NWB BANK

Annual Report

2024



CONTENTS



1. REPORT OF THE MANAGING BOARD

- About NWB Bank 6
  - NWB Bank 2024 at a glance 6
  - Key financials 8
- The world around us 16
- Strategy and value creation 19
- The sustainable water bank: results in 2024 32
  - Bank of and for the public water sector 33
  - Key player in financing the Dutch public sector 42
  - Financing partner for enhancing Sustainability in the Netherlands 51
  - A sustainable, efficient and socially-engaged organisation 55
  - Responsible returns and societal impact 63
- Outlook for 2025 64



2. CORPORATE GOVERNANCE

- Managing Board 66
- Supervisory Board 67
- Interview with Joanne Kellermann 69
- Report of the Supervisory Board 72
- Remuneration report 79
- Corporate governance 83
- Risk management 89



3. SUSTAINABILITY STATEMENTS

- General statement 102
- Environmental information 122
- Social information 141
- Appendix Sustainability Statements 151



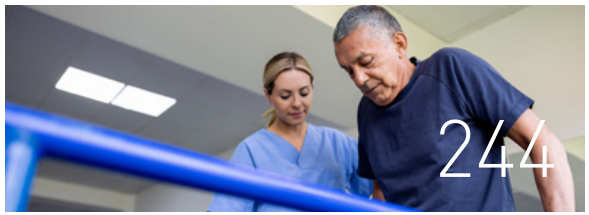
4. FINANCIAL STATEMENTS

- Statement of income 170
- Balance sheet 171
- Statement of comprehensive income 172
- Statement of changes in equity 173
- Statement of cash flows 174
- General notes to the financial statements 176
- Notes on the statement of income 184
- Notes on the balance sheet 190
- Other notes to the Financial Statements 202



5. OTHER INFORMATION

- Independent auditor's report 229
- Limited assurance report of the independent auditor on the sustainability statement 239
- Articles of Association provisions governing profit appropriation 243



6. SUPPLEMENTARY INFORMATION

- List of shareholders as at 1 January 2024 245
- Glossary 246
- List of abbreviations 260

Chapters 1 and 3 and the *Corporate governance* and *Risk management* sections in chapter 2 together form the annual report as referred to in Section 2:391 of the *Dutch Civil Code*. Insofar as it relates to NWB Bank's risk management, the Risk management section in chapter 4 is also part of the annual report from that perspective.

This annual report of Nederlandse Waterschapsbank N.V. for the reporting year that ended on 31 December 2024 has also been published in ESEF format as specified by the European Commission in the Regulatory Technical Standard on ESEF (Regulation 219/815). The ESEF reporting package is available on our corporate website **nwbbank.com**.

These financial statements are an English translation of the financial statements prepared on 18 March 2025. In case of any discrepancies or possible differences in interpretation between the English translation and the financial statements prepared on 18 March 2025, the latter prevail.

MANAGEMENT REPORT

1

- About NWB Bank
- NWB Bank 2024 at a glance
- Key financials
- The world around us
- Strategy and value creation
- The sustainable water bank: results in 2024
- Bank of and for the public water sector
- Key player in financing the Dutch public sector
- Financing partner for enhancing Sustainability in the Netherlands
- A sustainable, efficient and socially-engaged organisation
- Responsible returns and societal impact
- Outlook for 2025



NWB BANK 2024 **AT A GLANCE**

FINANCIAL

LENDING

€9.6 billion to the Dutch public sector

(2023: €7.4 billion)

- HOUSING ASSOCIATIONS **€6.8 BILLION**
- WATER AUTHORITIES **€750 MILLION**
- MUNICIPALITIES AND JOINT SCHEMES **€654 MILLION**
- DRINKING WATER COMPANIES **€361 MILLION**
- GOVERNMENT-GUARANTEED LOANS **€365 MILLION**
- PASS-THROUGH NHG RMBS **€225 MILLION**
- HEALTHCARE INSTITUTIONS **€233 MILLION**
- RENEWABLE ENERGY **€110 MILLION**
- OTHER **€157 MILLION**

NET PROFIT

€94 million

2023: €126 million

Cost/income ratio

28.6%

2023: 21.8 %

TOTAL ASSETS

€78.8 billion

2023: €75.9 billion

CAPITAL RATIO

35.7% CET1-RATIO

2023: 41.1 %

LEVERAGE RATIO

24.0%

2023: 20.6 %

3.1% Not adjusted for promotional assets

NWB BANK 2024 **AT A GLANCE**

ENVIRONMENTAL

TOTAL BONDS ISSUED

€61.5 billion



- Other bonds **36.2** billion
- ESG bonds* **25.3** billion

* 41% of total bonds issued

BONDS ISSUED IN 2024

€10.0 billion



- Other bonds **6.0** billion
- SDG Housing Bonds **2.9** billion
- Water bonds **1.1** billion
- ESG bonds* **4.0** billion

* 40% of total issued bonds in 2024

CLIMATE IMPACT OF LOAN PORTFOLIO

1,511 kton
CO_2e-emissions



*achieved reduction versus 2018 **29.6%**
Target 2026 **28%**
Target 2030 **43%**

25.8 ton CO_2e/€ million
Emission intensity



*Achieved reduction versus 2018 **27.7%**

SOCIAL

MALE-FEMALE RATIO OF EMPLOYEES

145 employees



- Male **85**
- Female **60**

MALE-FEMALE RATIO SENIOR MANAGEMENT

13 management team



- Male **6**
- Female **7**

4 managing board



- Male **2**
- Female **2**

GOVERNANCE

NUMBER OF DATA LEAKS

0

REMUNERATION RATIO OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MEDIAN EMPLOYEES

4.1

KEY FINANCIALS

[1] (x EUR 1,000,000)	2024	2023	2022	2021	2020
BALANCE SHEET					
Long-term loans and advances (nominal value)[2]	56,991	53,854	52,167	51,888	49,844
Equity	2,094	2,060	1,995	1,902	1,827
Tier 1 capital	2,299	2,235	2,155	2,083	2,049
Total assets	78,769	75,909	73,285	96,019	106,882
Risk-weighted assets	5,550	4,659	4,792	4,641	3,833
RESULTS					
Net interest income	248	262	301	286	244
Results from financial transactions	-37	-16	-30	-20	-55
Operating income	211	246	271	266	189
Operating expenses	60	54	44	35	42
Bank tax and resolution levy	18	18	28	38	12[3]
Expected Credit Loss	-	-	-	-	-
Income tax	39	48	56	72	54
Net profit	94	126	143	121	81
DIVIDEND					
Dividend distribution	50.0	60.0	60.0	50.0	45.0
Dividend (in euros per share)	847.6	1,017.1	1,017.1	847.6	762.9

1) An explanation of the calculation of the quantities shown in the key figures is included in the 'Glossary'
2) Loans including interest-bearing securities, provided to regional authorities
3) Including a restitution of €15 million for the years 2016 to 2018

[1] (x EUR 1,000,000)	2024	2023	2022	2021	2020
RATIOS (IN %)					
Tier 1 ratio	41.4	48.0	45.0	44.9	53.5
CET1 ratio	35.7	41.1	38.3	38.0	45.1
Cost/income ratio[2]	28.6	21.8	16.2	13.0	22.2
Dividend pay-out ratio	53.4	47.7	41.9	41.2	55.9
Leverage ratio	24.0	20.6	18.9	14.3	13.2
Leverage ratio (not adjusted for promotional assets)	3.1	3.1	3.1	2.6	2.4
Liquidity Coverage Ratio	183	160	285	183	150
Net Stable Funding Ratio	134	133	141	133	122
CSR					
Volume of ESG bond issuance in millions of euros	3,979	3,766	4,703	3,550	4,531
CO_2 emissions equivalents from operating activities p.p. (in tonnes)	0.8[3]	0.5	0.9	1.2	1.5
CO_2 emissions equivalents PCAF portfolio coverage (in %)	97.8	98.3	91.9	90.7	91.6
CO_2 emissions equivalents loan portfolio (in kton)	1,511[4]	1,458[4]	1,657[4]	1,731[4]	1,762[4]

1) An explanation of the calculation of the quantities shown in the key figures is included in the 'Glossary'
2) 'Cost' concerns the operating expenses and 'income' the operating income
3) Commuting has been added in comparison to previous years, the previous years are not recalibrated.
4) Based on 97.8% of the loan portfolio (2023: 98.3%); The emission figures for 2024 and 2023 are calculated according to the most actual methodology end 2024. The emission figures 2022, 2021 and 2020 are not recalculated.

Interview





Lidwin van Velden
CEO

“Now, more than ever, our efforts are essential to securing a sustainable future.”

In 2024, NWB Bank celebrated its 70th anniversary. A moment to look back on with pride, but also a moment to reflect on the societal challenges of our time.

CEO Lidwin van Velden: “Now, more than ever, as climate change becomes increasingly urgent, our efforts are essential in securing a sustainable future."

Never again a flood disaster. That was the pledge made when the bank was founded in 1954. But at the anniversary seminar with many of the bank's business partners, you pointed out that climate change and the intensifying forces of nature now present significant new challenges.

“That's right. I wanted to emphasise the importance of taking decisive action and working with all stakeholders from the science, government, business and financial sectors. After all, the climate knows no boundaries, both literally and figuratively, and this urgency clearly resonated with both speakers and guests at the seminar.

It was an educational afternoon. First, Joyeeta Gupta, Professor of Environment and Development in the Global South and one of the authors of the UN’s IPCC reports, gave us a factual picture of the state and impact of climate change. She spoke passionately about the importance of supporting the transition to sustainable energy in developing countries to achieve the Paris climate goals. The second speaker, Mary Robinson, former President of Ireland and climate justice advocate, called for a social and just climate transition. Her message was: let's ensure that critical knowledge on climate adaptation and its financing is widely disseminated and shared with developing countries.

Finally, Sanna Marin, former Prime Minister of Finland, appealed to politicians to use major natural disasters as a wake-up call, urging them to mobilise their constituents. The forest fires in Los Angeles, the floods in Valencia – we are increasingly confronted with disasters caused by climate change. These developments make the need to act clear and help to build support. She also emphasised that the energy transition is crucial not only for sustainability but for achieving geopolitical independence and enhancing European competitiveness."

Adapting to climate change requires significant investment. Will the bank be able to keep up with client demand?

"Indeed, demand for financing from our clients increased in 2024. Partly as a result, our loan portfolio reached a new record of €57 billion. We're highly successful in providing our clients with appropriate financing at the lowest possible cost. This financing supports a wide range of essential initiatives, from investment in waterworks, improving water quality and ensuring drinking water availability to providing sustainable energy, making homes more sustainable and increasing green spaces in municipalities.

The water authorities, drinking water companies, housing associations, health institutions, municipalities and provinces – and we as a bank – all play a role in climate adaptation. As these roles often overlap, it's very important that we work together. For example, water authorities protect housing associations' properties from the risk of flooding. And housing associations can work with municipalities to create more green spaces, making neighbourhoods more resilient to heat and enhancing nature.

You talked about how climate adaptation and mitigation must go hand in hand or, as the Dutch saying goes, we risk 'mopping the floor while the tap is still running.' It's promising, therefore, to see your sustainable energy portfolio growing and renewed interest in solar, wind and aquathermal energy. Are you still confident in meeting your audacious target?

"Our goal is to have an energy-positive loan portfolio by 2035, on the way to carbon-neutral by 2050. We're making steady progress and are even slightly ahead of schedule. We aim to provide the most accurate reporting on the climate impact of our lending, and in this year's annual report, we also comply with EU sustainability reporting requirements under the Corporate Sustainability Reporting Directive (CSRD).

We are not yet required to adhere to these standards but only at the earliest as of next year, but as transparency is a top priority for us, we're already applying them. We see it not just as managing and limiting risks to our own operations and performance, but also as a way of improving the societal impact of our lending. This is a fundamental part of our business model, as we were founded to make a difference by financing societal causes, and our report offers us and our stakeholders a clear view of our ambitions and progress.

Last year, our sustainability targets were reviewed and endorsed by the Science Based Targets initiative (SBTi). Through the Partnership for Carbon Accounting Financials (PCAF), we are working with other banks to improve the quality of our carbon data.

> **"It's not just about managing and limiting risks to our own operations and performance but also as a way of improving the societal impact of our lending"**

Transparency is also an issue that you discuss in the European Association of Public Banks (EAPB).

"The EAPB is a great platform for collaborating with other European public banks on issues such as sustainability reporting. We've found that the CSRD and EU Taxonomy are not entirely suited to public sector banks, as many of our clients are not required to report under these frameworks. As a result, we lack important information and data, leaving many of our activities outside the formal definitions and consequently understating the

sustainable impact of our lending. We're now discussing this issue with the European Commission.

Another useful European advisory body is the Reflection Group on mobilising Climate Resilience Financing. On behalf of the European public banks that make up the EAPB, we participate in strategic discussions on financing climate resilience, and we also show how NWB Bank works and how we succeed in mobilising private capital for public purposes.

So there is a lot of good cooperation in Europe too.
"Certainly. Another good example of partnership is our work with the European Investment Bank (EIB). Earlier this year, we agreed to finance several projects for the water authorities. A total of €800 million will be allocated for investments in flood protection and the enhancement of water quality in lakes, rivers and canals. Under its mandate, the EIB can finance up to 50% of a project, with us covering the other half."

