subsequent and other events	78
37	Risk management	79
38	Capital and liquidity management	87

Authorisation of the Consolidated annual accounts



Consolidated statement of financial position

Amounts in thousands of euro, unless stated otherwise

	notes ¹	2025	2024
Assets			
Cash and balances at central banks	2	1,935,655	1,975,075
Amounts due from banks	3	198,344	231,253
Investment securities	4	399,857	699,350
Loans	5	23,062,660	22,406,757
Intangible assets	6	19,556	20,077
Other assets	7	212,918	189,169
Total assets		25,828,990	25,521,681

	notes ¹	2025	2024
Liabilities			
Amounts due to banks	8	120,000	200,000
Customer deposits and other funds on deposit	9	17,945,615	17,491,543
Financial liabilities at fair value through profit or loss:			
– non-trading derivatives	26	4,773	2,626
Other borrowed funds	11	566,000	275,000
Deferred tax liabilities	24	3,600	2,097
Provisions	12	1,177	2,364
Debt securities issued	13	5,916,499	6,182,875
Subordinated debt	14	15,000	45,000
Other liabilities	15	91,334	84,766
Total liabilities		24,663,998	24,286,271
Equity			
Share capital		10,000	10,000
Share premium		481,000	481,000
Revaluation reserve		-2,181	-10,455
Retained earnings		610,946	641,674
Unappropriated result		65,227	113,191
Shareholder's equity		1,164,992	1,235,410
Total equity	16	1,164,992	1,235,410
Total equity and liabilities		25,828,990	25,521,681

1 References relate to the [Notes to the Consolidated annual accounts \(see pages 36-89\)](#). These form an integral part of the Consolidated annual accounts.



Consolidated statement of profit or loss

Amounts in thousands of euro, unless stated otherwise

	notes	2025	2024
Interest income		1,166,204	1,301,170
Interest expenses		856,073	915,343
Net Interest income	17	310,131	385,827
Gains and losses on financial transactions and other income ¹	18	1,187	1,385
– fee and commission income		85,788	83,211
– fee and commission expenses		38,703	17,719
Net fee and commission income	19	47,085	65,492
Valuation results on non-trading derivatives	20	-9,708	-32,720
Total income		348,695	419,984

	notes	2025	2024
Impairment charges on financial instruments ¹		70	-1,211
Staff expenses	21	152,674	155,218
Regulatory levies	22	1,356	6,608
Other operating expenses	23	106,660	106,797
Total expenses		260,760	267,412
Result before tax		87,935	152,572
Taxation	24	22,708	39,381
Net result		65,227	113,191
Attributable to:			
Shareholder of the parent		65,227	113,191

1 For presentation purposes, and due to a reclassification, the comparative figures have been changed from 'Impairment charges on financial instruments' to 'Gains and losses on financial transactions and other income'.



Consolidated statement of comprehensive income

Amounts in thousands of euro, unless stated otherwise

	2025	2024
Net result	65,227	113,191
– unrealised revaluations on investment securities at fair value through other comprehensive income	11,140	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	-2,866	-9,481
Items that may be reclassified subsequent to the statement of profit or loss	8,274	9,752
Total other comprehensive income	8,274	9,752
Total comprehensive income	73,501	122,943
Comprehensive income attributable to:		
Shareholder of the parent	73,501	122,943
Total comprehensive income	73,501	122,943



Consolidated statement of changes in equity (2025)

Amounts in thousands of euro, unless stated otherwise

	Share capital	Share premium	Reserves	Total equity
Equity - 1 January 2025	10,000	481,000	744,410	1,235,410
Unrealised revaluations on investment securities at fair value through other comprehensive income	0	0	11,140	11,140
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	-2,866	-2,866
Total amount recognised directly in equity (Other comprehensive income)	0	0	8,274	8,274
Net result	0	0	65,227	65,227
Total comprehensive income	0	0	73,501	73,501
Dividend paid	0	0	-144,000	-144,000
Change in employee share plans	0	0	81	81
Equity - 31 December 2025	10,000	481,000	673,992	1,164,992

Consolidated statement of changes in equity (2024)

Amounts in thousands of euro, unless stated otherwise

	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 cash flows

Amounts in thousands of euro, unless stated otherwise

	notes	2025	2024
Result before tax		87,935	152,572
Adjusted for:			
– amortisation and disposals of intangible assets	6	1,312	4,378
– amortisation of mortgage premium	5	10,966	10,670
– amortisation of investment securities premium	4	3,554	5,411
– modifications	5	-360	-922
– net impairment charges on financial instruments		70	-1,211
– fair value change and amortisations on hedged items	5/13	234,620	-130,864
– fair value change on hedging instruments	20	-237,430	137,368
Taxation paid		-29,949	-39,153
Changes in:			
– amounts due to banks	8	-80,000	200,000
– non-trading derivatives	9/26	239,577	-95,644
– loans	5	-944,820	-683,721
– other assets	7	-23,749	117,292
– customer deposits and other funds on deposit	9	472,802	1,026,892
– net addition to provisions	12	649	679
– other liabilities	15	11,973	-24,784
– change in employee share plans	16	81	93
– increase (decrease) deferred tax	24	-1,374	-1,124
Net cash flow from operating activities		-254,143	677,932
Investments and advances:			
– intangible assets	6	-791	-1,275

	notes	2025	2024
Disposals and redemptions:			
– investment securities	4	310,961	222,001
Net cash flow from investing activities		310,170	220,726
Repayments of subordinated debt	14	-30,000	-40,000
Proceeds from issuance of debt securities	13	754,651	0
Repayments of debt securities	13	-1,000,007	-994,481
Proceeds from other borrowed funds	11	957,500	250,000
Repayments of other borrowed funds	11	-666,500	-280,000
Dividend paid	16	-144,000	-44,000
Net cash flow from financing activities		-128,356	-1,108,481
Net cash flow		-72,329	-209,823



Interest included in net cash flow from operating activities

	2025	2024
Interest received	1,164,432	1,299,787
Interest paid	-854,402	-828,339
Interest received and paid	310,030	471,448

Cash and cash equivalents

	2025	2024
Cash and cash equivalents at beginning of the period	2,206,328	2,416,151
Net cash flow	-72,329	-209,823
Cash and cash equivalents at end of the period	2,133,999	2,206,328

	2025	2024
Cash and balances at central banks	1,935,655	1,975,075
Amounts due from banks	198,344	231,253
Cash and cash equivalents at end of the period	2,133,999	2,206,328



Notes to the Consolidated annual accounts

Amounts in thousands of euro, unless stated otherwise.

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.

NN Bank's principal activities are providing retail customers with mortgage loans, (online) savings, bank annuities, bancassurance 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 can be changed to provide additional and more relevant information or (for changes in comparative information) to better align with

the current period presentation, if applicable. The impact of these changes is explained in the respective notes, where significant.

Changes in IFRS effective in 2025

The following amendments to IFRS became effective in the current reporting period with no significant impact for NN Bank:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability.

Changes in IFRS effective in 2026

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures': Classification and Measurement of Financial Instruments
- Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards': Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 7 'Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7': Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 'Financial Instruments': Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 10 'Consolidated Financial Statements': Annual Improvements to IFRS Accounting Standards
- Amendments to IAS 7 'Statement of Cash flows': Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures': Contracts Referencing Nature-dependent Electricity

Upcoming changes to IFRS-EU

Upcoming changes in IFRS-EU that were issued by the IASB but are effective after 2025 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.

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 37 Risk management](#) for a sensitivity analysis of certain assumptions as listed below.

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 [Impairments of financial assets](#).

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 it 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.

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 32 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 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 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. These weights are influenced by the macro-economic outlook. At present, 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 probability of the defaulted customer being 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, to present the current state of the economy. TTC PD represents the creditworthiness of a customer in an average economy, while the PIT PD represents the creditworthiness of a customer in the economy at a point in time. The further modelling is clarified in the paragraphs below.

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 within five years of retirement.

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). 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.

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 main criterion for lifting the default status are no current arrears and no active unlikely-to-pay indicators 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, one for customers without payment arrears and one for delinquent customers. All PDs are mapped to a Master Rating Scale.

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 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 and subsequently 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.

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).
- 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 people without work who are actively searching for paid work and directly available to work. The labour force refers to people willing to work at least twelve hours a week and available for the labour market within a period of three months.

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 (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.

Management Overlay

Management evaluates whether the model-driven ECL outcome adequately reflects the underlying credit risk. Management may apply a management overlay to ensure that the ECL remains appropriate where model results are assessed as insufficient due to limitations, emerging risks, or unmodelled factors.

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 consider entity factors (including credit quality, size, business model, complexity, cross-border activity, use of SA and IRB approach to 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 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, via 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 a regulatory risk weight of 2% in regulatory reporting. Hence, the risk on this exposure is deemed to be very low.

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 will 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 the point in time when 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 17 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 from the other party. Thus if the savings amount increases, 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 with different parties. In certain arrangements, NN Bank receives the mortgage parts; in others, 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 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 25 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 30 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 37 Risk management](#).

Leases

The accounting model for lessees is not applicable, since NN Bank has no significant contracts with group companies or 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 applicable tax rates (and laws) 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 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 taking into consideration all contractual terms of the financial instrument (e.g. 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.

Other accounting policies

Financial assets and liabilities at fair value through profit or loss (Notes 4 and 10)

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, 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 the 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, High-Quality Liquid Assets and customer deposits (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, and 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, 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 25 Fair value of financial assets and liabilities](#) for the basis of determination of the fair value of derivatives.

Loans (Note 5)

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 6)

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. 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'.

Customer deposits and other funds on deposit (Note 9)

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 11, 13 and 14)

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 & conditions represent a contractual obligation to pay interest and/or principal. Instruments that are similar in substance, but of which the terms & conditions do not include a contractual obligation to pay interest and principal, are classified as equity.

Provisions (Note 12)

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 the timing of cash flows.

Net fee and commission income (Note 19)

Fees and commissions are generally recognised as and when 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.



2 Cash and balances at central banks

Cash and balances at central banks

	2025	2024
Amounts held at central banks	1,935,655	1,975,075
Cash and balances at central banks	1,935,655	1,975,075

'Amounts held at central banks' reflects the demand balances. 'Amounts held at central banks' includes a mandatory reserve deposit of EUR 83.0 million (2024: EUR 76.6 million) that is not freely disposable to NN Bank. Reference is made to [Note 29 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

	2025	2024
Bank balances	1,727	1,454
Collateral posted	196,617	229,799
Amounts due from banks	198,344	231,253

'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 229.8 million to EUR 196.6 million is primarily attributed to reduced initial margin requirements set by the central clearing party, driven by lower interest rates and a slight reduction in the net swap position. 'Collateral posted' is not freely disposable, reference is made to [Note 29 Assets not freely disposable](#).

4 Investment securities

Investment securities by type 31 December 2025

	AC ¹	FVOCI ²	2025
Government bonds ³	0	198,877	198,877
Covered bonds	0	184,287	184,287
Corporate bonds	0	9,680	9,680
Asset backed securities	7,041	0	7,041
Investment securities - before loss provisions	7,041	392,844	399,885
Investment securities loss provisions	0	-28	-28
Investment securities - after loss provisions	7,041	392,816	399,857

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 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.



Changes in investment securities

	2025	2024
Investment securities – opening balance	699,385	900,877
Amortisation	-3,554	-5,411
Changes in unrealised revaluations	15,015	25,921
Disposals and redemptions	-310,961	-222,002
Investment securities – closing balance	399,885	699,385

There were only sales from the FVOCI portfolio, and these did not have an impact on the business model classification.

In 2025, unrealised gains on investment securities amounted to EUR 15.0 million (after tax: EUR 11.1 million). EUR 3.9 million (after tax: EUR 2.9 million) of these unrealised gains is hedged by macro fair value hedge accounting. Reference is made to the [Statement of comprehensive income](#).