Last year, you published your ESG transition plan, which sets out concrete targets for climate, nature and society. Can you tell us a little more about it?
"We already announced our expansion from climate to nature and social impact when we published our Climate action plan in April 2022. Climate-related challenges are closely linked to nature-related issues, and the social aspect plays a crucial role as well. Take water quality, for example. We have to adhere to the standards of the Water Framework Directive, a European regulation on water quality in which water authorities play an important role.

As a public-sector bank, we also have a responsibility to contribute to a sustainable and inclusive future. This goes beyond managing and limiting risks to our own operations and performance – it also extends to the societal impact of our lending. This is also essential for the bank to secure favourable funding in the international capital markets. In our ESG transition plan, we outlined clear objectives and targets to guide our own organisation. Naturally, it is essential to work with our clients and involve their umbrella organisations.

In recent years, you have also focused on strengthening the internal organisation. How is that progressing?
"We are increasingly seeing benefits, both in terms of our investment in people and systems, as well as in strengthening the connections within our organisation. Our headcount has grown significantly in the past years, and given our nature and ambitions, we believe that having people with expertise in areas such as data analytics and environmental, social and governance (ESG) issues will be important. We do not have a separate department for this, but have instead deliberately embedded ESG into our core processes, to make it an integral part of the whole organisation. This is already paying off, and we expect to further consolidate as an organisation in the future.

We focus a great deal on ICT and maintaining a safe working environment, addressing issues such as protection against cyber threats and the secure handling of data. As a triple-A-rated bank, we must meet the highest standards and best practices, ensuring we are demonstrably 'in control'. This is in good hands thanks to Wilma Schouten, our new CFO, who is responsible for Finance & Control, Operations & ICT. We're happy that she joined our Managing Board last spring.

The internal organisation also received much attention during the NWB Bank Together Days.
"As they are every year, these two days were invaluable. They allow us to step away from daily concerns and reflect on our work. This time, we kicked off with the inspiring story of André Kuipers who as a child dreamed of becoming an astronaut and going to the moon. His story is about making dreams come true, the beauty and vulnerability of the Earth, but also about the importance of the knowledge we gain about our planet from space. Afterwards, we turned to our personal ambitions, goals and dreams. These days always bring us a lot of new energy, a stronger sense of connection and a clear direction for the future."

So, you've started the new year full of energy?
"Absolutely. And we're going to need every bit of that energy. This year we expect a growing demand for financing in almost all client sectors: affordable housing, district heating networks, water quality, water availability, renewable energy: the Netherlands faces many challenges. With our ESG Transition plan and instruments, such as our sustainability-linked loans, we aim to support our clients in tackling their challenges. Following our initial experience with water authorities, we provided our first sustainability-linked loan to a housing association last summer. Housing association Domijn, shares their enthusiasm about this later in the annual report. Together with our clients and partners, we're looking forward to getting to work and making a real impact."



"Following our initial experience with water authorities, we provided our first sustainability-linked loan to a housing association last summer."

NWB BANK'S PROFILE

NWB Bank is a bank of and for the public sector, with a special focus on water and sustainability. Our excellent creditworthiness enables us to raise funding for our clients at favourable rates. We aim to contribute to the affordability of investments in a sustainable future for the Netherlands, thus keeping the financial burden on citizens as low as possible.



WHO WE ARE

We are a national promotional bank. This means that our activities contribute to the public interest. NWB Bank was founded by and for the water authorities, but we soon started financing the wider Dutch public sector, which includes, among others, municipalities, drinking water companies, healthcare institutions and housing associations.

We focus our financing on organisations and initiatives that deliver added value to society. We do not aim to maximise our profits but want to generate a healthy return in order to keep contributing to a stable and sustainable financial sector.

"We contribute to affordable investments in sustainability in the Netherlands."



WHAT WE DO

We have been financing societal organisations, projects and funds in the Netherlands since our foundation in 1954. On 5 May of that year, our bank was established to help the water authorities with the huge investment task of protecting our country against water after the North Sea flood. There had been plans to establish a water authority bank as early as 1939, but the disaster in February 1953 was the catalyst that accelerated our establishment. Indeed, the bank immediately faced an important task.

Today, we face new challenges: sustainability and the energy transition are top priorities. The transition to a climate-neutral, nature-inclusive and circular economy will require major investments in the coming decades, which will need to be recouped over a long period of time. We are well-positioned and equipped to provide this kind of long-term financing. A big advantage is that we are able to provide appropriate financing for these long-term investments and keep the financing costs low for our clients. This is due to our excellent creditworthiness and efficient business model.



HOW WE DO IT

We raise the funds we lend to our clients in the international money and capital markets, and wherever possible, we do that by issuing ESG bonds. We finance the activities of the water authorities with Green Bonds and the activities of the housing associations with SDG (Sustainable Development Goals) Housing Bonds. We have a great deal of experience in this area and have already raised over €31 billion in this way since our first ESG bond issuance in 2014. This makes us a leader in the Netherlands and a prominent player internationally.

The position we have built up as a financial institution is partly due to our compact organisation and open culture. These ensure that we are effective, professional and inventive. Our organisation is also characterised by integrity: clients and other stakeholders can rely on us. And like our clients, we want to set a good example when it comes to sustainability within our organisation.

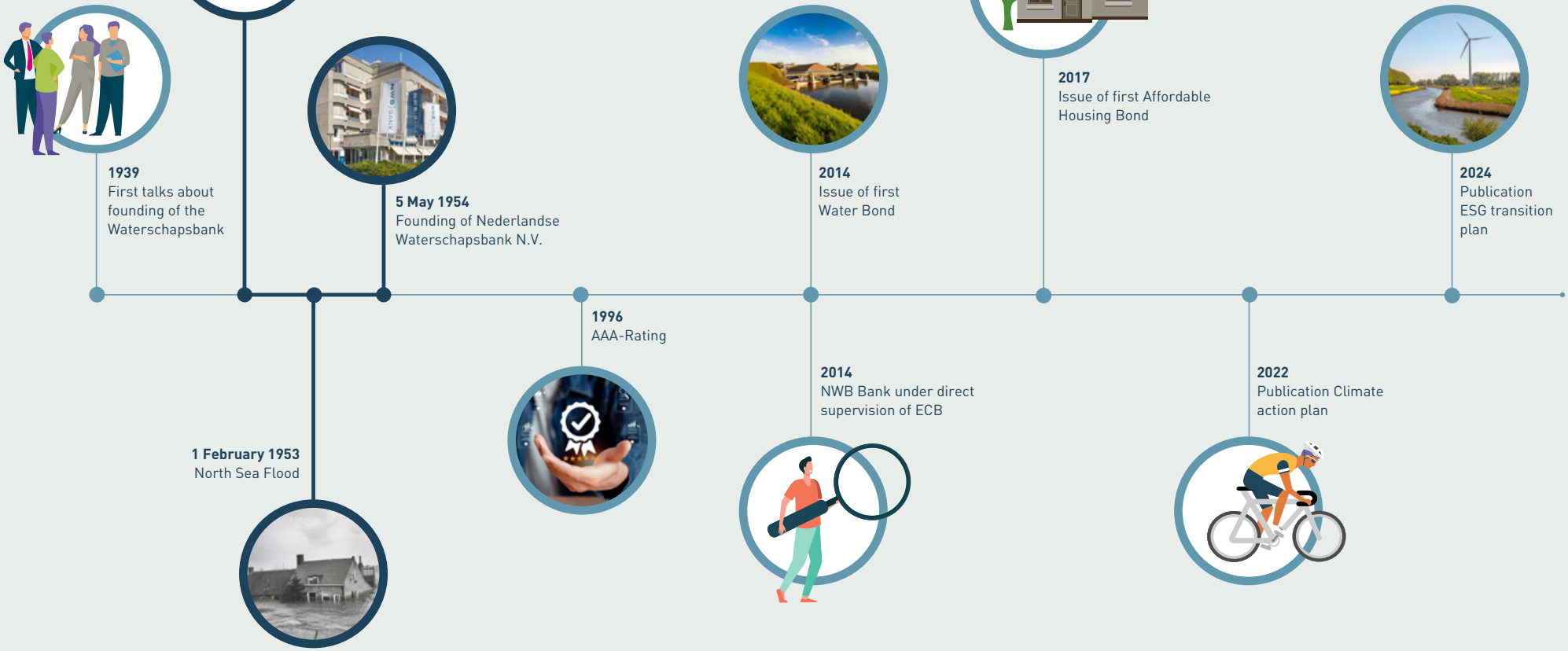
For instance, we only use company cars that do not emit CO_2, and our office has an energy label A+. Sustainable and socially responsible business is, therefore, also part of all our internal processes.

"We are increasingly funding our clients with ESG bonds."

The vast majority of our bank's loan portfolio consists of loans to (local) governments or institutions guaranteed by (local) governments. This is one of the reasons we have the highest credit ratings: AAA/Aaa. We are ranked sixth on the list of the world's safest banks. Thanks to our high creditworthiness, financial expertise and efficient organisation, we can respond proactively to the financing needs of the Dutch public sector, even in difficult times.

As a significant bank, we are directly supervised by the European Central Bank. The intensity and high requirements of this supervision (which are no different for a national promotional bank such as NWB Bank than for a strictly commercial bank) as well as our own aims of operating in a professional and expert way, means that we are continually investing in our own organisation, employees and systems.

HISTORY TIME LINE



THE WORLD AROUND US

The Dutch economy recovered in 2024 after contracting in 2023. Gross domestic product (GDP) rose by approximately 2.7% year-on-year, slightly above the 2.3% European average. Dutch growth was mainly driven by increased household consumption and government spending, but inflation and the housing market remained sources of concern.



INFLATION

The average inflation rate in the Netherlands was 3.4% in 2024, higher than the European average of 2.0%. This was partly due to higher indirect taxes in the Netherlands, such as increases in excise duties on tobacco, alcohol and natural gas. Inflation in the Netherlands increased, especially in the second half of the year, while inflation in the euro area remained more stable. Dutch inflation peaked in November and December at 4.0% and 4.1% respectively. This higher inflation had a negative impact on the purchasing power of Dutch households. The geopolitical unrest and imminent trade war could also have an impact on inflation in the Netherlands and the rest of Europe in the coming period.



INTEREST RATES

At the beginning of the year, expectations were that interest rates would fall, but as inflation remained persistent, central banks postponed interest rate cuts. This led to sharp upward corrections in interest rates in the early months of the year. Finally, the ECB cut interest rates in stages from June onwards. On 12 June 2024, the interest rate on the ECB deposit facility was reduced to 3.75% then on 18 September 2024, the rate was cut further to 3.50%. The final rate cut of the year took place on 23 October 2024, bringing the rate down to 3.25%. Macroeconomic uncertainties affected international capital markets, as did ongoing geopolitical tensions. The US economy set the pace in terms of economic growth, with Europe lagging somewhat behind. Emerging markets such as India performed better than China, which struggled with structural problems. The growth of world trade lagged behind the growth of the world economy.



POLITICS

2024 was marked by elections in the Netherlands, Europe and the United States. On 2 July, a new Dutch government took office, led by non-partisan Prime Minister Dick Schoof. The cabinet consists of the parties PVV, VVD, NSC and BBB, which had already presented their coalition agreement on 16 May, entitled 'hope, courage and pride'. The cabinet has further elaborated this agreement into a policy programme, which contains the plans for the coming cabinet period. Priorities include stricter asylum and migration regulations, livelihood security and purchasing power, and promoting affordable housing. The programme is also committed to improving healthcare and education, strengthening good governance and the rule of law, as well as national and international security. Finally, the programme focuses on green economic growth and tackling labour market shortages.

Elections to the European Parliament were also held in June. These elections generally saw a rise in conservative and right-wing parties, while pro-European forces gained influence in some countries. Mario Draghi published a report on the EU's competitiveness, arguing for more investment in innovation and sustainability. Enrico Letta also presented a report on the future of the single market, emphasising a 'Savings and Investment Union'. These reports formed the basis for the policies of the new European Commission, which was finally sworn in at the beginning of December under the leadership of Ursula von der Leyen. The new Commission is focusing on a free, strong, sustainable and prosperous Europe, taking into account geopolitical tensions, especially the wars in Ukraine and Gaza. The American elections took place in November and were won by Donald Trump and the Republican Party, which gained a majority in both houses. His victory was accompanied by the announcement of the imposition of import tariffs on various countries, threatening a trade war.



SOCIETY

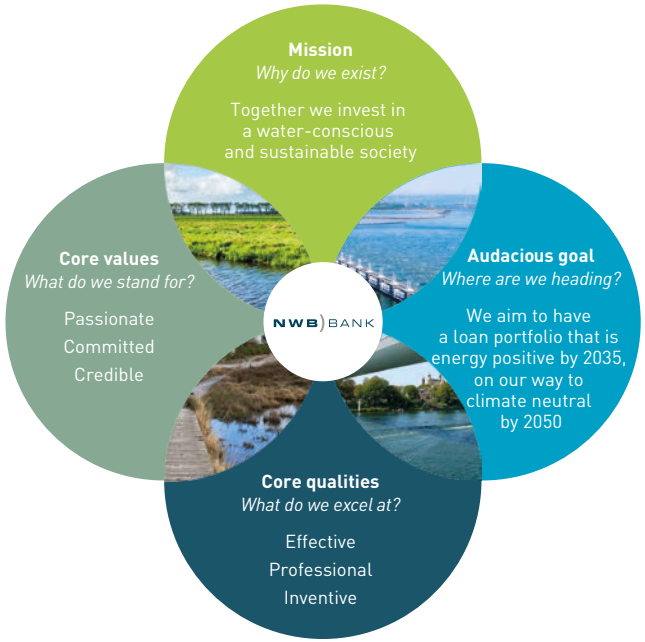
In 2024, the water authorities faced major challenges due to extreme weather events, such as Storm Henk in January and heavy rainfall in May. They had to take additional measures to prevent flooding. In addition, a new tax system for water authorities was adopted last year. Housing associations in the Netherlands continued to focus on making their housing stock more sustainable last year. Investments were made in energy-efficient renovations and new construction projects to meet climate targets. However, they faced challenges such as rising construction costs and shortages of certain building materials. Significant progress was made in renewable energy. The Dutch government worked with various stakeholders to expand the energy infrastructure, including new high-voltage connections and hydrogen pipelines.

In addition, subsidies continued to support the development of solar and wind energy projects, contributing to the growth of renewable energy sources. These developments reflect the Netherlands' ongoing efforts to adapt to climate change and move towards a more sustainable future.

STRATEGY AND VALUE CREATION

STRATEGY

VISION QUADRANT





Mission and vision

Our mission is to invest with our stakeholders in a water-conscious and sustainable society. Water awareness and sustainability are in our bank's DNA. We want to contribute to long-term environmental and societal goals by making the best possible use of our financing power.

We offer our clients appropriate financing on the most favourable terms possible. This is how we keep the public sector's financing costs low and efforts to improve the sustainability of the Netherlands affordable. Ever since the bank was founded 70 years ago, we have focused on efficiently meeting the combined financing needs of our clients in the public sector. We are cost-conscious and risk-aware, and we use our AAA/Aaa ratings to raise funds for the Dutch public sector in an inexpensive and sustainable way.

Water awareness and sustainability are also in the DNA of our founding members, the water authorities. Climate adaptation, climate mitigation and improving biodiversity are among their core tasks, and the water authorities play an important role in the energy transition. They are still one of our largest client groups. The housing associations, which also play an important part in enhancing sustainability, are another large client group. About 30% of the Dutch housing stock consists of social housing, and housing associations are investing heavily in new, climate-neutral construction, making existing social housing more energy-efficient and keeping social rents low. Together with the housing associations, water authorities, drinking water companies and other clients, we are working on a society in which current and future generations can live well and sustainably.

Internally, we use a 'vision quadrant', in which we clearly state why we exist, what we stand for and what we excel at. Part of the vision quadrant is an audacious goal, one that is stimulating and challenging and as such encourages and motivates our employees to make a substantial contribution to the energy transition and to making the Netherlands more sustainable. The figure on the right illustrates our four-part vision quadrant.



Audacious goal

We aim to have a loan portfolio that is energy positive by 2035, on our way to climate neutral by 2050. Energy positive means that the renewable energy projects we finance, produce more renewable energy than the rest of our clients consume in fossil fuels. We aim to achieve this by encouraging our clients to reduce their energy consumption as much as possible and to use renewable energy wherever possible. At the same time, we finance renewable energy projects to make as much renewable energy available as possible. We know this is ambitious, but it is partly with this audacious goal in mind that we were the first financial institution in the Netherlands to draw up a **Climate action plan**. Last year, we presented our **ESG transition plan** as a successor to our Climate action plan. It describes the steps we are taking to make a positive contribution not only to the climate, but also to nature and society in general.



Core values

Passionate, committed and credible are our core values. We expect our employees to actively uphold these core values in their work. We are an organisation that strives to have a significant societal impact. We are passionate about our profession, about sustainability and about helping people. We challenge ourselves and others to continuously develop and improve, and to contribute to the social goals we share as much as possible.
Being credible is essential. We can only fulfil our social role to the full if society, and especially our clients, have confidence in our organisation and the integrity with which we operate as a bank. In addition, we are almost entirely dependent on the international money and capital markets for our funding. Integrity and transparent disclosure are also essential values, not only to investors, but to all stakeholders.



Core qualities

To properly fulfil these core values, core qualities are important, which we have also defined in the vision quadrant. At NWB Bank, it is essential that we have the ability and the will to do things that contribute to a stable and sustainable financial sector and an economy that is good for people and the environment. To do this, we need the right knowledge and experience, not only financially, but also in terms of our social role.
The Netherlands faces many challenges, such as the energy transition and making sure there is enough affordable housing. These are difficult tasks that we as a society must tackle together. At our oragnisation, we think and act proactively. It is important that we are effective, professional and inventive. We cherish these core qualities and constantly monitor them.

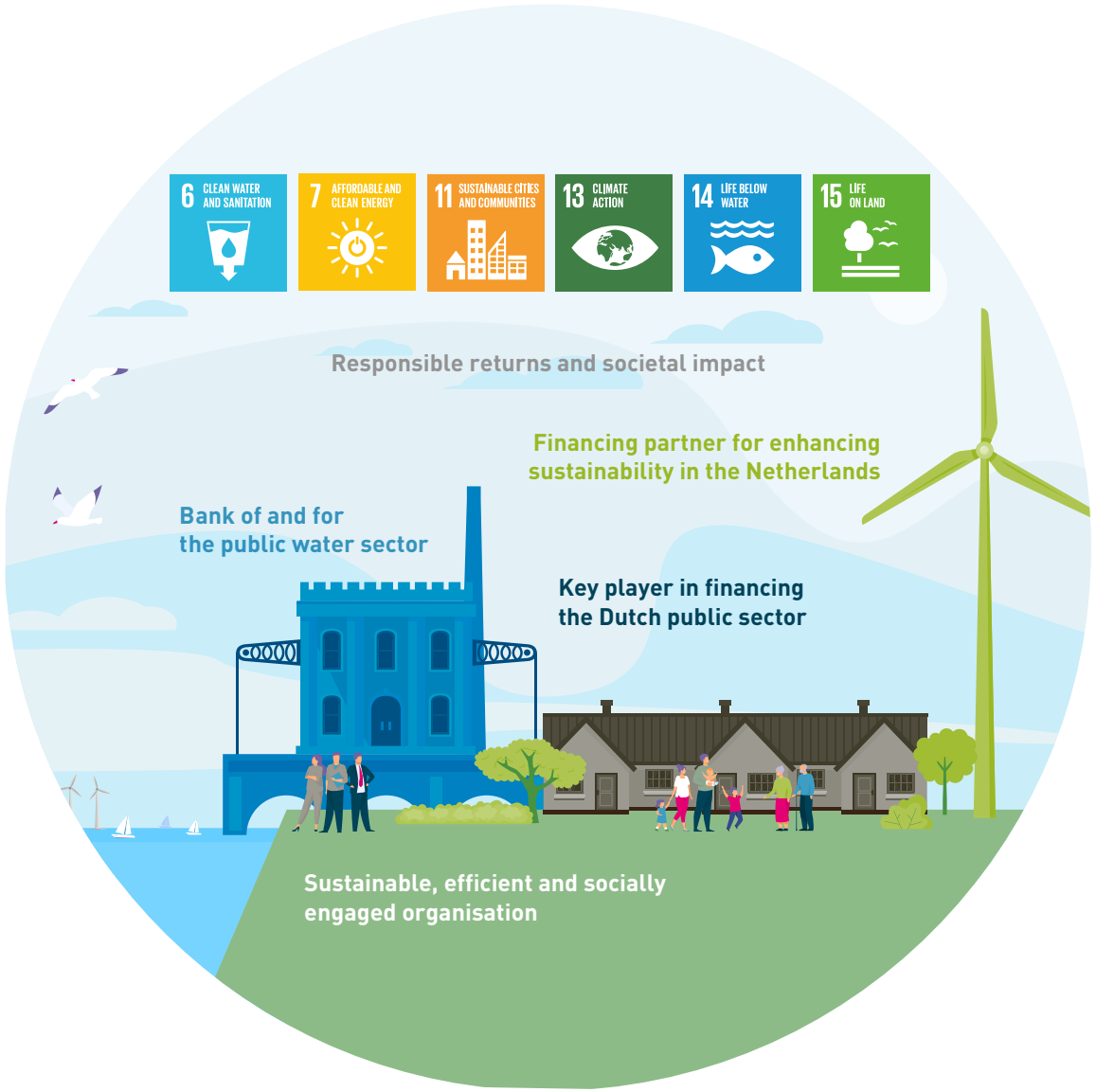
Long-term strategy

In consultation with the Supervisory Board, we have defined a number of criteria that our bank's operations must meet for us to be able to create added value for our clients, shareholders and other stakeholders.

Key criteria include maintaining our high credit ratings and our status as promotional bank. The latter means that, under European law, at least 90% of the bank's total lending qualifies as promotional lending. This refers to lending that helps to achieve public-sector policy objectives.

We have a low risk appetite entrenched in our articles of association. The activities of our bank are clearly linked to the Dutch public sector and are also identifiable as such to our shareholders, rating agencies and investors. The vast majority of our loan portfolio consists of loans to Dutch (local) authorities and loans guaranteed by these authorities. Another important starting point is that we are well-equipped organisationally, in terms of both our commercial capacity and our risk management, to handle both existing and new tasks.

NWB BANK'S STRATEGY



Medium-term strategy

In consultation with the Supervisory Board and stakeholders, we defined our medium-term strategy within the strategic framework in 2018. We call this the 'sustainable water bank' strategy.

NWB Bank's strategy is based on three pillars: we are *the* bank of and for the public water sector, a key player in financing the public sector and a financing partner for enhancing sustainability in the Netherlands. The foundation of our strategy is our sustainable, efficient and socially engaged organisation, and responsible and social returns are the keystone of our strategy. We will explain all these elements later.

Under the banner of 'the sustainable water bank', we set a number of concrete objectives for 2019-2023. In 2021, we extended these objectives to 2026, as a mid-term review showed the strategy was working and that we were on track with our objectives.

Starting with this annual report, we will be aligning our reporting with the Corporate Sustainability Reporting Directive (CSRD). To this end, we have explicitly linked our mid-term strategy to the directive's three overarching areas: environmental, social and governance (ESG). The CSRD defines what must be reported in these areas, and the first step is to identify the material topics for our bank. We do this using the concept of double materiality: we look at both the impact *of* our bank and the impact *on* our bank. You can read more about this in the Sustainability Statements.

The materiality analysis shows that many important societal issues touch on our strategy and activities. Factors such as climate change and our own employees are important to many financial institutions, including NWB Bank. Other issues are more specific to our role as a bank of and for the public water sector. The connectivity table provides an overview of the link between our strategy, the material topics/sub-topics we have identified and all the key performance indicators we report on in this annual report and the separate Sustainability Statements.



Pillar 1: We are the bank of and for the public water sector

We are *the* bank of and for the public water sector. That is our first strategic pillar. Our bank is the water authorities' primary integral financial service provider, and in financing these shareholders, we aim to maximise our market share. By providing appropriate financing at the lowest possible cost, we help the water authorities in their tasks of flood protection, water management and water quality. To finance lending to the water authorities, we issue designated Water Bonds (Green Bonds).

Drinking water companies have also traditionally been one of our important clients. Financing these clients ideally fits the profile of 'the sustainable water bank'. Drinking water companies' main task is to provide consumers and businesses with high-quality and sufficient drinking water, and to be able to do so in the future, they invest in environmental management. We want to expand our lending to this sector where possible.



Pillar 2: We are a key player in financing the public sector

Pillar 2 of our strategy is that we are a key player in financing the Dutch public sector. We also finance municipalities and provinces, as well as institutions backed by a (local) government guarantee, such as housing associations, healthcare institutions and educational institutions, with the financing they need on the best possible terms. In terms of outstanding debt, the social housing sector is the largest within the Dutch public sector and hence also our biggest client group when it comes to volume. To extend our impact in this sector, we issue so-called SDG Housing Bonds and use the proceeds for financing the housing associations. We thus help to keep social rents at affordable levels and also to improve the sustainability of the housing associations' housing stock.

Over the past 10 years, we have provided almost €85 billion in long-term loans. We aim to maintain our substantial market share in financing the Dutch public sector and, with total assets of almost €79 billion, we are a major player in the Dutch banking industry. Our

organisation helps to ensure a financially sound, social and innovative playing field in which public funds are used efficiently and effectively.

Our lending policy and product range is designed to meet the changing needs of the Dutch public sector. For example, we lend to public-private partnership projects and we invest in NHG RMBS bonds (based on securitised residential mortgages covered by a National Mortgage Guarantee). We have also adopted a policy of lending to public-sector clients with a relatively small borrowing requirement – clients such as amateur sports clubs (whose borrowing is covered by a municipal guarantee). The small scale of such lending makes it difficult to assist this type of client on a cost-efficient basis. The amount of time it takes to analyse both the sector as a whole and the individual client is often disproportionate to the size of the loan. If we had to factor in all the costs incurred in undertaking a thorough analysis in the form of a surcharge on the cost of the loan, this would drive up the interest on these loans. However, in the light of our social role, we have decided against doing this to ensure that we can also provide these small-scale clients with appropriate finance on the best possible terms.



Pillar 3: We are a financing partner for enhancing sustainability in the Netherlands

Pillar 3 is being a financing partner for enhancing sustainability in the Netherlands. We finance renewable energy projects and infrastructure projects that are crucial to the energy transition, such as district heating networks and regional grid operators. Government institutions and projects that have received a subsidy under the Renewable Energy Production Incentive Scheme (SDE+) can apply to us for project financing. This includes solar energy, wind energy and aquathermal energy projects. In this way, we make an important contribution to an affordable energy transition in the Netherlands and fulfil our commitment to implement the Paris Agreement.