5 Loans

Loans by type

	2025	2024
Loans secured by mortgages ¹	17,415,525	16,876,510
Loans secured by mortgages, guaranteed by public authorities ¹	6,401,873	5,995,200
Loans secured by mortgages, hedged items	-1,046,677	-768,443
Group companies	294,220	305,695
Loans – before loan loss provisions	23,064,941	22,408,962
Loan loss provisions	-2,281	-2,205
Loans	23,062,660	22,406,757

¹ For presentation purposes, the comparative figures have been changed due to a reclassification from 'Consumer lending' to 'Loans secured by mortgages'.

'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 2025

	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit-Impaired	No allocated stage	2025
Loans - before loan loss provisions	23,121,503	887,582	94,508	25,479	-1,064,131	23,064,941
Loan loss provisions	-124	-709	-1,402	-46	0	-2,281
Loans - after loan loss provisions	23,121,379	886,873	93,106	25,432	-1,064,131	23,062,660

'No allocated stage' relates mainly to mortgage premium and fair value changes of hedged items.

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 individual loan has terms & conditions that significantly affect the amount, timing or certainty of the Consolidated cash flows of NN Bank. For additional details, see [Note 37 Risk management](#).

Reference is made to [Note 25 Fair value of financial assets and liabilities](#), for disclosure by fair value hierarchy, and [Note 37 Risk management](#) for NN Bank's credit risk exposure and on significant credit risk exposures.



Changes in loans by stage

	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit-Impaired	No allocated stage	2025	2024
Loans – opening balance	22,138,000	873,684	104,666	27,832	-735,220	22,408,962	21,522,437
Mortgage portfolio transfer	514,223	12,582	0	1,874	0	528,679	411,901
Partial transfer of mortgage loans	54,746	-14,347	-49	0	0	40,350	8,878
Origination	2,472,768	18,165	3,147	0	0	2,494,080	2,381,799
Premium new mortgages	0	0	0	0	-15,159	-15,159	2,172
Amortisation mortgage premium	0	0	0	0	-10,966	-10,966	-10,670
Fair value change hedged items	0	0	0	0	-278,234	-278,234	212,430
Other changes ¹	-91,152	79,845	10,023	151	-24,912	-26,045	23,076
Modifications ²	0	0	0	0	360	360	922
Redemptions	-1,913,453	-127,002	-32,253	-4,378	0	-2,077,086	-2,143,983
Transfers to: ³							
– Stage 1	0	-479,166	-12,079	0	0	-491,245	-460,798
– Stage 2	-522,913	0	-28,519	0	0	-551,432	-425,622
– Stage 3	-21,961	-27,611	0	0	0	-49,572	-41,901
Transfers from: ³							
– Stage 1	0	522,913	21,961	0	0	544,874	433,179
– Stage 2	479,166	0	27,611	0	0	506,777	479,063
– Stage 3	12,079	28,519	0	0	0	40,598	16,079
Loans – closing balance	23,121,503	887,582	94,508	25,479	-1,064,131	23,064,941	22,408,962

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 amounts between the moment of outflow and inflow.



The Stage 3 outstanding decreased slightly by EUR 8 million compared to 2024 to EUR 96 million (0.4% of total outstanding), due to a decrease in customers with delinquencies > 90 days. The decrease is mainly attributable to low levels of unemployment. As for Stage 2, we observe an increase of EUR 14 million to EUR 887 million (3.8% of total outstanding) due to an inflow related to interest-only loans. The movements from and to stage 2 are relatively high due to an update in the staging criteria.

The movement of 'Fair value change hedged items' is due to decreasing interest rate curves. Reference is made to [Note 20 Valuation results on non-trading derivatives](#) and [Note 26 Derivatives and hedge accounting](#).

Purchased or Originated Credit-Impaired loans (POCI)

	2025	2024
POCI - opening balance	27,832	26,871
Mortgage portfolio transfer	1,874	1,707
Amortisation value adjustment	153	80
Redemptions	-4,378	-823
Unfavourable changes in credit quality	-56	-33
Favourable changes in credit quality	54	30
POCI - closing balance	25,479	27,832

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. Following the purchase transaction of the remaining Westland Utrecht Bank (WUB) portfolio in 2024, the mortgage portfolio transfer as from 2025 is nil.

Loan loss provisions by type

	2025	2024 ¹
Loans secured by mortgages	2,281	2,205
Loan loss provisions by type	2,281	2,205

¹ For presentation purposes, the comparative figures have been changed due to a reclassification from 'Consumer lending' to 'Loans secured by mortgages'.

In 2025, the loan loss provisions slightly increased by EUR 0.1 million to EUR 2.3 million due to a management overlay of EUR 0.3 million related to interest-only loans. The increase in provision was partly offset by a housing price increase between the third quarter of 2024 and the third quarter of 2025 (7.8%).

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, and 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.

In 2025, 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 2025. 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 2026 and in subsequent years growth to remain modest; the unemployment rate to be slightly above 4% in 2026 and then remain relatively stable; and housing prices to increase by 4% in 2026.

To provide an indication of the sensitivity of expected credit losses to the macro-economic environment, the column 'Unweighted ECL' shows the impact on mortgage ECL when 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 53%.



Scenario/Weighting	Macro-economic variable	2026	2027	2028	Long-term Rate	Unweighted ECL	Weighted ECL
Up/10%	Unemployment	3.4%	2.5%	3.3%			
	Housing Price index growth	11.4%	19.4%	10.9%		2,151	
	GDP growth	3.0%	5.7%	3.9%			
Neutral/50%	Unemployment	4.2%	4.1%	4.1%	4.1%		
	Housing Price index growth	4.0%	2.4%	2.4%	2.4%	2,191	2,281
	GDP growth	1.0%	2.0%	2.0%	2.0%		
Down/40%	Unemployment	4.7%	5.7%	4.9%			
	Housing Price index growth	1.4%	-5.8%	-1.7%		2,427	
	GDP growth	-0.9%	-5.2%	-1.6%			



Changes in loan loss provisions by stage

	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	2025	2024 ¹
Loan loss provisions – opening balance	226	660	1,267	52	2,205	3,280
Addition (release from) to the loan loss provisions	-94	-22	-403	-6	-525	-1,448
Transfers to: ²						
– Stage 1	0	-248	-55		-303	-319
– Stage 2	-11	0	-171		-182	-114
– Stage 3	-0	-57	0		-57	-44
Transfers from: ²						
– Stage 1	0	346	354		700	611
– Stage 2	3	0	410		413	224
– Stage 3	0	30	0		30	15
Loan loss provisions – closing balance	124	709	1,402	46	2,281	2,205
Write-offs	0	0	218	0	218	744
Recoveries	0	0	-1,467	0	-1,467	-1,767

1 For presentation purposes, the comparative figures have been changed due to a reclassification from 'Consumer lending' to 'Loans secured by mortgages'.

2 '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 amounted to EUR -1.2 million. Write-offs remained low as the portfolio is well collateralised and unemployment remains low.

6 Intangible assets

Intangible assets

	2025	2024
Intangibles	19,556	20,077
	2025	2024
Intangibles – opening balance	20,077	23,180
Additions	791	1,275
Amortisation	-1,312	-3,457
Impairments	0	-921
Intangibles – closing balance	19,556	20,077
Gross carrying value	33,950	33,159
Accumulated amortisation	-14,394	-13,082
Net carrying value	19,556	20,077

'Additions' to the intangible assets relate to renewal and expansion of our core banking platform. In 2025, there was no impairment (2024: EUR 0.9 million) of intangible assets. Intangible assets include internally developed software amounting to EUR 19.4 million (2024: EUR 19.8 million). There were no projects in progress at year-end (2024: EUR 19.8 million) as the software had all been taken into production during 2025. The amortisation period is ten years for the core banking platform and generally five years for all other intangible assets.



7 Other assets

Other assets

	2025	2024
Accrued interest mortgages	55,645	52,678
Accrued interest other	1,123	2,287
Current account other group companies	41,258	27,196
Debtors	111,438	104,637
Other	3,454	2,371
Total other assets	212,918	189,169

‘Current account other group companies’ includes a short-term liability of EUR 18.0 million relating to the settlement of commission expenses for bancassurance activities. Reference is made to [Note 19 Net fee and commission income](#).

‘Debtors’ include a receivable of EUR 77.9 million (2024: EUR 79.3 million) in origination fees from group companies and third parties, which are capitalised according to IFRS 15 ‘Revenue from contracts with customers’. This 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.

8 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

	2025	2024
Interest-bearing	120,000	200,000
Amounts due to banks	120,000	200,000

There was a decrease in ‘Amounts due to banks (interest-bearing)’ of EUR 80 million, mainly attributable to the presence of a funding from the central bank, obtained through the main refinancing operation (MRO), at year-end 2024, while no central bank funding was outstanding at year-end 2025.

As at 31 December 2025, NN Bank had unused credit facilities available of EUR 10 million (31 December 2024: EUR 10 million).

9 Customer deposits and other funds on deposit

Customer deposits and other funds on deposit by type

	2025	2024
Current accounts	2,201	0
Savings	7,574,100	7,719,594
Bank annuities	8,391,711	7,847,555
Bank annuities related to mortgages	1,884,379	1,807,863
Group companies	111,954	116,531
Fair value change hedged items	-18,730	0
Customer deposits and other funds on deposit	17,945,615	17,491,543

‘Group companies’ relates to a payable, following arrangements to transfer mortgage parts in a current account for the former Delta Lloyd Bank portfolio.

The interest payable on savings accounts is contractually added to the accounts and 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.

In 2025, unrealised gains on customer deposits is hedged by macro fair value hedge accounting. Reference is made to [Note 26 Derivatives and hedge accounting](#).



Changes in customer deposits and other funds on deposit

	2025	2024
Customer deposits and other funds on deposit – opening balance	17,491,543	16,464,651
Deposits received	4,649,371	4,688,106
Withdrawals	-4,176,569	-3,661,214
Other changes	-18,730	0
Customer deposits and other funds on deposit – closing balance	17,945,615	17,491,543

10 Financial liabilities at fair value through profit or loss

Non-trading derivatives

	2025	2024
Derivatives held for fair value hedge accounting	4,773	2,626
Non-trading derivatives	4,773	2,626

For further clarification on 'Derivatives held for fair value hedge accounting' reference is made to [Note 26 Derivatives and hedge accounting](#).

11 Other borrowed funds

Other borrowed funds

	2025	2024
Other borrowed funds	566,000	275,000
Other borrowed funds	566,000	275,000

	2025	2024
Other borrowed funds – opening balance	275,000	305,000
Issuances	957,500	250,000
Redemption	-666,500	-280,000
Other borrowed funds – closing balance	566,000	275,000

Funds received from third parties in 2025 amounted to EUR 958 million, while EUR 667 million was repaid, resulting in an increase in 'Other borrowed funds' to EUR 566 million (2024: EUR 275 million). These transactions are money market deposits from professional (i.e. non-retail) counterparties. There was therefore an increase in 'Other borrowed funds' compared to 2024.

NN Group provided a revolving credit facility commitment to NN Bank, up to an amount of EUR 250 million (2024: EUR 250 million). The facility was fully undrawn at 31 December 2025 and has no impact on the table above.