Our foundation: sustainable, efficient and socially engaged organisation

The foundation of our strategy is that we are a sustainable, efficient and socially engaged organisation. We are a cost-efficient and highly capitalised bank (on a risk-weighted basis) operating under the direct supervision of the European Central Bank. While the diversification of our loan portfolio and the increasing demands being placed on banks require further investments in knowledge, staff and systems, with our workforce of around 145 staff, we remain a highly cost-efficient organisation.

As a bank of and for the public sector, we are highly aware of our own social responsibility. Keen as we are to set a good example, we are taking action to improve the sustainability of our own business operations.



The keystone: responsible returns and societal impact

'Responsible returns and societal impact' are the final elements of our strategy. As a promotional bank, we do not seek to maximise our profits, although it is important to generate a reasonable level of profit to achieve our objectives and distribute an appropriate dividend. Every year, we set a benchmark target return on equity in consultation with our shareholders and focus on the social return of our lending activities, which is ultimately what it is all about. In doing so, we place a strong emphasis on the climate impact of our loans, but our societal impact extends even further. It is also about the impact on biodiversity, social well-being, circularity and nature-inclusive solutions. We have outlined our goals and ambitions in these areas in our ESG transition plan, which we published in 2024 as the successor to our 2022 Climate action plan.

CONNECTIVITY TABLE

	Material topics	Opportunities ⊕ and risks ⊖	Impact: positive ⊕ negative ⊖	KPIs	Result 2024	Target 2030	Target 2050	Strategic theme
ENVIRONMENT 	**Climate mitigation**	⊖ Greenhouse gases	⊖ ⊕ Greenhouse gas emissions reduction	- Financed emissions (tCO_2e) - Emission reduction scope 1 and 2 (% - 2018) - SBTi liquidity portfolio targets - Renewable energy project financing (%) - Emission intensity reduction financed housing associations - Sustainable electricity bought (%)	1,511,197 27.7% - 100% 24.1% 100%	 65.5% 45.6% 100% 62.3% 100%	0% - - 	
	Climate adaptation	⊖ Extreme weather & floods, heat stress & floods ⊕ Investments water barriers	⊖ ⊕ (limited) flooding/ water damage	- Percentage of primary and regional flood defences tested (kms) and found to be compliant - Number of hectares of land not meeting flood standards in %	69,7 0.4%		100%	
	Energy	⊕ Energy transition ⊖ High energy consumption ⊖ Fossil fuel consumption	⊕ Financed renewable energy production ⊖ ⊕ Financed energy consumption	- Audacious goal	78.2%	100% (2035)		
	Water management		⊕ Quality drinking water ⊖ ⊕ Shortage of drinking water ⊕ Quality surface water	- Percentage of drinking water quality measurements meeting the standard - Percentage of surface water meeting the WFD standard (biological) - Percentage of surface water meeting the WFD standard (chemical) - Percentage of surface waters meeting the WFD standard (non-environmental)	99.9% 12.8% 0.7% 0.0%			
	Biodiversity and ecosystems	⊕ Biodiversity investments	⊖ ⊕ Ecosystem surface water ⊖ ⊕ Ecosystem land	- Number of hectares of managed protected areas in % - Percentage of surface water meeting WFD standard (ecological) - Percentage of surface area designed as green-blue network	33.3% 0.2% 5.6%	 5%	 10%	
SOCIAL 	**Our own employees**	⊖ Complaints ⊖ Key person risk	⊖ Absenteeism ⊕ Performance and development ⊕ Gender equality ⊕ Employment conditions	- Percentage absenteeism - Training hours per employee - Number of complaints - Gender pay-gap - CLA staff - Staff with performance management - Key person risk identified - Percentage women in Managing Board - Percentage women in management team	3.5% 41 0 - 100% 99% 100% 50% 54%			
	Social housing		⊖ ⊕ Housing shortage ⊖ ⊕ Poor quality social housing	- Number of social housing units - Housing associations' expenses in maintenance, quality of life and energy - Allocation rate for social housing - EFG energy labels	5,832 7.9 bln 67% 7.0%	180,000 (2035) 3.0% (2028)		
FINANCIAL 	**Safe, stable and efficient bank**[1)]		⊖ ⊕ Financial performance ⊖ ⊕ ESG performance	- Financial ratio - Credit ratings - New lending	36% (CET1) AAA/Aaa 9.6 bln			

1) This topic falls outside the scope of the Sustainability Statements and is addressed in this part of the Report of the Managing Board.

VALUE CREATION MODEL

We have designed a 'value creation model' to express the value that NWB Bank adds to society and the process underlying this.

Input

This part of the value creation model relates to the specific qualities or characteristics and the types of capital that we use to create value. We distinguish between financial, social and relational, human, intellectual, organisational and natural capital. The funding we obtain from our investors and the knowledge and experience of our staff are examples of different types of capital. This section also covers what we consider material topics: 'A safe, stable and efficient bank', 'Our own employees' and 'Our culture'.

Business model

The business model centres on our mission, our activities and our internal goals..

Output

As a bank of and for the public sector, our business consists of a single core activity, i.e. providing our borrowers with the financing they need on the best possible terms. For this reason, we regard our lending activities as our prime output.

Outcome

Outcome is about the direct impact of the financing we provide (the Output). We have organised this according to the five components of our strategy: the three pillars, the foundation and the keystone.

Our financing has various effects at the Outcome level, both inside and outside the bank. For our clients, for example, 'Availability and affordability of financing' is an outcome that we measure in terms of market share in financing certain sectors. This result is linked to the pillar 'Key player in the financing of the Dutch public sector'.

For the bank itself, for example, the impact of absenteeism and corporate culture are at the level of results linked to 'Sustainable, efficient and socially engaged organisation'. And in the final section, 'Responsible returns and societal impact', we look at our profit and return to our shareholders at this level.

Impact

In the Impact section, we examine the added value our clients create for society through our financing. This includes the (indirect) impact of our lending on climate, nature and social issues. All of our material CSRD issues (with the exception of the material topics for our own operations), as well as the six SDGs we have selected, are included in this part of the value creation model.

VALUE CREATION MODEL

INPUT

Financial capital
- Well-capitalised
- Low-cost funding
- High degree of creditworthiness
- Significant size

Safe, stable and efficient bank

Social and relationship capital
- National promotional bank in all relevant networks

Human and intellectual capital
- Committed, knowledgeable and motivated employees
- Balanced and diversified workforce

Own employees

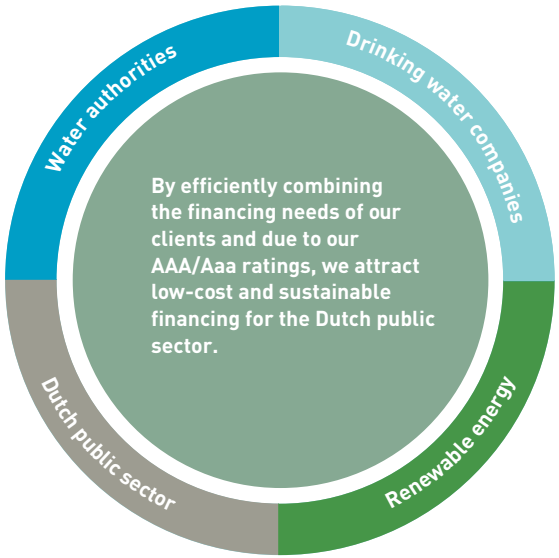
Organisational capital
- Professional and cost-conscious organisation
- High transparency and integrity in our governance structure
- Moderate remuneration policy

Corporate culture

Natural capital
- Energy-efficient and water-conscious operations

BUSINESS MODEL

Mission
Together we invest in a water-conscious and sustainable society



Leading the way in sustainability
We are *passionate* about working on a water-conscious and sustainable Netherlands

Triple A reliability
We are a *committed* and *reliable* partner for everyone we work with

Valuable work
We work *decisively* and *inventively* and spend our time effectively

Learning organisation
We are *expert* and improve ourselves continuous

OUTPUT

WATER AUTHORITIES
€750 MILLION

DRINKING WATER COMPANIES
€361 MILLION

WONINGCORPORATIES
€6.8 BILLION

MUNICIPALITIES AND JOINT SCHEMES
€654 MILLION

HEALTHCARE INSITUTIONS
€233 MILLION

GOVERNMENT-GUARANTEED LOANS
€365 MILLION

RENEWABLE ENERGY
€110 MILLION

OUTCOME

Bank of and for the public sector

Key player in the financing of the Dutch public sector

Available and affordable financing

Financing partner for enhancing sustainability in the Netherlands

Sustainable, efficient and socially engaged organisation

Safe, stable and efficient bank
Own employees
Corporate Culture

Responsible returns

IMPACT

Climate adaptation
Climate mitigation and Energy

Water management and Biodiversity and ecosystems

Social housing

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS AND CSRD ALIGNMENT

We have linked six United Nations Sustainable Development Goals (SDGs) to the strategy of 'the sustainable water bank', selecting those most relevant to our bank and where we can have the greatest impact.

The SDG that aligns perfectly with a bank of and for the public water sector is **SDG 6**: Ensure availability and sustainable management of water and sanitation for all. To determine our impact, we examine surface water quality and drinking water quality, which are the responsibility of water authorities and drinking water companies, respectively. The related material topic/sub-topic within the CSRD is 'Water', and this material topic/sub-theme is part of the environmental theme 'Water and marine resources' (E3).

SDG 13 emphasises the need for urgent action to combat climate change and its impacts. In the Netherlands, climate adaptation is a core responsibility of the water authorities, while housing associations play a key role in the energy transition and making housing more sustainable. Municipalities and provinces are also responsible for climate-resilient spatial planning and take measures to combat floods, droughts and heat stress. The related CSRD material topics/sub-themes are 'Climate adaptation', 'Climate mitigation' and 'Energy', which fall under 'Climate change' (E1). To make our business operations more sustainable, all new cars in our fleet are electric, and we have upgraded our office's energy label to A+. While our operational footprint is relatively modest, these efforts still contribute – albeit in a limited way – to SDG 13.

SDG 14 focuses on the conservation and sustainable use of oceans, seas and marine resources. The water authorities play a crucial role in maintaining clean and ecologically healthy surface water. They strive to ensure optimal water quality for users, including agriculture, drinking water companies and recreation, while also safeguarding the biological and chemical conditions for the plants and animals that live in the water. Within the CSRD framework, the relevant material topic/sub-theme for us is once again 'Water'.

SDG 15 relates to protecting and promoting the sustainable use of ecosystems, such as forests and grasslands. The activities of the water authorities not only affect biodiversity in the water but also on land. In managing and maintaining the water system, they must comply with legislation on the natural environment, most of which is contained in the Nature Conservation Act. The section of this Act on the protection of species is intended to promote the sustainable conservation of animal and plant species in the Netherlands. The water authorities have drawn up a bio-compass with five common principles that each water authority can use to work on restoring and conserving biodiversity in its own way. Within the CSRD framework, the corresponding theme is 'Biodiversity and ecosystems' (E4).

The SDGs that relate to this second pillar of our strategy are SDGs 11 and 13. **SDG 11** is about 'making cities and human settlements inclusive, safe, resilient and sustainable'. Housing associations own approximately 30% of the total housing stock in the Netherlands, and our bank covers over one-third of the needs of housing associations. To measure our impact, we examine the number of rental properties allocated each year within the income limits of the housing associations we finance. This aligns with our self-defined topic/sub-theme, 'Social housing. '

The activities in pillar 3 align with **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all. This strategic pillar also aligns with our material CSRD sub-theme 'Energy' within the theme 'Climate change' (E1). We monitor our impact through the amount of energy generated by the renewable energy projects we finance. The overarching CSRD theme that relates to our foundation is the social theme of 'Our own employees' (S1).

OPPORTUNITIES AND RISKS

Our strategy is designed to ensure that we maximise opportunities for making a responsible return and societal impact while mitigating the risks to which our organisation is exposed. When it comes to opportunities and risks, we apply the concept of 'double materiality' in line with the CSRD. According to this concept, material topics are looked at from two angles: the potential positive and negative impact of the organisation on people and the environment, and the impact of sustainability-related risks and opportunities on the organisation itself, predominantly from a financial point of view.
The former is called the 'inside-out' perspective, the latter 'outside-in.'

In recent years, we have further increased transparency on (strategic) sustainability (ESG) opportunities and risks. Our reporting follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). We continue to develop this reporting annually as we continue to integrate ESG risks and opportunities into our performance of tasks. The implementation of the CSRD is an important step in this regard.

Opportunities

Financing renewable energy projects is a good example of an outside-in opportunity we saw to contribute to the energy transition in the Netherlands. These projects are generally characterised by large financing requirements and long repayment periods. Providing this type of long-term project financing at a relatively low cost is a perfect fit for our bank, and in this way we contribute directly to the reduction of CO_2e emissions. It is simultaneously an example of inside-out.

We want to support our clients to whom we mainly provide balance sheet financing to carry out their tasks in sustainability. These include among others water authorities, drinking water companies, housing associations and municipalities. It is more difficult to exert any direct influence with this type of lending, however, as we are not financing a specific investment or project, but rather the client's overall financing need. However, we do monitor the development of our clients in terms of sustainability. To encourage clients to become more sustainable, we offer sustainability-linked loans (SLLs). With this type of loan, we agree on a set of sustainability performance indicators with clients in advance, and they receive a discount on the interest rate if they meet these indicators. We see offering this type of loan as a strategic opportunity, just as we have been active in issuing ESG bonds since 2014.