12 Provisions

Provisions

	2025	2024
Provision for claims and client compensation schemes	824	1,250
Restructuring provisions	353	861
Other provisions	0	253
Provisions	1,177	2,364

Changes in provisions

	Provision for claims and client compensation schemes		Restructuring provisions		Other provisions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Provisions - opening balance	1,250	8,441	861	2,916	253	0	2,364	11,357
Additions	1,032	449	658	1,576	9	253	1,699	2,279
Releases	-1,050	-682	0	-918	0	0	-1,050	-1,600
Charges	-408	-6,958	-1,166	-2,713	-262	0	-1,836	-9,672
Provisions - closing balance	824	1,250	353	861	0	253	1,177	2,364

‘Provision for claims and client compensation schemes’ is mainly recognised for the compensation scheme regarding a payout to customers relating to savings products. In 2025, the actual payments for client compensation amounted to EUR 0.4 million and relates to the final settlement of the compensation to clients related to variable interest rates on consumer credit products.

‘Restructuring provisions’ are recognised for expected future redundancy costs. The addition is mainly the result of a reorganisation within two departments of NN 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.



13 Debt securities issued

'Debt securities issued' relates to debentures and other issued debt securities, with either fixed or floating interest rates, that are issued to attract funding from external investors. 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 2025

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
Covered bonds	757,136	759,013	519,062	477,041	455,527	2,360,538	5,328,317
Fixed-rate unsecured debt securities	0	32,474	485,958	19,940	0	24,821	563,193
Floating-rate unsecured debt securities	24,989	0	0	0	0	0	24,989
Debt securities issued	782,125	791,487	1,005,020	496,981	455,527	2,385,359	5,916,499

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

**Secured debt securities**

	Maturity date	2025	2024
Soft Bullet Covered Bond June 2018	11-9-2025	0	499,592
Soft Bullet Covered Bond September 2018	25-9-2028	498,087	497,411
Soft Bullet Covered Bond March 2019 - 1	18-3-2039	24,859	24,848
Soft Bullet Covered Bond March 2019 - 2	21-3-2039	19,933	19,928
Soft Bullet Covered Bond July 2019	25-9-2028	51,036	51,414
Soft Bullet Covered Bond September 2019	24-9-2029	499,184	498,964
Soft Bullet Covered Bond July 2020	8-7-2030	495,553	495,688
Soft Bullet Covered Bond September 2020	24-9-2035	498,205	497,924
Soft Bullet Covered Bond November 2020	12-11-2040	247,687	247,538
Soft Bullet Covered Bond March 2021	4-3-2041	500,298	500,136
Soft Bullet Covered Bond May 2022	17-5-2032	498,252	497,750
Soft Bullet Covered Bond February 2023	28-5-2027	748,472	747,377
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	749,337	748,505
Soft Bullet Covered Bond March 2025	21-03-2031	497,548	0
Soft Bullet Covered Bond August 2025	21-03-2031	252,587	0
Fair value change hedged items and other items		-252,721	-221,708
Total		5,328,317	5,105,367

The Soft Bullet Covered Bond of June 2018 was redeemed at the maturity date.

NN Bank raised EUR 500 million on 21 March 2025 and an additional EUR 250 million on 18 August 2025 by issuing a green Soft Bullet Covered Bond due March 2031 under its Soft Bullet Covered Bond Programme.

Unsecured debt securities

	Maturity date	2025	2024
Debt Issuance Programme August 2019	3-9-2029	19,940	19,924
Debt Issuance Programme November 2019	26-2-2025	0	499,901
Debt Issuance Programme September 2021	21-9-2028	498,861	498,441
Other unsecured debt securities	n/a	77,274	77,228
Fair value change hedged items		-32,882	-42,954
Fixed-rate unsecured debt securities		563,193	1,052,540
Floating-Rate Note July 2019 - 2	10-7-2026	24,989	24,968
Floating-rate unsecured debt securities		24,989	24,968

The Debt Issuance November 2019 was redeemed at the maturity date.

‘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 5,916 million as at 31 December 2025 (31 December 2024: EUR 6,183 million), of which EUR 5,328 million relates to the Covered Bonds (31 December 2024: EUR 5,105 million) and EUR 588 million relates to unsecured debt securities (31 December 2024: EUR 1,078 million).

For the Covered Bond Programme, reference is made to [Note 33 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 and 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, and green (subordinated) loans. The Framework was published in 2021 and updated in February 2024. Since the initial publication, the Bank has issued the following debt instruments under the framework (in notional amounts):

Green bonds issued

	Maturity date	2025	2024
Senior Non-Preferred Bond September 2021 issued under Debt Issuance Programme 2021	21-09-2028	500,000	500,000
Subordinated debt February 2022 (Note 14 '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
Soft Bullet Covered Bond March 2025 and August 2025	21-03-2031	750,000	0
Total		2,515,000	1,765,000

14 Subordinated debt

Subordinated debt

Interest rate	Year of issue	Due date	First call date	Notional amount		Balance sheet value	
				2025	2024	2025	2024
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	0	30,000	0	30,000
Subordinated debt				15,000	45,000	15,000	45,000

NN Group provided one subordinated loan to NN Bank for an amount of EUR 15.0 million, which qualifies as Tier 2 capital under the CRR. Under IFRS-EU, this debt instrument is classified as a liability. The loan is considered capital for regulatory purposes. NN Bank has the right to pay off the debt at the call date.

The subordinated loan issued in 2020 was redeemed on the first call date, 26 February 2025, for the full notional amount of EUR 30 million.

All subordinated debt is euro denominated.



15 Other liabilities

Other liabilities

	2025	2024
Income tax payable	182	7,423
Other taxation and social security contributions	16,287	15,460
Accrued interest other	53,790	39,091
Current account other group companies	2,046	1,665
Costs payable	9,718	7,814
Amounts to be settled	6,552	9,594
Other	2,759	3,719
Other liabilities	91,334	84,766

‘Income tax payable’ relates to corporate income tax yet to be settled with NN Group. Further reference is made to [Note 30 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.

16 Equity

Total equity

	2025	2024
Share capital	10,000	10,000
Share premium	481,000	481,000
Revaluation reserve	-2,181	-10,455
Retained earnings and unappropriated result	676,173	754,865
Shareholder's equity	1,164,992	1,235,410

Share capital

	Shares (in numbers)		Ordinary shares (Amount in EUR thousands)	
	2025	2024	2025	2024
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 equity (2025)

2025	Share capital	Share premium	Reserves	Total shareholder's equity
Equity – opening balance	10,000	481,000	744,410	1,235,410
Total amount recognised directly in equity (Other comprehensive income)	0	0	8,274	8,274
Net result for the period	0	0	65,227	65,227
Dividend paid	0	0	-144,000	-144,000
Change in employee share plans	0	0	81	81
Equity – closing balance	10,000	481,000	673,992	1,164,992

Changes in equity (2024)

2024	Share capital	Share premium	Reserves	Total shareholder's 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

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 2025, issued and fully paid ordinary share capital consisted 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 the event 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 38 Capital and liquidity 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

	2025	2024
Total shareholder's equity	1,164,992	1,235,410
– share capital	10,000	10,000
– revaluation reserve	-2,181	-10,455
– intangible assets reserve	19,556	20,077
Total non-distributable part of shareholder's equity	27,375	19,622
Distributable reserves based on the Dutch Civil Code	1,137,617	1,215,788

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 2025 net result of EUR 65.2 million, minus the proposed final dividend of EUR 65.0 million.



Appropriation of result 2024

On 28 May 2025, following the adoption of the 2024 consolidated annual accounts by the General Meeting, the 2024 net result of EUR 113.2 million was added in full to the retained earnings. Subsequently, a final cash dividend of EUR 60.0 million was approved by the General Meeting and paid from retained earnings.

Dividend 2025

NN Bank paid an interim dividend of EUR 84.0 million (2024: EUR 0 million). NN Bank will propose a final dividend over 2025 of EUR 65.0 million (2024: EUR 60.0 million).

17 Net interest income

Net interest income

	2025	2024
Interest income on loans	661,715	634,694
Modifications	935	981
Interest income on non-trading derivatives	446,335	571,259
Interest income using effective interest rate method	1,108,985	1,206,934
Other interest income	57,219	94,236
Total interest income	1,166,204	1,301,170
Interest expenses on amounts due to banks	1,592	905
Interest expenses on customer deposits and other funds on deposit	358,595	354,759
Interest expenses on debt securities issued and other borrowed funds	97,612	90,592
Interest expenses on non-trading derivatives	371,426	433,709
Interest expenses on subordinated loans	442	1,157
Negative interest on assets	1,070	1,506
Interest expenses using effective interest rate method	830,737	882,628
Other interest expenses	25,336	32,715
Total interest expenses	856,073	915,343
Net interest income	310,131	385,827

'Other interest income' relates mainly to interest received from DNB amounting to EUR 52.2 million in 2025 (2024: EUR 84.5 million). This category also includes interest on collateral for derivative contracts and interest on the initial margin for these contracts.

'Other interest expenses' relates mainly to the price alignment interest on derivatives contracts with central clearing parties. This interest is paid on the variation margin, which results from daily fluctuations in the value of underlying assets related to the derivative contracts.



Interest margin in percentages

	2025	2024
Interest margin	1.21%	1.52%

'Interest margin' is calculated by dividing the 'net interest income' by the average of the total assets for the year ending 2025 and 2024, respectively.

18 Gains and losses on financial transactions and other income

Gains and losses on financial transactions and other income

	2025	2024
Realised gains or losses of investment securities	-2	-4
Other income	1,189	1,389
Gains and losses on financial transactions and other income	1,187	1,385

19 Net fee and commission income

Net fee and commission income

	2025	2024
Service management fees	63,801	62,757
Brokerage and advisory fees	21,985	20,454
Other fees	2	0
Fee and commission income	85,788	83,211
Asset management fees	9,588	9,662
Brokerage and advisory fees	27,603	7,497
Other fees	1,512	560
Fee and commission expenses	38,703	17,719
Net fee and commission income	47,085	65,492

NN Bank services a total loan portfolio of EUR 32.7 billion (2024: EUR 33.6 billion), of which EUR 22.8 billion for NN Life (2024: 23.8 billion), EUR 2.0 billion NN Non-life (2024: 2.0 billion), EUR 2.3 billion NN Belgium (2024: 2.9 billion) and EUR 5.6 billion for third parties (2024: 5.0 billion).

The 'Service management fees' includes income from servicing the loan portfolio and bancassurance activities.

NN Bank originates mortgages directly on behalf of NN Life, NN Non-life, NN Belgium and third parties, and receives an origination fee and servicing fees for this service. The origination fees for group entities and third parties amount to EUR 17.6 million (2024: 16.7 million) and are included in 'Brokerage and advisory fees'. The receivable regarding the origination fees with group companies and third parties is included in [Note 7 Other assets](#).

'Brokerage and advisory fees' expenses include a commission for bancassurance activities. In 2025, NN Bank settled the commission expenses for its bancassurance activities for an amount of EUR 18.0 million.



20 Valuation results on non-trading derivatives

Valuation results on non-trading derivatives

	2025	2024
Gains or losses (fair value changes) in fair value hedge accounting relating to:		
– the hedging instrument (non-trading derivatives)	237,430	-137,368
– the hedged items (mortgages/high-quality liquid assets/debt securities) attributable to the hedged risk	-247,138	104,648
Valuation results on non-trading derivatives	-9,708	-32,720

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 as of 31 December 2025 is higher than 31 December 2024, primarily due to an increase in long-term interest rates, despite a simultaneous decline in short-term interest rates.

21 Staff expenses

Staff expenses

	2025	2024
Salaries	93,337	88,788
Pension and other staff-related benefit costs	17,843	17,337
Social security costs	12,755	12,266
Share-based compensation arrangements	96	93
External staff costs	22,735	30,755
Education	1,589	1,500
Other staff costs	4,319	4,479
Staff expenses	152,674	155,218

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 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

	2025	2024
Average number of internal employees on full-time equivalent basis	1,027	1,069
Average number of external employees on full-time equivalent basis	171	212
Total	1,198	1,281

Remuneration of Management Board and Supervisory Board

Reference is made to [Note 35 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 euro)	
	2025	2024	2025	2024
Share awards outstanding – opening balance	2,540	3,030	40.38	39.88
Granted	1,524	2,107	49.80	41.95
Vested	-2,018	-2,476	44.08	41.04
Forfeited	-745	-121	43.82	42.14
Share awards outstanding – closing balance	1,301	2,540	43.70	40.38

In 2025, 1,524 share awards on NN Group shares (2024: 1,817) were granted to the members of the NN Bank Management Board. To other employees of NN Bank, 0 share awards on NN Group shares (2024: 290) were granted.

As at 31 December 2025, the share awards on NN Group shares consist of 1,301 share awards (2024: 2,540) 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 2025, total unrecognised compensation costs related to share awards amount to EUR 42,000 (2024: EUR 43,000). These costs are expected to be recognised over a weighted average period of 1.9 years (2024: 1.8 years).

22 Regulatory levies

Regulatory levies

	2025	2024
Regulatory levies	1,356	6,608
Regulatory levies	1,356	6,608

'Regulatory levies' represents contributions to Deposit Guarantee Schemes (DGS). The contributions were EUR 1.4 million (2024: EUR 6.6 million). There was a decrease compared to 2024 as 2024 still partly contained contributions for the build-up phase to 0.8% of total covered deposits. Furthermore, NN Bank's risk factor has improved from 1.5 to 1.0, mainly following the positive impact of Basel IV on the Risk-Weighted Assets, decreasing the contribution to DGS.



23 Other operating expenses

Other operating expenses

	2025	2024
Computer costs	25,772	25,384
Office expenses	94	447
Travel and accommodation expenses	1,153	1,011
Advertising and public relations	7,001	4,283
External advisory fees and contributions	9,338	10,523
Bank costs	89	170
Net release from (addition to) restructuring provisions	658	659
Amortisation and impairments of intangible assets	1,312	4,378
Other expenses	5,912	2,531
Other operating expenses	51,329	49,386
Customer & Commerce	26,628	26,552
IT	12,831	13,425
Facility Management	4,097	4,709
General Management	7,217	8,014
Group HR	3,633	3,335
Finance Service Centre	925	1,376
Total Group Services	55,331	57,411
Total other operating expenses	106,660	106,797

For 'Net release from (addition to) restructuring provisions', reference is made to the disclosure on the restructuring provisions in [Note 12 Provisions](#).

'Other expenses' consists mainly of insurance, staff-related accruals and provisions, and fees for external registries and data providers. The increase compared to last year is due to an increase in staff-related accruals.

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 auditor also performs several services in addition to the statutory audit. These include audits related to regulatory reporting, audits of the annual accounts of subsidiaries, reviews of the interim report, assurance on internal control reports provided to third parties and regulators, services related to prospectuses and debt issuance, and reports of factual findings for external parties and regulators. Auditor fees of NN Bank are included in 'External advisory fees and contributions'.

24 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 0.2 million and concerns tax payable to NN Group for the most recent quarter. Reference is made to [Note 15 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 (2025)

	Net liability 2024 ¹	Change through equity	Change through net result	Other	Net liability 2025 ¹
Investments	3,635	-2,877	0	0	758
Loans	-5,732	0	1,374	0	-4,358
Provisions	0	0	0	0	0
Deferred tax	-2,097	-2,877	1,374	0	-3,600
Presented in the balance sheet as:					
Deferred tax liabilities	2,097				3,600
Deferred tax	2,097				3,600

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 (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
Presented in the balance sheet as:					
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.

Taxation on result

	2025	2024
Current tax	24,082	41,258
Deferred tax	-1,374	-1,877
Taxation on result	22,708	39,381

Reconciliation of the weighted average statutory tax rate to NN Bank's effective tax rate

	2025	2024
Result before tax	87,935	152,572
Weighted average statutory tax rate	25.8%	25.8%
Weighted average statutory tax amount	22,687	39,363
Expenses not deductible for tax purposes	21	24
Other	0	-6
Effective tax amount	22,708	39,381
Effective tax rate	25.8%	25.8%

The statutory tax rate in 2025 was 25.8% (2024: 25.8%). The effective tax rate in 2025 was 25.8% (2024: 25.8%).

Taxation on components of other comprehensive income

	2025	2024
Unrealised revaluations	-2,877	-3,391
Total income tax related to components of other comprehensive income	-2,877	-3,391



25 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	
	2025	2024	2025	2024
Financial assets				
Cash and balances at central banks	1,935,655	1,975,075	1,935,655	1,975,075
Amounts due from banks	198,344	231,253	198,344	231,253
Investment securities	399,857	699,350	399,852	699,233
Loans	23,062,660	22,406,757	22,905,789	22,043,202
Financial assets	25,596,516	25,312,435	25,439,640	24,948,763
Financial liabilities				
Amounts due to banks	120,000	200,000	120,419	200,339
Customer deposits and other funds on deposit	17,945,615	17,491,543	17,585,836	17,315,001
Financial liabilities at fair value through profit or loss:				
– non-trading derivatives	4,773	2,626	4,773	2,626
Other borrowed funds	566,000	275,000	569,393	279,022
Debt securities issued	5,916,499	6,182,875	5,600,929	5,820,940
Subordinated debt	15,000	45,000	14,729	44,359
Financial liabilities	24,567,887	24,197,044	23,896,079	23,662,287

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

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 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 is limited, since NN Bank applies settled-to-market (STM) on its centrally cleared interest rate derivative contracts, as opposed to collateralised-to-market (CTM). Reference is made to [Note 26 Derivatives and hedge accounting](#).

Investment 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.

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 (2025)

	Balance sheet value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Investment securities - FVOCI	392,816	392,844	349,484	43,360	0
Financial assets not measured at fair value					
Cash and balances at central banks ¹	1,935,655	1,935,655	1,935,655	0	0
Amounts due from banks ¹	198,344	198,344	198,344	0	0
Investment securities - AC	7,041	7,008	0	0	7,008
Loans - AC	23,062,660	22,905,789	0	0	22,905,789
Financial assets	25,596,516	25,439,640	2,483,483	43,360	22,912,797
Financial liabilities measured at fair value					
Non-trading derivatives	4,773	4,773	0	4,773	0
Financial liabilities not measured at fair value					
Amounts due to banks	120,000	120,419	0	120,419	0
Customer deposits and other funds on deposit ¹	17,945,615	17,585,836	8,522,435	9,043,304	20,097
Other borrowed funds	566,000	569,393	0	569,393	0
Debt securities issued	5,916,499	5,600,929	5,530,198	70,731	0
Subordinated debt	15,000	14,729	0	14,729	0
Financial liabilities	24,567,887	23,896,079	14,052,633	9,823,349	20,097

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 (2024)

	Balance sheet value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value					
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.



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 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) and mortgage loans.

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.

26 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, investment securities measured at FVOCI portfolio and customer deposits (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:

Use of derivatives and hedge accounting

	Positive value		Negative value		Balance	
	2025	2024	2025	2024	2025	2024
Derivatives held for macro fair value hedge accounting	1,203,976	990,425	175,699	217,748	1,028,277	772,677
Derivatives held for micro fair value hedge accounting	18,877	32,981	306,993	302,927	-288,116	-269,946
Interest rate swaps Settled-to-Market	-1,222,853	-1,023,406	-482,692	-520,675	-740,161	-502,731
Position to be settled Settled-to-Market	0	0	4,773	2,626	-4,773	-2,626
	0	0	4,773	2,626	-4,773	-2,626

The fair value of the non-trading derivatives increased in 2025 to a liability of EUR 4.8 million (31 December 2024: liability of EUR 2.6 million).

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, investment securities and customer deposits 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 17 Net interest income](#).

Gains and losses on designated derivatives 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:

Macro fair value hedge accounting

	Mortgage loans	Investment securities	Customer deposits	2025	2024
Fair value movements in hedging instruments	283,630	-11,333	-16,698	255,600	-230,875
Fair value movements in hedged items attributable to hedged risks	-291,294	3,863	19,272	-268,160	198,900
Net effect macro fair value hedge	-7,664	-7,470	2,574	-12,560	-31,975



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:

Micro fair value hedge accounting

	2025	2024
Fair value movements in hedging instruments	-18,170	93,507
Fair value movements in hedged items attributable to hedged risks	21,022	-94,252
Net effect micro fair value hedge	2,852	-745

Non-trading derivatives

The following table shows the non-trading derivatives by type and maturity.

Non-trading derivatives by type and maturity (2025)

	notionals, amounts in millions of euro			Total	fair value, amounts in millions of euro	
	< 1 year	Between 1 and 5 years	> 5 years		Positive fair value	Negative fair value
Interest rate swaps	1,936	7,735	11,327	20,998	0	4.8
Total non-trading derivatives	1,936	7,735	11,327	20,998	0	4.8

Non-trading derivatives by type and maturity (2024)

	notionals, amounts in millions of euro			Total	fair value, amounts in millions of euro	
	< 1 year	Between 1 and 5 years	> 5 years		Positive fair value	Negative fair value
Interest rate swaps	1,518	7,897	10,389	19,804	0	2.6
Total non-trading derivatives	1,518	7,897	10,389	19,804	0	2.6



27 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 (2025)

	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	1,935,655	0	0	0	0	1,935,655
Amounts due from banks	1,727	0	0	0	196,617	198,344
Investment securities	41,471	131,488	216,303	3,554	7,041	399,857
Loans	72,506	100,899	333,889	1,693,918	20,861,448	23,062,660
Intangible assets	181	362	1,629	8,276	9,108	19,556
Other assets	98,085	36,719	254	0	77,860	212,918
Total assets	2,149,625	269,468	552,075	1,705,748	21,152,074	25,828,990
Risk management derivatives:						
– inflow	21,177	64,338	252,153	1,072,648	1,449,606	2,859,922
– outflow	-12,027	-32,287	-154,141	-569,728	-620,650	-1,388,833

1 Includes assets on demand.

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
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
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.



28 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 37 Risk management](#) for a description on how liquidity risk is managed.

Liabilities by maturity (2025)

	Less than 1 month ¹	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities						
Amounts due to banks	0	120,000	0	0	0	120,000
Customer deposits and other funds on deposit	9,083,062	496,707	1,528,660	3,537,757	3,299,429	17,945,615
Financial liabilities at fair value through profit or loss:						
– non-trading derivatives ²	4,773	0	0	0	0	4,773
Other borrowed funds	25,000	457,500	73,500	10,000	0	566,000
Debt securities issued	0	0	782,125	2,749,015	2,385,359	5,916,499
Subordinated debt	0	0	0	0	15,000	15,000
Financial liabilities	9,112,835	1,074,207	2,384,285	6,296,772	5,699,788	24,567,887
Deferred tax liabilities	0	0	0	3,600	0	3,600
Other provisions	0	240	937	0	0	1,177
Other liabilities	9,311	58,162	23,861	0	0	91,334
Non-financial liabilities	9,311	58,402	24,798	3,600	0	96,111
Total liabilities	9,122,146	1,132,609	2,409,083	6,300,372	5,699,788	24,663,998
Risk management derivatives:						
– inflow	5,113	21,125	58,580	311,348	255,606	651,772
– outflow	-2,587	-47,372	-115,201	-565,638	-497,661	-1,228,459
Coupon interest due on financial liabilities	-4,525	-60,613	-98,174	-816,485	-572,369	-1,552,166

1 Includes deposits on demand, arranged by the earliest possible contractual maturity without taking into account expected customer behaviour or other factors.

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 2025.



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 or other factors.

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 31 December 2024.