Offering sustainability-linked loans is an important part of the ESG transition plan we presented in October 2024. A successor to our 2022 Climate action plan, it describes the steps we are taking to make a positive contribution to the climate, nature and society. The transition to a sustainable society requires an integrated approach as sustainability is about much more than climate. Issues such as climate adaptation, mitigation, biodiversity, water management and circularity are closely interlinked. At the same time, sustainability can only be successful if it is also social and inclusive. We will ask our clients to develop action plans that address these issues, and we invite them to collaborate with each other and with us.

Risks

In addition to the opportunities for the bank to contribute to the necessary transition to a more sustainable, social and nature-inclusive country, climate change and biodiversity loss pose risks to society and our clients – and therefore us as a bank. We divide these risks into general risks and risks that affect us specifically through our loan portfolio. We manage, monitor and respond to all risks through our risk management framework, which is described in detail in the *Risk Management* section of the *Governance* chapter. ESG risks are also addressed there.

ESG risks can be divided into physical and transition risks. Physical risks relate to the physical consequences of climate change or environmental degradation and their negative financial impact on the organisation. They can be the result of sudden events (acute change) such as storms, floods, droughts or other extreme weather events, or as a result of gradual shifts (chronic change), such as rising sea levels, increasing water pollution and loss of biodiversity. Transition risks relate to the potential negative financial impact on the organisation

of the transition to a sustainable society. They are caused by legislation and regulation (stricter standards), technological innovation, or changes in the market, and customer and end-user preferences.

ESG risks take the form of strategic, operational, interest rate, liquidity and credit risk. By strategic risk, we mean the impact of ESG developments on our business model, our stakeholders and society's expectations of our contribution to the transition agenda, such as changing policies and regulations from governments or regulators (transition risks). For example, as a bank of and for the public sector, we are more sensitive to changes in government policy, which can lead to changes in clients' financing needs, and a need to respond proactively. We also have to comply with an increasing number of changing regulations. Within these laws and regulations, and also from regulators, there is an increasing focus on ESG risks, most particularly climate risks.

From an ESG perspective, operational risk is, for example, the risk of greenwashing, where loans and bonds are falsely labelled as green and sustainable, which can lead to legal risk. With regard to interest rate and liquidity risk, ESG risks can arise, for example, if investors lose confidence in our (sustainability) strategy and this negatively impacts the funding spread, if greenwashing occurs among financial counterparties, or in the case of reputational damage within the Dutch public sector, which can make it more difficult to attract funding.

We consider ESG risks that affect us through the loan portfolio as credit risk. This is mainly driven by physical climate and environmental risks (e.g. flooding, pollution and biodiversity loss), transition risks (housing sustainability commitments, water quality or greenhouse gas reduction) and social risks (energy poverty and healthcare shortages). We consider ESG credit risk to be material for most of our client groups, particularly housing associations, water authorities, municipalities, provinces, healthcare institutions and drinking water companies. ESG factors do not have a material impact on the financial statements through Expected Credit Loss (ECL), as the majority of these clients are public sector entities or guaranteed by public sector entities. A Loss Given Default (LGD) of 0% is used for this financing, so no credit loss is expected.

Systemic aproach

At NWB Bank, we apply a system vision to better understand the complexity and interconnections between ESG opportunities and risks. Indeed, climate mitigation, water management, and biodiversity are closely linked. By limiting the climate footprint of our loan portfolio - through financing renewable energy projects and making social housing more sustainable – we contribute to climate mitigation to limit the extent and speed of global warming. As part of climate adaptation, we also finance water management measures to prepare better for the impacts of climate change. Financing these measures is one of our core activities, as we were founded to finance investments by water authorities and are by far the leading financier in this sector. Water authorities play a key role in flood protection, draining excess water and storing water for dry periods. Through our balance sheet financing, we support water management techniques and infrastructure, helping to reduce flood and drought risks. This also reduces the climate risks faced by our other client groups and therefore the risks within our loan portfolio.

Climate adaptation goes hand in hand with a healthier natural environment. Green areas can better absorb large amounts of water during heavy rainfall and retain it during drier periods. Municipalities are therefore paying more attention to greening, while housing associations are ensuring gardens and green spaces are designed to prevent flooding immediately after heavy rainfall and to reduce heat stress. Maintaining and restoring biodiversity is also a core responsibility of water authorities. The measures they take to improve water quality have a positive impact on biodiversity, as a healthy ecosystem is essential for clean water and vice versa. This is also essential for the drinking water companies we finance. As a bank, we are aware of the link between sustainability and social issues. For example, although making housing associations' dwellings more sustainable requires significant investments, making social housing more sustainable also helps tackle energy poverty and helps tenants to pay their rent. By looking at things in this way and using our integrated approach,

we can effectively manage ESG risks and, as a bank, contribute to a sustainable future.

SWOT analysis

We are aware of our strengths and our weaknesses. We have summarised them in a so-called SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. The diagram below shows at a glance where we see the bank's opportunities and where we need to focus our attention.

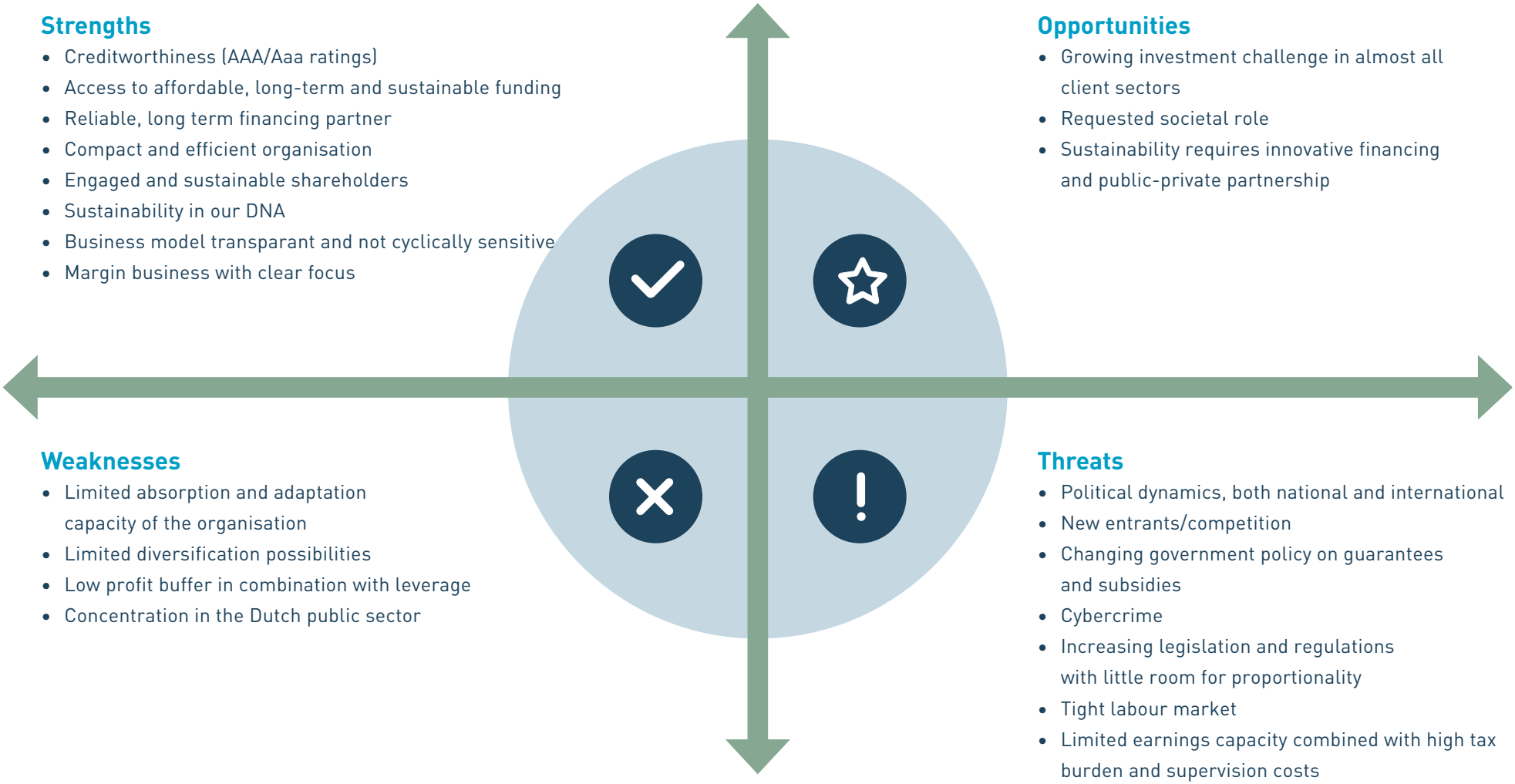
SWOT ANALYSIS

Strengths

- Creditworthiness (AAA/Aaa ratings)
- Access to affordable, long-term and sustainable funding
- Reliable, long term financing partner
- Compact and efficient organisation
- Engaged and sustainable shareholders
- Sustainability in our DNA
- Business model transparant and not cyclically sensitive
- Margin business with clear focus

Opportunities

- Growing investment challenge in almost all client sectors
- Requested societal role
- Sustainability requires innovative financing and public-private partnership



Weaknesses

- Limited absorption and adaptation capacity of the organisation
- Limited diversification possibilities
- Low profit buffer in combination with leverage
- Concentration in the Dutch public sector

Threats

- Political dynamics, both national and international
- New entrants/competition
- Changing government policy on guarantees and subsidies
- Cybercrime
- Increasing legislation and regulations with little room for proportionality
- Tight labour market
- Limited earnings capacity combined with high tax burden and supervision costs

THE SUSTAINABLE WATER BANK: RESULTS IN 2024

We report on our bank's financial results and activities over the past year
Based on our strategy and value creation model.

PILLARS

The first three paragraphs of this section of the Report of the Managing Board focus on each of our strategic pillars: 'Bank of and for the public water sector', 'Key player in financing the Dutch public sector' and 'Financing partner for enhancing sustainability in the Netherlands'. The pillars all relate to the bank's lending, which we consider the main output of our value creation model. For each client group, we show the main trends and developments, the amount of financing we provided in 2024 and the size of our loan portfolio in this sector. In the separate Sustainability Statements, we discuss our ESG impacts in more detail, based on our selected material topics and the CSRD standards. However, one material topic is discussed here, namely 'Available and affordable financing'.

FOUNDATION

After our strategic pillars, we turn to the foundation of our strategy: our sustainable, efficient and socially-engaged organisation. We explain what characterises our organisation and how we have operated over the past year. This covers the different types of capital that are the inputs to our value creation model, including the funds we have raised on the international money and capital markets and our people. This section also highlights the key financial ratios that form an important framework for our actions as a bank. The key themes of 'A safe, stable and efficient bank' and 'Our own people' are addressed in this section.

KEYSTONE

We conclude this section of the report with the keystone of our strategy: our commitment to 'responsible returns and societal impact'. In the Sustainability Statements, we look extensively at the social impact of our lending, so therefor in this section, we focus mainly on last year's profit and the financial return we generated for our shareholders. We see this as a very important outcome of our value creation model.



BANK OF AND FOR THE PUBLIC WATER SECTOR

The public water sector serves a vital public interest. In light of climate change and more frequent extreme weather events, protection against and of water is becoming an increasing challenge. We are facing more intense and prolonged rainfall while sea levels continue to rise. Water authorities are responsible for safe, clean and sustainable surface water, while drinking water companies are responsible for sufficient and high-quality drinking water. We support both groups of clients by providing appropriate financing on the most favourable terms possible.

Water authorities

Water authorities are experiencing the effects of climate change on a daily basis and are investing heavily to reduce CO_2e emissions, adapt their infrastructure to changing conditions, and continue to provide sufficient and high-quality surface water. Biodiversity and ecology also plays an important role in the work of the water authorities.

As *the* sustainable water bank, we fully support the role and ambitions of the water authorities. We are always ready to provide them with appropriate financing on the most favourable terms possible. The work of water authorities is capital-intensive and the need for significantly increased investment, and therefore financing, is only growing. In 2024, we provided the water authorities with loans of in total €750 million (2023: €781 million). At the end of 2024, we had €8.5 billion of financing outstanding with the water authorities. At the end of 2023, it was just under €8 billion.

It is essential that water authorities raise financing and make investments responsibly. In some cases, the debt ratio – the level of debt relative to annual revenue – is already quite high. At the same time, further investment in water management and quality remains necessary. Finding the right balance between increasing (tax) rates and managing debt levels will be crucial in the future.

Climate neutral by 2035

The Dutch water authorities announced their ambition to be climate neutral as early as 2035. This is an important and unique ambition that sets the bar higher than the national target. The 21 water authorities have laid down their ambition in the strategic vision *Towards climate neutrality*, which also states that they will map their climate footprint even better. They are looking at their own greenhouse gas emissions, including nitrous oxide and methane from wastewater treatment plants, as well as emissions from third parties working on behalf of the water authorities. They also aim to reduce greenhouse gas emissions in their surroundings, for example from peatlands, surface water and watercourses.