29 Assets not freely disposable

Assets not freely disposable

	2025	2024
Loans	8,388,483	8,534,984
Cash and balances at central banks	83,034	76,625
Amounts due from banks	196,934	230,193 ¹
Assets not freely disposable	8,668,451	8,841,802

1 For presentation purposes, the comparative figure has been changed to include collateral posted.

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 33 Structured entities](#).

'Cash and balances at central banks' reflects the mandatory reserve deposit at DNB.

'Amounts due from banks' reflects the collateral posted and the money held by the NN Covered Bond Company.

30 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 (2025)

	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	46,666	0	0	0	0	46,666
Mortgage offerings	248,761	230,096	194,503	0	0	673,360
Construction deposits	2,419	6,049	101,400	197,549	655	308,072
Contingent liabilities and commitments	297,846	236,145	295,903	197,549	784	1,028,227

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

'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 2025 and 2024 constitute a receivable.

31 Legal proceedings

General

NN Bank is not aware of any proceedings (including any proceedings that are pending or threatened) 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.

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 a bank and 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 these may potentially influence NN Bank's financial position, profitability or reputation.

32 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.

NN Bank has control over the NN Covered Bond Company B.V., although it is not a legal subsidiary of NN Bank. Therefore, this Special-Purpose Entity (SPE) has been consolidated as a group company. Reference is made to Note 33 Structured entities.

No country-by-country reporting has been included, as NN Bank has no retail activities abroad, and as such this will not provide additional insights.



33 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 does use 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.

Structured entities

	Due date	Notional amount	Fixed coupon
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%
Soft Bullet Covered Bond March 2025	21-3-2031	500,000	3.000%
Soft Bullet Covered Bond August 2025	21-3-2031	250,000	3.000%
		7,595,000	

In the next table, the carrying amounts of the Covered Bond transactions issued, including the related mortgage loans, are summarised:



Covered Bond transactions

	Maturity Year	Related mortgage loans		Notes/ bonds issued	
		2025	2024	2025	2024
Soft Bullet Covered Bonds	2026-2041	8,388,483	8,534,984	7,581,036	7,327,075
Total		8,388,483	8,534,984	7,581,036	7,327,075

34 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 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 others, NN Bank transfers them. 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 5 Loans](#) for received mortgage parts, and classified under [Note 9 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'.
- Purchase of mortgages from other NN Group companies. These transactions are presented as 'Mortgage portfolio transfer', reference is made to [Note 5 Loans](#).
- NN Bank provides bancassurance services where NN Bank acts as broker for NN Non-life retail insurance products in the direct channel. Reference is made to [Note 19 Net fee and commission income](#).

- Transactions with NN Group concerning financing arrangements and the payment of taxes, as NN Group heads the fiscal unity. Reference is made to [Notes 11 Other borrowed funds](#), [14 Subordinated debt](#), [24 Taxation](#) and [30 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'.
- Fee expenses paid include a settlement of commission expenses for bancassurance activities with a related party. Reference is made to [Note 19 Net fee and commission income](#). Since there is no clear at-arm's-length price available in the market for an intermediary with a start portfolio, the details of this settlement might contain elements which would not have been agreed with a complete third party.
- Facility and other services carried out by group companies.
- Transactions relating to the remuneration of Board members. Reference is made to [Note 35 Key management personnel compensation](#).
- For defined contribution plans, NN Bank pays contributions to BeFrank on a contractual basis. Reference is made to [Note 21 Staff expenses](#).

Parent company (NN Group)

	2025	2024
Assets	0	19,558
Liabilities	15,375	0
Income received	-1,077	-1,792
Expenses paid	21,207	22,566

'Liabilities' mainly consists of tax positions, interest to be paid and subordinated loans from NN Group amounting to EUR 15 million (2024: EUR 45 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' mainly includes expenses charged by staff departments on behalf of NN Group, especially for IT, Human Resources and General Management. Reference is also made to [Note 23 Other operating expenses](#).



Other group companies

	2025	2024
Assets	583,833	529,421
Liabilities	113,948	118,143
Income received	50,634	67,145
Expenses paid	35,620	36,402

'Assets' mainly comprises the current account with NN Insurance Eurasia N.V. of EUR 29 million (2024: EUR 17 million) and positions resulting from partial transfer of mortgage loans to NN Life of EUR 478 million (2024: EUR 422 million). NN Belgium mortgage loans savings amount to EUR 62 million (2024: EUR 75 million).

'Liabilities' mainly consists of transferred mortgage parts to NN Life of EUR 112 million (2024: 117 million).

'Income received' mainly reflects fee income on mortgage origination and servicing on behalf of NN Life of EUR 44 million (2024: EUR 44 million), on behalf of NN Non-life of EUR 3 million (2024: EUR 3 million) and on behalf of NN Belgium of EUR 3 million (2024: EUR 5 million). The interest result on received and paid mortgage parts amounts to EUR 11 million (2024: EUR 9 million). The net commission for bancassurance activities on behalf of NN Non-life amounts to EUR 7 million (2024: 5 million). In 2025, in addition to the regular bancassurance activities, NN Bank settled the commission expenses for its bancassurance activities for an amount of EUR 18 million.

'Expenses paid' mainly comprises expenses by Customer & Commerce and Facility Management for work done by these entities on behalf of NN Bank.

35 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 Board¹

	2025	2024
Fixed compensation:		
- base salary	1,036	1,125
- pension costs ²	105	115
- individual savings allowance ²	131	141
Variable compensation:		
- up-front cash	29	36
- up-front shares	29	36
- deferred cash	29	36
- deferred shares	29	36
Other benefits	221	215
Fixed and variable compensation	1,609	1,740
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 the [Composition of the Boards \(p. 21\)](#). 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 an individual.

2 'Pension costs' consists of an amount of employer contribution (EUR 105,000) and an individual savings allowance (EUR 131,000, which is 23.3% of the amount of base salary above EUR 137,800).

3 The pay ratio compares the total CEO compensation to 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 staff members, the total remuneration used in the pay ratio is the total remuneration as disclosed in the annual accounts [Note 21 Staff expenses](#). 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 various 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 Consolidated statement of profit or loss in Staff expenses as part of 'Total expenses'. Only the three Supervisory Board members who are not employees of NN Group (2024: two external Supervisory Board members) receive compensation for their activities. The remuneration of EUR 81,250 (2024: EUR 61,667) is recognised in the Consolidated statement of profit or loss as part of Other 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 shares.

The total remuneration of EUR 1.6 million (2024: EUR 1.7 million), as disclosed in the table above, includes all variable remuneration related to the performance year 2025. Under IFRS-EU, certain components of variable remuneration are not recognised in the Consolidated statement of profit or loss directly, but are allocated over the vesting period of the award. The comparable amount recognised in Staff expenses in 2025 and therefore included in 'Total expenses' in 2025, relating to the fixed expenses of 2025 and the vesting of variable remuneration of 2025 and earlier performance years, is EUR 1.7 million (2024: EUR 1.8 million).

With respect to performance year 2025, the total number of staff eligible for discretionary variable remuneration is 4. The total approved variable remuneration budget is EUR 140 000, which will be paid in March or April 2026. In 2025, 0 persons (2024: 0) 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 needs to take 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 the 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 include:

- Supporting the attraction, motivation and retention of employees, whilst being compliant with applicable legislation and the aim of applying best practices within the financial industry.
- Taking 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.
- Being mindful of the role of the financial sector in society.
- Contributing to an inclusive working environment by ensuring equal opportunities, good working conditions and equal pay for equal work.
- Promoting robust and effective risk management, including management of the sustainability risks (e.g. ESG and employee-related matters) involved in its integration into the risk management system and procedures. Supporting balanced risk-taking, sustainable long-term value creation and the protection of a sound capital base. This will be supported by, amongst other things, performance objective-setting processes.
- Avoiding improper treatment of customers and employees.
- Complying with legislation as applicable to NN Group, applying industry best practices, and acting 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 2025, no loans or advances were provided to members of the Management Board or Supervisory Board.

36 Subsequent and other events

Other events

On 20 February 2026, NN Bank entered into a legal merger with HQ Hypotheken 50 B.V., a fully owned subsidiary of NN Bank, which merger became effective on 21 February 2026. As a result of this merger, HQ 50 ceased to exist as a separate legal entity and NN Bank acquired all assets and liabilities of HQ 50 under universal title of succession.



37 Risk management

This note explains details concerning the risk profile of NN Bank with regards to the following risk types:

- Credit risk
- Interest rate risk
- Liquidity risk
- Business conduct risk
- ESG risk

Please see chapter [Managing our risks](#) for more on the risk control cycle and the Bank-wide risk profile.

Key risk metrics

We have maintained a solid capital position with a Total capital ratio of 20.8% (2024: 18.6%) and a CET1 ratio of 20.5% (2024: 17.9%) at year-end 2025. The capital ratios increased due to the introduction of the CRR3 regulations, resulting in lower capital requirements for the mortgage portfolio. The leverage ratio stands at 4.1% (2024: 4.5%) at year-end 2025. The ratios increased slightly due to an increase in available capital. NN Bank closed the year with an LCR of 149% (2024: 174%). The ratios are well above the regulatory target and the internal minimum. It shows a solid capital and liquidity position.

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 other things, 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), and arises as a result of our lending and investment activities. As the distribution of the exposures across relevant metrics (e.g. Probability of Default and Loss Given Default) is essential for correctly managing credit risk, we have established a Credit Risk Appetite Framework that is derived from the Bank's overall risk appetite. The Bank distinguishes between:

- Retail credit risk: this 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 could incur due to holding a position in underlying securities where the 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 and 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 mortgage lending.

Net exposure on mortgages

Amounts in thousands of euro	2025	2024
Balance amount ¹	24,129,072	23,144,182
Indexed market value primary cover	54,131,246	49,913,452
Secondary cover value	2,133,215	2,061,764
State-guarantee value ²	6,401,873	5,995,200
Total cover + state-guarantee value capped at balance amount	24,121,816	23,142,876
Remaining exposure at risk ³	7,256	1,306

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 5 Loans](#).

² National Mortgage Guarantee (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 increased slightly in 2025 due to a transfer of second mortgages without collateral, as NN Bank does not have the first line. The ‘Remaining exposure at risk’ did remain low due to an increase in house prices in 2025 (7.8%). The low ‘Remaining exposure at risk’, in combination with a low number of customers with payment problems, resulted in negative risk costs over 2025. For more information on risk costs, reference is made to [Risk costs \(p. 81\)](#)

Please note that the state-guarantee value is lower than the exposure that is flagged as such. This is the result of the state-guarantee value decreasing over time in line with an annuity scheme. For example, for interest-only loans, the loan exposure is stable, while the state-guarantee value decreases. For mortgages 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, ESG risks) on our customers and the credit quality of our portfolio. To this end, we carried out various assessments with regards to ESG risks related to the mortgage portfolio, such as foundation damage due to pole rot and flood risk. The outcome shows that the short-term risk is limited for NN Bank. For more on ESG risks, please see [Environmental, social and governance risk \(p. 86\)](#).

Loan-to-value

As at the end of 2025, our mortgage portfolio had a current loan-to-indexed-market-value ratio of 53% (2024: 54%). Due to higher housing valuations, the outstanding amount of the portfolio without state guarantee and an LTV below 80% decreased to 61% in 2025 (2024: 62%). The outstanding amount without state guarantee and an LTV greater than 100% remained stable at 0.0%. We actively approach customers with an interest-only mortgage and high LTV to discuss changing their mortgage product. The portfolio remains well-collateralised.

As of 2025, new residential mortgage loans that have a purchase price below EUR 450,000 were eligible for coverage by state guarantee under the National Mortgage Guarantee (NHG) scheme in the Netherlands. That amount can increase to EUR 477,000 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 33.7% of total outstanding in 2024 to 34.2% of total outstanding in 2025. The state guarantee limit increased as of 2026 to EUR 470,000. That amount can increase to EUR 498,200 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 identified individually. The credit approval process is supported by, amongst other things, 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.

Past-due loans

The outstanding loans with a delinquency decreased in 2025 by EUR 37 million to EUR 149 million (0.6% of total outstanding), driven by low unemployment and rising wages. In addition, the outstanding loans with a delinquency further decreased as administrative arrears are no longer reported as delinquent loans. The portfolio remains of good quality because of strict underwriting criteria and adequate problem loan management.

Delinquency

	2025	2024 ¹
0 days	23,979,879	22,957,590
1 – 30 days	55,548	43,351
31 – 60 days	23,064	19,370
61 – 90 days	13,338	36,475
> 90 days	57,243	87,396
Total²	24,129,072	23,144,182

¹ For presentation purposes, the comparative figures have been changed due to a reclassification from ‘Consumer lending’ to ‘Loans secured by mortgages’.

² ‘Total’ reconciles to Stage 1-3 and Purchased or Originated Credit-Impaired loans, excluding the category ‘no allocated stage’.

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 help them regain 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 [Forbearance \(p. 82\)](#)) 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 either:
 - an LTV above 100% or
 - an LTV above 80% where the loan is close to maturity or a borrower is close to retirement (<5 years).

Loans exposed to credit risk (Stages by exposure)

Amounts in millions of euro	Stage 1		Stage 2		Stage 3		POCI assets		Total ¹	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024 ²
Mortgages	23,121.5	22,138.0	887.6	873.7	94.5	104.7	25.5	27.8	24,129.1	23,144.2
Total	23,121.5	22,138.0	887.6	873.7	94.5	104.7	25.5	27.8	24,129.1	23,144.2

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 5 Loans.

2 For presentation purposes, the comparative figures have been changed due to a reclassification from 'Consumer lending' to 'Mortgages'.

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 2025 were EUR -1.4 million (-0.6 bps) compared to risk costs of EUR -2.3 million (-1.0 bps) in 2024.

IFRS 9 Stage 3

Stage 3 loans are qualified as a non-performing loan (NPL) and receive a PD of 100%, with a lifetime expected loss in accordance with IFRS 9. As shown in the table below, 0.4% (EUR 96 million) of the total outstanding was classified as Stage 3 at the end of 2025 (0.5% at the end of 2024). The decrease is mainly attributable to low levels of unemployment.

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 IFRS 9 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 25.5 million) of the total exposure is classified as POCI loans at the end of 2025 (0.1%, at the end of 2024). The slight decrease is due to the fact that NN Bank purchased no new POCI loans in 2025.



Provisions by stage

Amounts in millions of euro	Stage 1		Stage 2		Stage 3		POCI assets		Total ^{1,2}	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024 ²
Mortgages	0.1	0.2	0.7	0.7	1.4	1.3	0.0	0.1	2.3	2.2
Total	0.1	0.2	0.7	0.7	1.4	1.3	0.0	0.1	2.3	2.2

1 Note: Under IFRS 9, provisions for (non-retail) bonds are calculated, which amount to EUR 28 thousand per year-end 2025 (2024: EUR 35 thousand).

2 For presentation purposes, the comparative figures have been changed due to a reclassification from 'Consumer lending' to 'Mortgages'.

For the mortgages and bonds portfolio, the stock of provisions amounted to EUR 2.3 million at the end of 2025 (2024: EUR 2.2 million). The following observations can be made:

- For mortgages, the provision slightly increased by EUR 0.1 million to EUR 2.3 million due to a management overlay of EUR 0.3 million related to interest-only loans with a relatively high LTV and approaching maturity date of the loan or pension date. The increase in provision was partly offset by a housing price increase between the third quarter of 2024 and the third quarter of 2025 (7.8%).
- For consumer loans, the provision was released as the remaining portfolio related to second mortgages, and as such are reported as mortgages. This results in a release in the provision of EUR 0.3 million for consumer loans. Part of the provision is reclassified under mortgages.
- For bonds, the provision slightly decreased from EUR 35 thousand to EUR 28 thousand as the size of the portfolio slightly decreased.
- Write-offs and reversals were EUR -1.2 million. Write-offs were low because the portfolio is well-collateralised and unemployment remains low.

Forbearance

Forbearance occurs when the Bank decides to grant concessions through either loan modification or refinancing to customers who are unable to meet their financial commitments under the current contract. Modification is defined as changing the terms & 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 as non-performing forborne for a minimum of one year.

It is worth noting 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 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 after 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 2025 amounted to EUR 231 million (1.0% of mortgage exposure). The loans with forbearance measures increased due to an improvement in the forbearance data. Currently, we apply no measures that classify as 'Refinancing'.

Forbearance category in percentage of total lending exposure

	2025	2024
Terms & Conditions	0.97%	0.73%
Total forbearance	0.97%	0.73%



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 influences 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, 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 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 Asset & Liability Committee (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 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 the 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 also calculated. 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.

IRR dEVE

Percentage of Tier 1 capital

	2025	2024
Parallel shift 200 basis points	9.8%	5.1%

Exposure to IRR dEVE per year-end 2025 is well within appetite, with highest exposure found for the upward shock scenario. 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 2025, we steered on a duration of equity of around one year 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. Note that this impact has increased in the measurement following the introduction of new, dynamic prepayment modelling. 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 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. The level of EaR decreased during 2025 following the reduction of the net repricing gap on the short horizon.

Earnings at Risk

Percentage of net interest income	2025	2024
Parallel shift 200 basis points	0.9%	4.7%

The exposure has been well within appetite during 2025 for both the up and down shock scenarios.

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 in order 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 the 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, and therefore 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, others are based on internal stress scenarios.



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 stresses such as severe outflow of savings or 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

	2025	2024
LCR	149%	174%
NSFR	141%	136%

At the end of December 2025, NN Bank had an LCR of 149% and an NSFR of 141%. 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.

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 as a result of a failure to comply with either our own values and/or our obligations under applicable European and Dutch regulatory laws, regulations and standards relating 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 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 to all 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- or 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 arises from 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.

Environmental, social and governance risk

ESG risks are introducing a growing range of challenges that could result in potential damages and losses for the Bank in the future. The Netherlands is increasingly facing extreme weather conditions: flooding caused by rivers bursting their banks or extreme precipitation, heat, drought and hail. In addition, in recent years supervisory authorities have been intensifying scrutiny on ESG risks, with a particular focus on the climate and environmental risks associated with the acceleration of new environmental regulations. At the same time, the regulatory landscape is steadily expanding to cover the full spectrum of ESG risks, resulting in growing attention on social and governance risks as well.

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 vital responsibility to contribute to the financing of the shift towards a sustainable economy and society.

For us, one of the biggest threats related to climate and environmental risks is credit risk, or the risk that borrowers will default. Our mortgage portfolio can be impacted by climate risk in two ways: 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 regulations, disruptive technologies, changes in customer behaviour and/or reputational damage. Such potential shifts make up a category of risk known as 'transition risk' and, for mortgage lenders and borrowers alike, it is substantial.

One of the topics that has been assessed in relation to ESG risk is foundation damage, including from 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 ESG risks.

Another potential channel that may lead to climate and environmental 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.

However, ESG challenges are not limited to climate and environmental risks. We also recognise that social risks can lead to potential negative impacts on people, which can affect our operations, reputation and financial performance. Addressing these risks requires a strong commitment to human rights, ensuring a fair treatment for all individuals regardless of race, religion and other characteristics. Bi-annually, we conduct an assessment in collaboration with NN Group to identify our salient human rights topics: those that stand out due to their severity and likelihood of having negative impacts. Our salient topics are financial inclusion, non-discrimination and equality, and data privacy and security.

We also recognise that governance risks could adversely impact our operations and reputation. Hence, good corporate governance is practiced by ensuring compliance across all jurisdictions and maintaining the trust of clients, shareholders, employees, partners and society, in alignment with NN Group policies and standards. Together with NN Group, we conduct a double materiality assessment to identify the most relevant business conduct topics, including corruption and bribery, and corporate culture.

A robust approach to assessing and managing our exposure to ESG risk is integral to the sustainability goal of having a net-zero CO₂ portfolio by 2050. We are therefore proactively assessing the risks across the Bank. In line with this, we perform an annual ESG risk materiality assessment, both at the qualitative and quantitative levels to determine potential sensitivity.

As part of this process, NN Bank has assessed and identified physical and transition risks. The relevant individual risk drivers that have medium-to-high severity and impact include:



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 continue to be our priority in measuring and monitoring climate risks. We have performed quantification exercises, scenario analyses and stress testing which reveal the potential sensitivity of climate risks based on geographical location and various time horizons.

In 2025, we adopted a more detailed approach to assessing collateral damage and evaluating impacts under both current and projected climate scenarios for flooding, incorporating a Royal Netherlands Meteorological Institute (KNMI) scenario. NN Bank has identified potential sensitivity to extreme flood-related events, such as events with a 1 in 1000 years return period.

In terms of biodiversity loss and its impact, we have assessed and identified biodiversity risks and the potential sensitivity is deemed to be low. We will continue to monitor and assess it annually for any new insights and developments. In terms of social and governance risks, the potential sensitivity is also considered low based on our qualitative assessment. For 2025 we concluded that climate and environmental risks do not have a material impact on the financial statements.

Risk mitigation

We aim for prudent ESG risk management by fully embedding it into our risk management framework. In 2025, we expanded the scope of our climate and environmental risk policy to incorporate social and governance considerations, forming an ESG risk policy, and governance risk was integrated into the annual ESG risk materiality assessment.

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 analyses 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 2025, a Sustainability Committee was established and a Sustainability Committee charter developed. In addition, we developed a Sustainability Dashboard which contains relevant ESG risk metrics for quarterly reporting to the Sustainability Committee. This allows the Management Body to oversee the institution's exposures and responses to relevant ESG risks.

Given their evolving nature, we will continue to monitor developments in the area of ESG risks and their impact on our mortgage portfolio, including steps to incorporate climate and environmental risks into our IFRS 9 ECL models.

38 Capital and liquidity 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 Exposure Amount (RWEA), Common Equity Tier 1, Total capital, Leverage ratio and accompanying capital ratios based on the CRR as applicable. For the calculation of RWEA, we apply the Standardised Approach for Credit Risk and the Standardized Measurement Approach for Operational Risk. NN Bank does not have a trading book, and therefore Market Risk RWEA is not applicable. For liquidity risk reporting and management, NN Bank adheres to the applicable requirements of the CRR (Part Six), the LCR Delegated Act and its amendments, as well as the EBA Guidelines on sound liquidity risk management, ILAAP and stress testing.



Capital and liquidity 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 limits 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 helps 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 a % of TREA (Total risk exposure amounts) and as a % of the total exposure measure (TEM, leverage ratio requirement). We must comply with the MREL requirements expressed in both TREA and TEM at all times. The MREL requirements for NN Bank are set as follows: (i) 24.90% of TREA (including 4.5% Combined Buffer Requirement) and (ii) 5.18% of TEM.

Capital adequacy

Capital position

Amounts in millions of euro	2025	2024
Common Equity Tier 1 Capital	1,079	1,162
Total capital ¹	1,094	1,207
Risk Weighted Exposure Amount (RWEA) ²	5,263	6,510
Common Equity Tier 1 ratio ¹²	20.5%	17.8%
Total capital ratio ¹²	20.8%	18.5%
Leverage ratio	4.1%	4.5%

1 'Total capital', 'CET1 ratio' and 'Total capital ratio' remain unchanged after inclusion of the net result for the year 2025, less the payment of the proposed final cash dividend.

2 The 'CET1 ratio' per year-end 2024 changed from 17.9% to 17.8% and the 'Total capital ratio' per year-end 2024 has been restated from 18.6% to 18.5% due to a resubmission of 2024 Regulatory returns.