An intermediate step is energy neutrality in 2025, which the water authorities as a sector agreed on in the 2019 climate agreement. This means using as little energy as possible and generating as much renewable energy as possible, for example from wastewater or through solar panel and wind turbines. Water authorities have more than 300 wastewater treatment plants and are increasingly considering these as an intelligent local energy system. Good examples include the accelerated production of green gas and innovations such as green hydrogen for wastewater treatment plants. Aquathermal energy – the sustainable use of water to heat and cool homes – also has great potential. The potential of sustainable sources available to water authorities exceeds their own energy needs.

Innovation in the sector

The water authorities are always looking for new ways to make water management better, cheaper and more sustainable. A driving force behind this is innovation. Scaling up innovative projects often requires venture capital, but the provision of venture capital is not compatible with our risk appetite. In order to play a role anyway, we launched the NWB Water Innovation Fund in early 2021.

The NWB Water Innovation Fund is a self-governing entity independent from our bank. The fund finances water authorities' innovative projects with wide-ranging applications, which contribute to enhancing sustainability in the Netherlands. These include innovations in climate adaptation, climate mitigation, the circular economy, biodiversity, water quality, water safety and the energy transition. Scaling up many of these projects is challenging because obtaining risk-bearing capital can be difficult. The NWB Water Innovation Fund aims to help these projects progress beyond the pilot phase. It provides subordinated capital, always as co-financing: the fund contributes up to 50% of the required risk-bearing capital required, while at least a third comes from one or more water authorities.

In 2024, the NWB Water Innovation Fund awarded financing for the second time, this year to SusPhos to further develop their SusPhos technology. This will enable phosphate to be recovered from sewage sludge ash, a byproduct of wastewater treatment. The new phosphate recycling plant will be built next to the existing sludge processing plant of Slibverwerking Noord-Brabant (SNB) in Moerdijk. Seven water authorities are involved in SusPhos: Aa en Maas, Brabantse Delta, De Dommel, De Stichtse Rijnlanden, Limburg, Scheldestromen and Vechtstromen.

Sustainable impact of water authorities

We have calculated the carbon footprint for 100% of our loans to the water authorities, to be 508 kilotonnes of CO_2-equivalent in 2023[1] (2022: 683 kilotonnes of CO_2-equivalent). This corresponds to an emission intensity of 60.7 tonnes of CO_2-equivalent per €1 million (2022: 72.6 tonnes of CO_2-equivalent per €1 million) and means the climate impact of water authorities is following the desired trend. Both the absolute climate impact in tonnes of CO_2e and the relative climate impact in tonnes of CO_2e per €1 million financed decreased in 2023 compared to the previous year. The sector is also operating in line with the climate impact reduction path set out in our ESG transition plan. Water authorities face significant challenges in the coming years, meaning that continued attention is needed to stay on course. Client meetings in 2024 confirmed water authorities' commitment to developing the sector in a robust and responsible way. We also analysed their climate impact reduction targets and it stands out that the sector – through the umbrella organisation, the Association of Dutch Water Authorities (UvW) – has a clear target with detailed plans to achieve it. However, water authorities sometimes communicate on the urgency in different ways, and some lack reporting on the progress made. We will discuss this further with water authorities in 2025.

Drinking water companies

Drinking water companies have traditionally been clients of ours. Their task of providing consumers and other clients with sufficient volumes of high-quality drinking water is laid down in the Drinking Water Act. The Drinking Water Act precludes the privatisation of drinking water companies, making them an integral part of the public sector. The Act also protects drinking water activities and regulates the tariffs and related capital costs. The legal requirements and standards for drinking water are laid down in the Drinking Water Decree. This also includes the standards to be met by groundwater and surface water. In addition to providing drinking water, drinking water companies often also supply industrial water.

In 2024, we provided €361 million in long-term financing to drinking water companies (2023: €114 million). This helped further increase our market share in this sector to 35.1% (2023: 31.3%). The total volume of our outstanding financing to drinking water companies at the end of 2024 was €1,445 million (2023: €1,214 million).

Greater demand, fewer resources

Drinking water companies are facing major challenges. Demand for drinking water is increasing, while the availability and quality of sources is decreasing. The decline in drinking water sources is due to drought and salinisation caused by climate change, and the decline in

1) As a reminder, we use the previous year's loan portfolio to calculate the climate impact, as these are the most recent available figures. This means that in the 2024 Annual Report, we are reporting the climate impact of the loan portfolio as it was at the end of 2023.

drinking water quality due to emerging substances such as pyrazole, PFOA and GenX, pharmaceutical residues and micro-organisms. At the same time, demand for drinking water is increasing due to population growth, climate change and economic developments. In addition, developments in cybersecurity, the energy transition, and the increasing use of land and subsoil require attention.

To secure the future of drinking water supplies, drinking water companies expect a sharp increase in the necessary investments in drinking water infrastructure and nature management in the coming years. They will finance these investments with revenues from the supply of drinking water, but will also seek external financing, including from our bank. To accommodate the drinking water companies, the Ministry of Infrastructure and Water Management in 2024 increased the regulated maximum weighted average cost of capital (WACC) for 2025-2027. This helps drinking water companies generate higher returns while strengthening their financial position and creditworthiness.

Sustainable impact of drinking water companies

We gained a key insight into the climate footprint for 98% of our loans to drinking water companies, which in 2023 was 35 kilotonnes of CO_2-equivalent (2022: 42 kilotonnes of CO_2-equivalent). This corresponds to an emission intensity of 29.5 tonnes of CO_2-equivalent per €1 million (2022: 37.8 tonnes of CO_2-equivalent per €1 million). The relative impact of financing water companies decreased by approximately 22% in terms of tonnes of CO_2e per €1 million financed. This means the sector is operating in line with the climate impact reduction path set out in our ESG transition plan. We also note that water companies are aware of their impact, although in some cases, reduction targets could be better. In public policy documents and reports, we see significant differences in how transparent drinking water companies are about their climate impacts and mitigation actions. A sector-wide approach, including plans and monitoring, may offer a solution. We clearly already see the added value of such an approach with the water authorities.

All drinking water companies will need more production capacity in the coming years, while undesirable substances in drinking water sources and rainfall shortages are increasing. This makes the challenge of reducing material consumption and climate impact even greater. Water awareness in the Netherlands needs to improve, and the drinking water sector has also an important role to play in this.



IMPACT CASE
WETTERSKIP FRYSLÂN





Jeroen van Dijk
controller Wetterskip Fryslân



Sander Bosman
account manager Public Finance
NWB Bank

Dutch Flood Protection Programme

THE NEW BATTLE AGAINST WATER

The Flood Protection Programme (Hoogwaterbeschermingsprogramma, HWBP) is the largest dike reinforcement project since the Delta Works. Contrary to common belief, the Netherlands has not 'completed' this work – drastic measures are necessary to manage increasing periods of water abundance and scarcity.

Our impact

NWB Bank's contribution
In the new battle against water for a safe future, we are co-financing the Flood Protection Programme (Hoogwaterbeschermingsprogramma).

Key figures Wetterskip Fryslân

- 643 employees, management zone of 346,000 hectares
- 22 municipalities, 670,000 residents
- €142.8 million net costs of water system management
- €69.1 million net costs of purification management
- Client of NWB Bank for 70 years

"NWB has extensive knowledge of the sector and always provides valuable input."

Wetterskip Fryslân is in a unique position: it is the largest of the 21 Dutch water authorities in terms of area but the smallest in terms of population. "We're responsible for the coast of the IJsselmeer, the coast of the Waddenzee and four Wadden islands," says controller Jeroen van Dijk. "That means we've been entrusted with a major safety task." That's why it plays an active role in the Dutch Flood Protection Programme (HWBP). "That is an alliance of all the water authorities and the national government to keep the Netherlands safe. Half of the annual budget of €400 million comes from Rijkswaterstaat, the Ministry of Infrastructure and Water Management, while the other half is contributed by the water authorities. This financial input gives us influence, which is important because the water authorities have the best understanding of what each area needs."

Nerds in the positive sense

Jeroen emphasises how water authorities don't compete but work closely together. "It's a small world, with lots of interaction between engineers and specialists – nerds in the positive sense of the word – who take pride in their work. We share knowledge and expertise, which allows us to work intelligently and effectively, benefiting everyone, including the taxpayer. Some water authorities have no projects even though they contribute to the HWBP. For example, Amstel, Gooi and Vecht have virtually no flood protection, but if a dike bursts in the neighbouring area, Amsterdam will also be flooded."

Low level of water awareness

This interdependence requires cooperation. "The property tax value, as an objective indicator of economic worth, determines how much a water authority contributes to the HWBP, and the money is distributed fairly based on the tasks of each water authority. There is no debate about this principle of solidarity – we have the water authorities to thank for our tradition of consensus-building. This tradition goes back to 1255, with the founding of the first water authority, Rijnland, and is rooted in the battle against water. Today, we take it for granted that in the Netherlands the level of water awareness is the lowest in Europe. But flood protection is a fundamental part of our way of life, useful and essential."

Increasing challenges

The challenges are increasing, especially now that climate change is becoming a tangible reality, bringing more extreme weather. "In the past, we had to fight the sea. Now we also have to contend with periods of drought," says Jeroen. "What's more, sea levels are rising, and the land is sinking. Things are going to go wrong at some point, not least because the rising sea levels will reduce the drainage capacity of our rivers. On top of that, the subsoil is becoming increasingly saline. In short, the problem is getting bigger." The HWBP is there to ensure safety, "but reinforcing dykes has spatial consequences. In some cases, houses even have to be sacrificed."

Capital-intensive work

"Our work is capital-intensive, so we turn to NWB Bank to finance our projects. They're the best bank, have extensive knowledge of the sector and always provide valuable input. Moreover, the lines of communication are short, so they can arrange financing quickly." This is something, Sander Bosman, Public Finance Account Manager at NWB Bank, can confirm: "Sometimes, a water authority will call us in the morning, asking for a loan to be disbursed by the afternoon. Of course, we're happy to go the extra mile for the water authorities, as they are the founders and shareholders of our bank. We provide tailored solutions where needed, at the most favourable terms possible."

Koehool-Lauwersmeer

Jeroen gives as an example the Koehool-Lauwersmeer dyke reinforcement project. "We've been restoring the wave impact zone of the Koehool-Zwarte Haan section – the lower part of the dyke where the sea crashes against it. After 50 years of weathering, the old 'mortar' needs to be removed, after which we can 'reapply' it. So far, this approach seems to be working well, meaning we won't have to break open the dyke, which would be much more expensive and have a greater environmental impact. The goal is for the dyke to last another 50 years. But this is just the beginning: we still have 48 kilometres to go." And, of course, the HWBP doesn't stop in Friesland. The whole country needs to be future-proofed.



IMPACT CASE WMD



Our impact

NWB Bank's contribution

Through our financing of WMD, Drenthe can rely on the purest drinking water with the lowest environmental impact.



Joris Grotenhuis

sector manager production WMD



Aard Kluck

account manager Specialised Finance NWB Bank

New drinking water facility

DRINKING WATER FACILITY AS A SOCIALLY RESPONSIBLE MONOPOLIST

WMD Drinkwater is an organisation in the north of the country founded almost 90 years ago. It's a small drinking water company with a strong focus on its core business. Last year, it opened a new production facility in Beilen, about 10 kilometres south of Assen. Production sector manager Joris Grotenhuis tells us about it. "We offer a robust purification process."

Key figures WMD

- 243 employees
- 14 water catchment areas, 10,000 kilometres of water pipes
- 12 drinking water production plants
- Over 5,000 kilometres of main pipeline
- €47 million turnover
- €3.2 million result
- Client of NWB Bank for 10 years

"We are aware of our responsibility and ensure security of supply."

Commissioned in 2024, the new Beilen facility includes a water softening installation, as Production Sector Manager Joris Grotenhuis explains. "We offer a robust purification process, meaning our customers now have softer water, which isn't just a matter of comfort," he says referring to the stubborn limescale stains that appear in showers, sinks and elsewhere. "Less limescale means less buildup in household appliances with heating elements, and this, in turn, reduces energy consumption. It also taps into sustainability by lowering the need for detergent and soap, while the softening technology can also remove other contaminants from the water. Treated wastewater from industry and households is usually discharged from the treatment plant into surface water, meaning contaminants can end up in the soil, but WMD only pumps up groundwater, which mainly contains pesticide degradation products."

Strict monitoring

WMD monitors the situation closely, after which a robust purification process takes place. "We measure more and more, nowadays, with non-target screening. This means we don't just look for certain waste products but also for contaminants. I'm not shocked by what we find, but I am concerned. We monitor groundwater measuring wells in the catchment areas around production facilities. This allows us to detect new contaminants at an early stage. Staying vigilant is crucial." Needless to say, water softening and purification come at a high cost, while consumers, who pay roughly two euros per 1,000 litres, often feel that tap water is almost as free as the air we breathe.

Financial leeway

But somebody has to pay for it, which is why, from time to time, financing is arranged with the NWB Bank, as in the case of the Beilen production station. But WMD also contributes from its own resources. "The higher WACC standard for drinking water that the Ministry of Infrastructure and Water Management will apply from 2025 will enable drinking water companies to increase their returns," says Aard Kluck, Account Manager Specialised Finance at NWB Bank. "Having slightly more financial leeway will reduce the need for financing." The weighted average cost of capital has been set at 4.32% until the end of 2027.

Excellent synergy

Another way of making sure the new building was affordable was to cooperate with industry leader Vitens. "They're ten times bigger than us," says Joris. "In Appelscha, they take water from a Natura 2000 site, which can only be done to a limited extent without affecting nature. That's why they're now buying additional water from our production site in Beilen and have helped to finance the project. A great joint project with excellent synergy." However, the water supply is not something that can be taken for granted. "It's not yet the case, as with electricity, that companies and even residential areas cannot be connected, but here, too, it's important to be vigilant. After all, drinking water is a basic necessity."

Concentrating on the core task

The longer periods of drought, offset by extremely wet periods, make the availability of water throughout the year more difficult, says Joris. "There's a lot of water in the soil here, but for crops, the top few decimetres are the most important. If the water level drops too low, this impacts nature and agriculture. We're working with local partners to see how we can store water during wet periods so that it doesn't run off immediately and there's enough during periods of drought. We're aware of our responsibility because we have a monopoly in the region and ensure security of supply. WMD has divested itself of its non-core activities to concentrate on its core business. We have a lot of in-house knowledge in management, design and construction." Aard: "It's impressive how much WMD does itself. They're a great company. They've been a client of NWB for more than 10 years, and we have an excellent relationship. Their financial position has improved enormously thanks to the strategic decision to focus on their core business: the production of drinking water."



NWB Fund

PREPARED FOR THE TASK AHEAD: A LOOK INTO THE NWB FUND'S GLOBAL WATER PROJECTS

Core capital
€20.5 million

Available annually
€800,000

The NWB Fund supports global projects that contribute to improving water management. In this feature, Bert van Boggelen and Luuk van Elk share their experiences of the valuable work made possible by this fund. Beyond financing, Dutch water authority staff also receive training to help get these projects off the ground.

Managing water in other countries poses challenges. You have to deal with different working methods and cultural differences. Bert, the fund's director, is proud of the KIWI programme, an initiative that prepares water authority staff for international (field) work through a two-year training programme. The second group, which includes Luuk, started in the summer of 2022. For two years, they were trained in climate change research, project development and stakeholder management. Bert: "Aspects such as structural funding and support are essential to get a project off the ground. In the third Knowledge and Introduction Programme Water Authorities International (KIWI) programme, we'll place even greater emphasis on these important conditions."

Solar-powered pumping stations

In his daily work, Luuk is a hydrological consultant for the De Dommel Water Authority. He has travelled to Indonesia several times on behalf of the KIWI programme to help with a water conservation programme in Pekalongan, a city on the island of Java. "In the Netherlands, we already have serious concerns about the increased levels of water-related issues, but there the threat is far greater," he says. Due to climate change, the area faces more frequent and intense rainfall. Rising sea levels are an urgent danger. To prevent flooding, a large concrete wall has been built as an emergency measure, along with several large pumping stations to keep the water level high. These pumping stations run on electricity generated from coal or diesel, however.

About the NWB Fund

NWB Bank established the NWB Fund in 2006 to help improve global water management in cooperation with the Dutch water authorities. More information can be found at www.nwbfonds.nl

Since 2018, the Blue Deal programme has also been supporting larger international water projects. The NWB Fund works with this programme to achieve the greatest possible impact in partner countries.



In other words, they contribute significantly to greenhouse gas emissions despite the Indonesian government's ambitious goals to reduce its footprint. Luuk is working with local government agencies and a local university to explore the feasibility of solar power as a sustainable alternative. "We're not only looking at the technical feasibility, such as the required capacity and peak load, but also how the local community can benefit as much as possible from its implementation."

Rethinking the need to solve everything

Solar energy is not yet widely used in Indonesia, explains Luuk. This is an area where the country can learn from experiences in the West. But KIWI participants aren't just there to bring knowledge, they gain valuable insights to take back to the Netherlands. Luuk, for example, admires the way people deal with water-related problems. "In the Netherlands, even minor flooding causes considerable concern. But when there's flooding in Indonesia, people have a more accepting attitude. That was a real eye-opener. Maybe we shouldn't always try to solve everything."

Focus on nature and people

When evaluating project proposals, the NWB Fund review team carefully examines whether they align with the fund's objectives, Bert explains, and the fund is increasingly involving vulnerable and disadvantaged communities in projects. In addition to practical and technical considerations, it is important that solutions truly benefit those most affected by water-related issues. Much attention is also being paid to nature-based solutions, which make use of natural processes. A good example is the planting of trees to prevent erosion. The NWB Fund invested in a project in Tanzania, where it worked with Dutch start-up FarmTree to develop a useful tool to help farmers determine the best mix of trees and plants to improve water management in their area while also providing income for farmers.

Leverage effect

Although the NWB Fund finances small water management projects, these projects can have a big impact. "We regularly see a leverage effect," says Bert. "For example, the FarmTree tool is now being used in other African countries and even in Peru. And developing the business case for solar panels in Pekalongan will undoubtedly lead to interest elsewhere." Bert and Luuk look back on the second KIWI programme with great satisfaction. A motivated group of people worked on a variety of great solutions for water management, ranging from solar energy for pumping stations to software that informs farmers about extreme weather, dredging reservoirs, planting trees to prevent erosion and a sand engine for coastal protection. These and many other new, exciting projects have been successfully launched with the support of the NWB Fund.



KEY PLAYER IN FINANCING THE DUTCH PUBLIC SECTOR

NWB Bank serves the broader Dutch public sector. From the outset, the water authorities have also opened our bank to other public and semi-public organisations, such as municipalities, healthcare institutions and housing associations, but also local sports clubs with a financial guarantee from their municipality. We have become a key financier in the public domain. We promote a discerning, diverse and innovative playing field in which public funds are handled efficiently and effectively. In the past 10 years, we have provided loans totalling almost €85 billion and, with a balance sheet total of almost €79 billion, we are now the fifth-largest bank in the Netherlands.

In 2024, we succeeded in consolidating our significant market share in the (semi-) public sector, ensuring the availability and affordability of funding for all clients. Our loan portfolio grew to a record €57.0 billion (2023: €53.9 billion). By catering efficiently to our clients' financing needs and by virtue of our high creditworthiness and financial expertise, we can raise affordable financing with relatively long maturities in the international money and capital markets. Even during difficult times, such as during the credit crisis and the COVID-19 pandemic, we have repeatedly demonstrated that, as a promotional bank, we are always available to our clients.

Available and affordable financing

We ensure that our lending is and remains affordable. We do not pursue profit maximisation and always look for the cheapest way to finance ourselves and pass on the benefit to our clients. One example is the issuance of ESG bonds, a distinctive part of our business. The issuance of these sustainable bonds tends to be more favourable than that of traditional bonds and we also pass on that advantage to our clients.

We believe it is important for our financing to be not only available and affordable for the public sector, but also appropriate to their needs. Therefore, we always tailor our products and services to our client's specific needs and knowledge, taking into account the nature of the sector, the investment profile and the vision of the relevant supervisory authority. Financial products are subject to an internal product approval process before being offered to clients. This includes an assessment of the suitability of a product for a specific client group. This process plays a central role in our product responsibility and involves all of our bank's relevant departments. Products and services that have been approved are reviewed annually by our Asset & Liability Committee (ALCO).

Client validation

Before a loan is provided, each new client is subject to the customer due diligence (CDD) policy, i.e. the client validation process. Existing clients are periodically reviewed, and the credit management team within the Public Finance department and the Specialised Finance department plays an important role. Strengthening client validation has been intensified in recent years due to changing regulations.

Once a client has been validated and a loan taken out, we give the client all the attention they need, regardless of size or volume of lending. For instance, we essentially always respond to requests for face-to-face meetings – digital if need be – and, if requested, are prepared at all times to consider bespoke arrangements. Requests for bespoke repayment schedules and early repayments are a good example of this. We think along proactively with our clients in finding ways to optimise their loan portfolios. In light of the higher interest rates on the capital markets, we did not grant as many maturity extensions last year.

Sustainability-linked loans

A relatively new, special form of appropriate financing is the sustainability-linked loan (SLL). With this type of loan, we agree with the client in advance on a

number of sustainability performance indicators to be achieved, then the client receives a discount on the interest rate if these are met. In this way, we aim to positively stimulate and help accelerate clients' (further) sustainability efforts.

Sustainability is an important factor in all new lending and in the assessment of existing clients, not just in SLLs. Since 2022, we have assessed all lending on the basis of our Climate action plan; now, the publication of its successor our ESG transition plan in 2024 means the objectives and ambitions of this plan are leading.

Housing associations

In 2024, the largest portion of our lending continued to go to housing associations. This is not surprising, as they have the largest financing needs of all our client groups in the Dutch public sector. We provided €6.8 billion in loans to housing associations (2023: €5.3 billion), which consists of the primary loan demand in combination with the revision of credit spreads on existing loans. For the first time, we also provided a SLL to a housing association, Domijn (in Enschede), and looked at its sustainability targets for the next five years. If it meets these targets, it gets a discount on the interest rate and saves over €80,000 in the coming years.

At the end of 2024, we had nearly €35 billion in outstanding loans to housing associations (2023: €33 billion). In mid-2024, the Social Housing Guarantee Fund (Waarborgfonds Sociale Woningbouw – WSW) guaranteed loans to housing associations in the Netherlands in the amount of €92.2 billion. Our bank therefore finances around 37% of the outstanding guaranteed debt of housing associations, mostly for the long term, and, thanks to the WSW guarantee, at attractive interest rates and conditions. The long maturities fit well with the depreciation period of the associations' assets (housing), which is typically around 40 to 50 years.

We expect housing associations to borrow more in the coming years because of the huge sustainability task and housing shortages. Housing associations expect to invest more than €50 billion in their existing stock of social housing over the next 10 years. This amount is intended for sustainability improvements, such as insulation, making homes gas-free and upgrading homes that have an E, F or G energy label. There is also a commitment to the central government to build 250,000 new social housing units through 2030.

These agreements and commitments are contained in the National Performance Agreements (Nationale Prestatieafspraken) for social housing made by former Minister of Housing and Spatial Planning Hugo de Jonge with Aedes, the Woonbond and the Association of Netherlands Municipalities (VNG). In consultation with the current Minister of Housing and Spatial Planning, Mona Keijzer, these agreements were reassessed at the end of 2024 to redefine the tasks for new construction, sustainability and rent policy. This recalibration should ensure that housing associations can continue to exploit their long-term investment opportunities and achieve the targets set.

We only finance the portion of housing associations' debt that falls under the guarantee provided by the WSW. This concerns the financing of SGEI activities (Services of General Economic Interest). This ensures that all our lending to housing associations helps create added value for society. Housing associations provide good and affordable housing for people who need it. In many cases, these are households with modest incomes. Moreover, housing associations pay special attention to people who are unable to find a place to live for social, medical or psychological reasons, as well as to 'status holders' (refugees granted residence permits). Housing associations also work expressly to create a healthy and safe living environment.

A leading role in sustainability

All in all, housing associations manage approximately 2.3 million rental homes in which 4 million people currently live, accounting for about 28% of all Dutch housing stock. Due to the scale of their stock, as well as the social role they fulfil, housing associations are expected to play a leading role in the field of sustainability. Sustainability is, therefore, an increasingly important factor in their policies, through which they contribute

to the climate goals of the Paris Climate Agreement. Achieving CO_2-equivalent (CO_2e) neutrality by 2050 will require major investments, as for example, to make existing homes more sustainable through insulation, smart lighting, smart meters and the installation of renewable energy systems. Houses that are yet to be built should meet the latest environmental requirements and be circular and sustainably built.

Sustainable impact of housing associations

We now have a near-complete picture of the climate impact of our lending to housing associations. By the end of 2023, this amounted to 319 kilotonnes CO_2e (2022:336 kilotonnes) which equates to an emissions intensity of 9.8 tonnes CO_2e per €1 million (2022: 11.2 tonnes). Both the absolute climate impact in tonnes of CO_2e and the relative impact in tonnes of CO_2e per €1 million financed decreased compared to the previous year. The social housing sector is therefore operating in line with the climate reduction path we have set out in our ESG transition plan. Our analyses also show that many housing associations are clear about the longer-term goal, generally expressed as a 'climate-neutral housing portfolio in 2050'. However, there is often still a lack of clear delineation of how that goal will be achieved and progress monitored, as well as intermediate targets. Nevertheless, we see many positive developments, following each other in quick succession. This gives us confidence that the sector will eventually make strides in making its approach more concrete.

In the housing associations' plans for climate impact and the energy transition, the national performance agreements, revised in December 2024, continue to play a key role. While these agreements provide significant guidance, they also have limitations. For instance, there is little focus on climate impact related to material use. Moreover, in the current system, the sector's financial resources offer limited scope for large-scale progress.

Municipalities

In 2024, we provided municipalities with €578 million in loans (2023: €105 million) in addition to €76 million in loans to joint schemes (2023: €39 million). Local authorities regularly collaborate with each other in a growing number of areas, usually concerning tasks they can perform more effectively or efficiently together. Partnerships are sometimes prescribed by law, such as in the case of security regions, but cooperation is usually voluntary. At the end of 2024, we had a total of €5,764 million in financing outstanding with municipalities, and including joint schemes, this was €6,485 million. At the end of 2023, this was €5,901 million and €6,871 million, respectively.

Trends and developments

Municipalities are at the heart of society. Close to the people at the local level, they carry out a wide range of government tasks. Since 2015, a considerable number of social tasks have been decentralised to municipalities, which has left them responsible for organising a large part of the care and support for their residents. This requires funding, which is why it is important to get the municipalities' finances in order structurally. They currently receive about 60% of their income from the state, and a large part of this comes from the government's municipal fund. While municipalities have, on average, been in good financial health in recent years, the outlook is growing less certain due to rising budget deficits and impending cuts from central government. From 2026, there will be significantly less money available from the municipal fund due to a change in the central government's system for determining the size of this fund. The new system is not expected to take effect until 2027.