NN Bank improved an already solid capital position with a Capital Requirements Regulation (CRR) total capital ratio as of 31 December 2025 of 20.8% (31 December 2024: 18.5%) and a CRR CET1 ratio of 20.5%(31 December 2024: 17.8%). This was mainly caused by the implementation of the new Basel IV regulation. NN Bank calculates risk weighting using the standardised approach. Due to the implementation of the CRR3 regulation (Basel IV) in 2025, the RWEA to be attributed to retail mortgages by applying the loan-splitting method has decreased (as low LTV mortgages receive a lower risk weight than before and our portfolio has a relatively low average LTV), which has resulted in a capital relief. Common Equity Tier 1 Capital decreased to EUR 1,079 million (31 December 2024: EUR 1,162 million).

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 an interim dividend of EUR 84.0 million (2024: EUR 0 million). NN Bank will propose a final dividend over 2025 of EUR 65.0 million (2024: EUR 60.0 million).



Liquidity adequacy

During 2025, NN Bank maintained an adequate liquidity position.

	2025	2024
Liquidity Coverage Ratio (LCR)	149%	174%
Net Stable Funding Ratio (NSFR)	141%	136%
Loan-to-Deposit ratio (LtD)	134%	132%

The Liquidity Coverage Ratio (LCR) decreased from 174% at 31 December 2024 to 149% at 31 December 2025, 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). We also have an intra-group credit facility in place for use when necessary.

In addition to its liquidity ratio, NN Bank uses two other ratios to measure and monitor the Bank's funding position, the NSFR and the LtD. At 31 December 2025, NN Bank had a NSFR ratio of 141%, which is well above regulatory and internal minimum requirements. At 31 December 2025, NN Bank had a LtD ratio of 134%.

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.



Authorisation of the Consolidated annual accounts

The Consolidated annual accounts of NN Bank for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the NN Bank Management Board on 30 March 2026.

The Hague, 30 March 2026

The Management Board

G.P. (Guido) Bosch, CEO and chair

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

P.C.A.M. (Pieter) Emmen, CRO

The Supervisory Board

E. (Erik) Muetstege, chair

T. (Tjeerd) Bosklopper

A.M. (Anne) Snel-Simmons

J.V. (Koos) Timmermans

Confirmed and adopted by the General Meeting, dated



Parent company annual accounts



Contents

Parent company statement of financial position

Parent company statement of profit or loss

Parent company statement of changes in equity

Notes to the Parent company annual accounts

1	Accounting policies for the Parent company annual accounts	96
2	Amounts due from banks	96
3	Loans	97
4	Investments in group companies	97
5	Receivables from group companies	97
6	Other assets	98
7	Debt securities issued	98
8	Other liabilities	98
9	Loans from group companies	98
10	Equity	99
11	Net interest income	100
12	Net fee and commission income	100
13	Valuation results on non-trading derivatives	101
14	Results on financial transactions and other income	102
15	Maturity of certain assets and liabilities	102
16	Contingent liabilities and commitments	103
17	Related parties	103
18	Other	103

Authorisation of the Parent company annual accounts



Parent company statement of financial position

Amounts in thousands of euro, unless stated otherwise

As at 31 December before appropriation of result	notes ¹	2025	2024 ²
Assets			
Cash and balances at central banks		1,935,655	1,975,075
Government paper eligible for central bank refinancing		198,876	196,553
Amounts due from banks	2	197,569	230,364
Loans	3	22,589,668	21,887,042
Bonds and other fixed-income securities		200,981	502,797
Investments in group companies	4	139,363	135,391
Intangible assets		19,556	20,077
Receivables from group companies	5	376,959	412,067
Other assets	6	169,882	160,813
Total assets		25,828,509	25,520,179

As at 31 December before appropriation of result	notes ¹	2025	2024 ²
Liabilities			
Amounts due to banks		120,000	200,000
Customer deposits and other funds on deposit		17,945,615	17,491,543
Debt securities issued	7	5,916,499	6,182,875
Non-trading derivatives		4,773	2,626
Other borrowed funds		566,000	275,000
Other liabilities	8	88,750	80,948
Deferred tax liabilities		3,600	2,097
Loans from group companies	9	2,103	2,316
Provisions		1,177	2,364
Subordinated debt		15,000	45,000
Total liabilities		24,663,517	24,284,769
Equity			
Share capital		10,000	10,000
Share premium		481,000	481,000
Revaluation reserve		-2,181	-10,455
Statutory reserve		19,556	20,077
Retained earnings		591,390	621,597
Unappropriated result		65,227	113,191
Shareholder's equity	10	1,164,992	1,235,410
Total equity and liabilities		25,828,509	25,520,179

1 References relate to the [Notes to the Parent company annual accounts \(see pages 96-103\)](#). These form an integral part of the Parent company annual accounts.

2 For presentation purposes, some reclassifications have been made in the comparative figures of the parent company annual accounts. Reference is made to Note 1 of the parent company annual accounts.



Parent company statement of profit or loss

Amounts in thousands of euro, unless stated otherwise

For the year ended 31 December	notes	2025	2024 ¹
Interest income		1,160,222	1,300,787
Interest expenses		856,073	915,343
Net interest income	11	304,149	385,444
Income from group companies	4	3,972	-93
– fee and commission income		85,785	83,211
– fee and commission expenses		38,093	17,213
Net fee and commission income	12	47,692	65,998
Valuation results on non-trading derivatives	13	-9,709	-32,720
Results on financial transactions	14	-2	-4
Other income ²	14	1,213	1,388
Total income		347,315	420,013

For the year ended 31 December	notes	2025	2024 ¹
Staff expenses		152,674	155,218
Other administrative expenses		106,704	109,028
Amortisation of intangible assets		1,312	4,378
Operating expenses		260,690	268,624
Impairments on financial instruments ²		71	-1,216
Total expenses		260,761	267,408
Operating result before tax		86,554	152,605
Taxation		21,327	39,414
Net result		65,227	113,191

1 For presentation purposes, some reclassifications have been made in the comparative figures of the parent company annual accounts. Reference is made to Note 1 of the parent company annual accounts.

2 For presentation purposes, the comparative figures have been changed due to a reclassification from 'Impairments on financial instruments' to 'Other income'.



Parent company statement of changes in equity (2025)

Amounts in thousands of euro, unless stated otherwise

	Share capital	Share premium	Revaluation reserve	Other reserves ¹	Total equity
Equity - 1 January 2025	10,000	481,000	-10,455	754,865	1,235,410
Unrealised revaluations after taxation	0	0	11,140	0	11,140
Macro fair value hedge accounting effect transferred to the statement of profit or loss	0	0	-2,866	0	-2,866
Total amount recognised directly in equity (Other comprehensive income)	0	0	8,274	0	8,274
Net result	0	0	0	65,227	65,227
Total comprehensive income	0	0	8,274	65,227	73,501
Dividend paid	0	0	0	-144,000	-144,000
Change in employee share plans	0	0	0	81	81
Equity - 31 December 2025	10,000	481,000	-2,181	676,173	1,164,992

1 'Other reserves' include Statutory reserve, Retained earnings and Unappropriated result.

Parent company statement of changes in equity (2024)

Amounts in thousands of euro, unless stated otherwise

	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 Statutory reserve, Retained earnings and Unappropriated result.



Notes to the Parent company annual accounts

Amounts in thousands of euro, unless stated otherwise

1 Accounting policies for the Parent company annual accounts

The parent company accounts of NN Bank, including the accounting policies for presentation and disclosures, are prepared in accordance with the financial reporting requirements of 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', 'Investment securities', '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 32 Principal subsidiaries](#) in the Consolidated annual accounts.

Changes in presentation

In comparison to last year's annual accounts, NN Bank has made the following changes in the presentation of certain line items in the parent company annual accounts. This has been done to more closely align with the Besluit Modellen Jaarrekening (Model K for the statement of financial position and Model M for the statement of profit or loss). In the parent company statement of financial positions, the line items 'Government paper eligible for central bank refinancing' and 'Statutory reserve' have been added. In the parent company statement of profit or loss, the line item 'Amortisation of intangible assets' has been added. In both the parent company statement of financial position and the parent company statement of profit or loss, line items have been renamed and/or their order in the statements has been changed to more closely align with Besluit Modellen Jaarrekening.

2 Amounts due from banks

	2025	2024
Bank balances	952	565
Collateral posted	196,617	229,799
Amounts due from banks	197,569	230,364

'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 229.8 million to EUR 196.6 million is primarily attributable to reduced initial margin requirements set by the central clearing party, driven by lower interest rates and a slight reduction in the net swap position. 'Collateral posted' is not freely disposable.



3 Loans

Loans analysed by type

Loans analysed by type	2025	2024
Loans secured by mortgages ¹	17,345,411	16,805,625
Loans secured by mortgages, guaranteed by public authorities ¹	5,998,974	5,546,347
Loans secured by mortgages, hedged items	-1,046,677	-768,443
Group companies	294,220	305,695
Loans – before loan loss provisions	22,591,928	21,889,224
Loan loss provisions	-2,260	-2,182
Loans	22,589,668	21,887,042

1 For presentation purposes, the comparative figures have been changed due to a reclassification from 'Consumer lending' to 'Loans secured by mortgages'.

Changes in loans

	2025	2024
Loans to third parties – opening balance	21,889,224	20,960,081
Mortgage portfolio transfer	528,679	411,901
Partial transfers of mortgage loans	40,350	8,878
Origination	2,473,942	2,359,456
Change in mortgage premium	-25,868	-8,214
Fair value change hedged items	-278,234	212,430
Other changes	-26,045	23,076
Modifications	360	922
Redemptions	-2,010,480	-2,079,306
Loans to third parties – closing balance	22,591,928	21,889,224

4 Investments in group companies

Investment in group companies

	Interest held	Balance sheet value	Interest held	Balance sheet value
	2025	2025	2024	2024
HQ Hypotheken 50 B.V.	100%	139,363	100%	135,391
Investments in group companies		139,363		135,391

Changes in investments in group companies

	2025	2024
Investments in group companies – opening balance	135,391	149,094
Results from group companies	3,972	-93
Changes in the composition of the group and other changes	0	-13,610
Investments in group companies – closing balance	139,363	135,391

5 Receivables from group companies

Changes in receivables from group companies

	2025	2024
Receivables from group companies – opening balance	412,067	536,673
Movement	-35,108	-124,606
Receivables from group companies – closing balance	376,959	412,067

'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 2024 and 2025 is based on Euro Short-Term Rate (€STR) with an add-on of 0.6%. The related interest income for 2025 amounts to EUR 7.1 million (2024: EUR 13.6 million).



6 Other assets

Other assets by type

	2025	2024
Income tax receivable	200	0
Accrued assets	58,114	55,804
Other receivables	111,568	105,009
Other assets	169,882	160,813

All other assets are expected to be recovered or settled within 12 months, except for an amount of EUR 67.2 million (2024: EUR 68.7 million) relating to origination fees to be received following a long-term contract.

7 Debt securities issued

Debt securities issued

	2025	2024
Covered bond issues	5,328,317	5,105,367
Unsecured debt securities	588,182	1,077,508
Total	5,916,499	6,182,875

Reference is made to [Note 33 Structured entities](#) in the Consolidated annual accounts, specifically the Soft Bullet Covered Bond Programme.

8 Other liabilities

Other liabilities

	2025	2024
Income tax payable	0	7,314
Other taxation and social security contributions	16,287	15,460
Accrued interest	53,467	38,440
Costs payable	9,685	7,739
Other amounts payable	9,311	11,995
Other liabilities	88,750	80,948

‘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.

9 Loans from group companies

‘Loans from group companies’ consists of intercompany positions with NN Group entities for an amount of EUR 2.1 million (2024: EUR 2.3 million).



10 Equity

Equity

	2025	2024 ¹
Share capital	10,000	10,000
Share premium	481,000	481,000
Revaluation reserve	-2,181	-10,455
Statutory reserve	19,556	20,077
Retained earnings	591,390	621,597
Unappropriated result	65,227	113,191
Total equity	1,164,992	1,235,410

1 For presentation purposes, the comparative figures have been changed due to addition of the line item 'Statutory reserve'.

Share capital

	Shares in number		Ordinary shares (Amount in EUR thousand)	
	2025	2024	2025	2024
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 (2025)

	Revaluation reserve	Statutory reserve	Retained earnings	Unappropriated result	Total
Revaluation reserve, retained earnings and unappropriated result – opening balance	-10,455	20,077	621,597	113,191	744,410
Net result for the period	0	0	0	65,227	65,227
Dividend paid	0	0	-144,000	0	-144,000
Unrealised revaluation	8,274	0	0	0	8,274
Transfers to/from retained earnings	0	-521	113,712	-113,191	0
Change in employee share plans	0	0	81	0	81
Revaluation reserve, retained earnings and unappropriated result – closing balance	-2,181	19,556	591,390	65,227	673,992

Changes in revaluation reserve, retained earnings and unappropriated result (2024)

	Revaluation reserve	Statutory reserve	Retained earnings	Unappropriated result	Total
Revaluation reserve, retained earnings and unappropriated result – opening balance	-20,207	23,180	535,315	127,086	665,374
Net result for the period	0	0	0	113,191	113,191
Dividend paid	0	0	-44,000	0	-44,000
Unrealised revaluation	9,752	0	0	0	9,752
Transfers to/from retained earnings	0	-3,103	130,189	-127,086	0
Change in employee share plans	0	0	93	0	93
Revaluation reserve, retained earnings and unappropriated result – closing balance	-10,455	20,077	621,597	113,191	744,410



'Revaluation reserve' and 'Statutory 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 1,137.6 million (2024: EUR 1,215.8 million).

11 Net interest income

Net interest income

	2025	2024
Interest income on loans	655,762	634,471
Modifications	935	981
Interest income on non-trading derivatives	446,335	571,259
Other interest income	57,190	94,076
Total interest income	1,160,222	1,300,787
Interest expenses on amounts due to banks	1,592	905
Interest expenses on customer deposits and other funds on deposit	358,595	354,759
Interest expenses on debt securities issued and other borrowed funds	97,612	90,592
Interest expenses on non-trading derivatives	371,426	433,709
Interest expenses on subordinated loans	442	1,157
Other interest expenses	26,406	34,221
Total interest expenses	856,073	915,343
Net interest income	304,149	385,444

'Other interest income' relates mainly to interest received from DNB. This category also includes interest on collateral for derivative contracts and interest on the initial margin for these contracts.

'Other interest expenses' relates mainly to the price alignment interest on derivatives contracts with central clearing parties.

Interest margin in percentages

	2025	2024
Interest margin	1.18%	1.52%

'Interest margin' is calculated by dividing the 'net interest income' by the average of the total assets for year-end 2025 and 2024, respectively.

12 Net fee and commission income

Net fee and commission income

	2025	2024
Service management fees	63,798	62,757
Brokerage and advisory fees	21,985	20,454
Other fees	2	0
Fee and commission income	85,785	83,211
Asset management fees	8,981	9,160
Brokerage and advisory fees	27,600	7,493
Other fees	1,512	560
Fee and commission expenses	38,093	17,213
Net fee and commission income	47,692	65,998



13 Valuation results on non-trading derivatives

Valuation results on non-trading derivatives

	2025	2024
Gains or losses (fair value changes) in fair value hedge accounting relating to:		
– the hedging instrument (non-trading derivatives)	237,430	-137,368
– the hedged items (mortgages/high-quality liquid assets/debt securities) attributable to the hedged risk	-247,139	104,648
Valuation results on non-trading derivatives	-9,709	-32,720



14 Results on financial transactions and other income

Results on financial transactions and other income

	2025	2024
Realised gains or losses of investment securities	-2	-4
Other income	1,213	1,388
Results on financial transactions and other income	1,211	1,384

15 Maturity of certain assets and liabilities

Analysis of certain assets and liabilities (2025)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Cash and balances at central banks	1,935,655	0	0	0	0	1,935,655
Amounts due from banks	952	0	0	0	196,617	197,569
Loans	71,285	98,460	323,870	1,631,048	20,465,005	22,589,668
Liabilities						
Amounts due to banks	0	120,000	0	0	0	120,000
Customer deposits and other funds on deposit	9,083,062	496,707	1,528,660	3,537,757	3,299,429	17,945,615
Debt securities issued	0	0	782,125	2,749,015	2,385,359	5,916,499
Non-trading derivatives	4,773	0	0	0	0	4,773

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
Non-trading derivatives	2,626	0	0	0	0	2,626



16 Contingent liabilities and commitments

Contingent liabilities and commitments (2025)

	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	46,666	0	0	0	0	46,666
Mortgage offerings	247,482	229,039	193,307	0	0	669,828
Construction deposits	2,396	5,984	100,018	196,488	655	305,541
Contingent liabilities and commitments	296,544	235,023	293,325	196,488	784	1,022,164

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

17 Related parties

NN Bank has entered into transactions with its principal subsidiary, HQ Hypotheken 50 B.V. [Note 5 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 2025 amounted to EUR 7.1 million (2024: EUR 13.6 million).

For more on related parties, please see [Note 34 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 Supervisory Board.



Authorisation of the Parent company annual accounts

The Parent company annual accounts of NN Bank for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Management Board on 30 March 2026.

The Hague, 30 March 2026

The Management Board

G.P. (Guido) Bosch, CEO and chair

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

P.C.A.M. (Pieter) Emmen, CRO

The Supervisory Board

E. (Erik) Muetstege, chair

T. (Tjeerd) Bosklopper

A.M. (Anne) Snel-Simmons

J.V. (Koos) Timmermans

Confirmed and adopted by the General Meeting, dated



Other information



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 2025 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 2025 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- 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 2025 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 2025 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:

1. the consolidated statement of financial position as at 31 December 2025;
2. the following consolidated statements for 2025: the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

The parent company annual accounts comprise:

- 1 the parent company statement of financial position as at 31 December 2025;
- 2 the parent company statement of profit or loss and the statement of changes in equity account for 2025; and
- 3 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
- 4.4% 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

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- 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 judgment we determined the materiality for the annual accounts as a whole at EUR 6 million (2024: EUR 6 million). The materiality is determined with reference to the three-year average of results before tax (4.4%). 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 & Risk Committee of the Supervisory Board that misstatements identified during our audit in excess of EUR 300.000 would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

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.

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 annual accounts of NN Bank.

NN Bank has one fully owned subsidiary as at 31 December 2025: HQ Hypotheken 50 B.V. (hereafter 'HQ50'). Through HQ50, NN Bank offers mortgage loans to customers via a business partner.

We performed risk assessment procedures throughout our audit to determine 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 (2024: 100%) and 100% of Group total assets (2024: 100%). 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. By performing the procedures mentioned above 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 chapter 'managing our risks' of the annual report, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.



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 making changes to our high-risk criteria that we applied to journal entry testing and making changes to our audit approach regarding the testing of relevant data elements, which are used as inputs for the calculation of expected credit losses on mortgage loans.

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);
- 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 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.

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.

- as part of the fraud risk assessment, we performed a data analysis of the journal entries population to determine if high-risk criteria for testing applies and evaluated key estimates and judgments for bias by the Company's Management Board, including retrospective reviews of prior years' estimates with respect to management judgments and assumptions regarding expected credit losses on mortgage loans that were included in the financial statements of the previous financial year. 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.
- we identified and selected journal entries and other adjustments made at the end of the reporting period for testing.

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 Audit & Risk Committee of 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 prepared the annual accounts based on the going concern assumption. To evaluate the Management Board's use of the going concern assumption, we have performed, inter alia, the following procedures:

- we considered whether management'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 financial position of the Company 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 to obtain an understanding of the Company's capital and liquidity position that underpins management's assessment of the going concern assumption for financial reporting.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Management Board's use of the going concern assumption.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts. We have communicated the key audit matters to the Audit & Risk Committee of 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. As discussed in Note 5 in the consolidated annual accounts, the mortgage loans measured at amortized cost amount to EUR 22.8 billion (gross) as at 31 December 2025. The amortized cost is determined by subtracting the provision for loan losses from the outstanding balance of the loans, amounting to EUR 2.3 million as at 31 December 2025. 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 by 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 the estimation of the recoverable amount of the collateral to determine the 'Loss Given Default'.

Furthermore, the Management Board needs to assess the need to account for post-model adjustments to account for heightened economic uncertainties and/or specific events that are not (or only partially) covered by the ECL models (either model-linked or event-linked). Both the assessment as to whether to account for such post-model adjustments as well as the determination of individual post-model adjustments requires significant judgment.

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 source systems involved.

We performed amongst others the following substantive procedures, for some of which we involved credit risk specialists to assist us in these 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.

- we inspected the model monitoring report for the mortgage provision models. Furthermore, we performed reperformance testing on key back testing results included in the model monitoring report.
- we challenged the Management Board's assessment whether the models are still 'fit-for-purpose' and considered the need for model-linked post-model adjustments to accurately capture credit risk developments.
- we tested the accuracy and completeness of the data used for the ECL calculations. As part of that, we tested for a selection of loans whether the source data reconciles with the data captured in risk systems and the general ledger.
- we inspected for a selection of loans whether the data administered reconciles to source documentation. Important data elements to determine the provision for loan losses include among others 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 2025.
- 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.
- we assessed whether there were events or conditions that give rise to the need for the recognition of an event-linked management overlay.
- we assessed the management overlay which was recognized in response to the increased credit risk on interest-only mortgages. We assessed the rationale of the Management Board for recognition of a management overlay on interest-only mortgages, and the methodology and assumptions applied to estimate the impact of the increased credit risk on these mortgages to verify that the calculation methodology is conceptually sound.
- 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 5 and note 37 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 NN Bank'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 performed amongst others the following procedures:

- we obtained an understanding of the IT organization and developments in the IT infrastructure to determine how it impacts NN Bank'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.
- 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 cybersecurity 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.

Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited

The statutory audit includes verifying that the prepared annual accounts comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared annual accounts and will be attached to the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR domain for the Trade Register (including the applied eXtensible Business Reporting Language (XBRL) tags) was not part of the statutory audit.

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

Engagement

We were initially appointed by the General Meeting of the Shareholder as auditor of NN Bank on 28 May 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

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 management 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, 30 March 2026

KPMG Accountants N.V.

M. Verleun 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 16 Equity](#) of the Consolidated annual accounts, for the proposed appropriation of result.



Contact and legal information

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Nationale-Nederlanden Bank N.V. is part of NN Group N.V.

Important legal information

The 2025 Annual Report provides a review of the performance of NN Bank. More information, for example the Pillar III Report, the Application of the Banking Code ('Code Banken') and the Capital Requirements Regulation (CRR) Remuneration Disclosure, is available on the NN Group website in the Investors/NN Bank section.

Small differences in the tables are possible due to rounding. Certain of the statements in this 2025 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 European Union (EU), of EU member countries leaving the Union, and/or the (partial) cessation of the euro as a currency, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets 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 projected operational synergies, (15) catastrophes and terrorist-related events, (16) 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 NN Bank does business, (17) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (18) business, operational, regulatory, reputation and other risks and challenges in connection with Sustainability Matters (please see the link to our sustainability matters definition <https://www.nn-group.com/sustainability-society/policies-reports-memberships.htm>), (19) the inability to retain key personnel, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties 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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