Sustainable impact of municipalities

We now have a complete picture of the climate impact of our lending to municipalities. At the end of 2023, this was 201 kilotonnes CO_2e (2022: 206 kilotonnes), which equates to an emissions intensity of 33.8 tonnes of CO_2e per €1 million (2022: 32.0 tonnes). Among municipalities, the absolute climate impact in tonnes of CO_2e therefore decreased slightly, while the relative impact in tonnes of CO_2e per €1 million financed increased. We therefore conclude that the sector is not operating in line with the climate impact reduction pathway of our ESG transition plan, which means that we will again have to pay extra attention to reducing municipalities' climate impact in 2025. While we only assessed the reduction targets of a limited part of our municipality client group, it is already

noticeable that municipalities generally communicate a lot about policy areas but somewhat less about the impact of their own organisation and real estate (owned or managed). This is something we will further encourage our client municipalities to do.

Healthcare

As a key player in financing the Dutch public sector, we count healthcare institutions among our clients. In 2024, we provided €233 million in loans to healthcare institutions secured by the Healthcare Sector Guarantee Fund (Waarborgfonds voor de Zorgsector – WfZ) (2023: €281 million). The WfZ guarantee is similar to the Social Housing Guarantee Fund and contributes to affordable and accessible healthcare in the Netherlands.

Our total outstanding loan portfolio in healthcare, including university medical centres (UMCs), stood at €1,985 million by the end of 2024, whereas at the end of 2023, this figure was €1,925 million. We also finance UMCs without WfZ guarantee with the total lending in 2024 reaching €90 million (2023: nil). The total volume of outstanding loans with UMCs, including forward starting loans, was €366 million at the end of 2024 (2023: €320 million).

Trends and developments

Demand for healthcare is growing, mainly due to an ageing population and increasing life expectancy, meaning costs are also expected to continue rising. At the same time, the sector faces a shortage of human resources, making it difficult to attract and retain sufficiently qualified healthcare professionals. Financial uncertainty from macroeconomic developments is also negatively impacting the investment climate, and energy prices continue to rise, as do prices for all kinds of products and services needed by healthcare organisations. Health insurers, as well as citizens paying premiums, are struggling to keep up with cost increases. Healthcare organisations, together with their care networks, will have to make the transition to appropriate care, with innovation leading the way. The goal is to keep healtcare affordable and accessible.

The healthcare sector in the Netherlands is responsible for 7% of the country's footprint and 4% of its waste. Simply by providing care, the sector is contributing to the climate crisis, the environmental crisis and the growing demand for healthcare. In 2022, healthcare providers worked with the government to launch the Green Deal Sustainable Healthcare 3.0, which includes agreements to make the sector more sustainable, including by reducing CO_2e emissions, waste streams and the environmental impact of medication. In 2024, we decided to co-sign this Green Deal, which includes the commitment to reduce CO_2e emissions by at least 55% by 2030, on the way to climate neutrality by 2050.

Sustainable impact of healthcare

We now have an overview of around 94% of the climate impact of our healthcare lending. By the end of 2023, this amounted to 63 kilotonnes of CO_2e (2022: 65 kilotonnes), equating to an emissions intensity of 32.7 tonnes of CO_2e per €1 million (2022: 36.9 tonnes).

The climate impact of our clients in the healthcare sector decreased again in 2023, both in terms of absolute and relative impact. The sector is therefore operating in line with our climate impact reduction path. We have only assessed the reduction targets of a limited proportion of our healthcare sector clients and we will enter into further discussions with this client group on climate impact in 2025 to facilitate progress where possible.

It is not yet clear if the Green Deal Sustainable Healthcare 3.0 is bearing fruit. It is, however, very clear that its themes – such as the environmental impact of medication use and raw material use – are as relevant as ever for healthcare institutions. Awareness around these themes is growing within the sector, a development we strongly encourage.

Government-backed loans

Foundations, associations and other legal entities that use a financial guarantee from a municipality or other (local) government can also apply to us for financing. In addition to large players, we regularly deal with clients with relatively limited financing requirements,

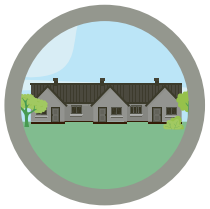
such as amateur sports clubs or schools that want to make their facilities more sustainable and/or renovate them. In 2024, we provided such government-guaranteed financing totalling €365 million (2023: €101 million).

NHG RMBS

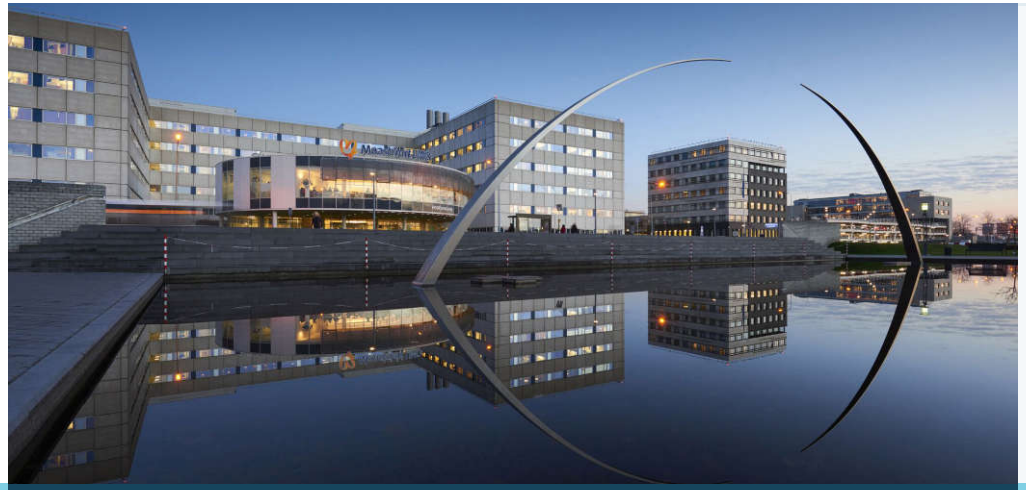
As a promotional bank, we contribute indirectly to financing private residential mortgages, ensuring they remain affordable by investing in pass-through NHG RMBS bonds. These are residential mortgage-backed securities based on residential mortgages with a National Mortgage Guarantee provided by a Dutch bank.

In 2024, we invested a total of €225 million in NHG RMBS bonds (2023: €409 million). The mortgages involved in these investments have longer maturities, in line with market needs, and there is a favourable rate for the portion of the mortgage used to make a home more sustainable. At year-end, our portfolio amounted to €2,864 million (2023: €2,638 million). In the coming years, we aim to continue contributing in this way to the affordability and sustainability of owner-occupied homes, especially for first-time buyers and those with lower incomes.

The climate impact of our investments in NHG RMBS bonds was 56 kilotonnes of CO_2e and the emissions intensity was 21.3 tonnes of CO_2 equivalent per €1 million.



IMPACT CASE
MAASTRICHT UMC+



Future-proof healthcare institute

INNOVATION AT LIMBURG'S NEWEST ACADEMIC HOSPITAL

As the old saying goes, prevention is better than cure. Maastricht UMC+ is right to embrace this principle in the face of ever-increasing pressure on the healthcare system and rising societal costs. Research and innovation to maintain and improve health are therefore crucial for the future - as is the renovation and automation of the Limburg University Hospital.



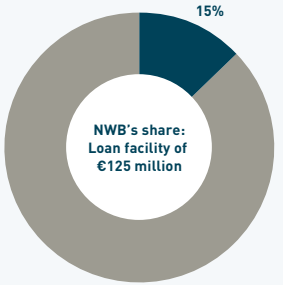
Leon Habets
director Finance & Accounting
Maastricht UMC+



Aard Kluck
account manager Specialised Finance NWB Bank

Our impact

NWB Bank's contribution
With an annual revenue of **€969 million** our **€125 million** loan facility is substantial.



Key figures Maastricht UMC+ (2023)

- 6,437 hospital employees
- 1,989 medical faculty employees
- 546 beds, 23,208 admissions per year
- Revenue of €969 million
- €28.7 million profit
- 14 years as a client of NWB Bank

"With a return of around 1% in the sector, margins for investment are limited, so we're happy with the financing from NWB Bank."

Is Maastricht UMC+ a good place to work? They certainly think so. Just ask Bram Houben, who has been there for 20 years, or Leon Habets, who has been there even nine years longer. Both know the university medical center inside and out—and see the major changes underway not as challenges, but as opportunities. 'There's always something happening in healthcare, and a large organization like this is naturally dynamic," says Leon, Director of Finance & Accounting. His colleague Bram, the Treasurer, agrees. "Maastricht UMC+ is the youngest academic hospital in the Netherlands. We have a strong partnership with Maastricht University's Faculty of Health, Medicine & Life Sciences, and we're working to further strengthen this relationship to increase our social impact."

Streamlining work processes

The new building and the renovation is a more significant financial undertaking Bram: "This building has been here since 1991 and was in need of a mid-life renovation. A new building will be constructed to house the main entrance and the staff restaurant. We'll also overhaul several of the departments. This means creating temporary workplaces and moving departments around. Over the years, the growing workforce hasn't always resulted in the most efficient workplaces. The renovation will allow us to bring them together and streamline work processes throughout the building." The entire project will take about 1,5 years to complete. "It will be almost finished around 2040, extending the hospital's life span by at least another 20 years."

Sustainability in building plans

"We're increasingly looking at reuse and have incorporated sustainability into the building plans," says Leon. "This is necessary as we must put less pressure on the planet." The sustainability efforts of Maastricht UMC+ are important to NWB Bank. "We're following it with great interest," says account manager in Specialised Finance, Aard Kluck." In September 2021, we provided a loan facility of €125 million based on the strategic real estate plan. This is a massive undertaking. Maastricht UMC+ plays an important role in the region, not just in healthcare but also in research and development." Leon: "With a return of around 1% in the sector, the margins for investments are extremely tight, so we're grateful to be able to raise financing from a partner like NWB Bank.

New electronic patient record system

Maastricht UMC+ is also in the process of implementing a new electronic patient record (EPR) system. "We're in the process of switching from SAP to Epic, an American provider of healthcare software. It takes some getting used to, but after the necessary checks and balances, we've successfully completed the implementation phase, always prioritising patient safety. Clinicians now have immediate access to all treatments and procedures involving a patient. In addition, invoicing and billing to health insurers will soon be more streamlined." Some adjustments were necessary, however, not in terms of rooms, but in terms of money. "Invoicing was suspended from October to February, so we had to create a financial buffer to continue paying salaries, among other things."

Strategic partner in healthcare innovation

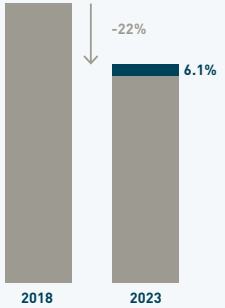
Like the building, the software was also in need of an upgrade. As Leon explains: "We had been using SAP since 2008 or 2009. That worked well, but Epic offers further integration in various areas and allows us, in a time of staff shortages, to work more efficiently. It's a global leader in artificial intelligence and a strategic partner in healthcare innovation. This allows us to collaborate on groundbreaking research with hospitals in other countries, for example, by sharing study results. In addition to small hospitals for basic care and larger hospitals for top clinical care, Maastricht UMC+ offers top referral and top clinical care. Prevention, in other words, reducing the need for care, is deeply embedded in our organisation. But how do you measure that? How do you prove its impact? Through research." As Aard concludes: "This social relevance fits NWB Bank, as a public sector bank, like a glove."

IMPACT CASE HOUSING ASSOCIATION DOMIJN



Our impact

NWB Bank's contribution
Climate impact 2023
22% lower compared to 2018,
with **6.1%** financed by
NWB Bank.





Luc Punte
manager Finance & Control
at Domijn



Hielke van der Aa
Sustainability Analist
at NWB Bank

Getting households off the gas grid

THIS HOUSING ASSOCIATION'S ENTHUSIASM IS CONTAGIOUS

Housing associations in the Netherlands are working in many ways to make their properties more sustainable. Housing association Domijn, which operates in Enschede and the surrounding area, is actively seeking cooperation with partners. Their drive is contagious. "Our agreement with NWB Bank for a sustainability-linked loan is attracting a great deal of interest."

Key figures Domijn

- More than 14,000 homes
- More than 16,000 rental units
- 229 new homes and 16 care apartments to be built by 2024
- €112,364 million in rental income
- 24,780 m² Isovlas (bio-based) material used for roof insulation in 2024

Luc Punte:

"Domijn is making a major commitment to bio-based insulation, such as the use of flax for roof insulation."

The social housing sector has made clear commitments in climate agreements: all homes must be off the gas grid and CO_2 neutral by 2050. This is no small task. Luc Punte, Finance & Control Manager at Domijn, is enthusiastic about their approach and the deepened collaboration with NWB Bank. They're the first housing association to take out a sustainability-linked loan, and if the organisation meets its sustainability targets, it will receive a discount on the interest, saving it €80,000.

Engaging partners

Domijn, which operates in Enschede and the surrounding area, manages and rents out more than 14,000 apartments. The company focuses on 'a home for everyone: good and affordable housing for people with lower incomes'. Sustainability is a top priority. Sustainable construction, making homes resilient to climate change, energy transition – the organisation faces numerous challenges. What choices are you making, and what are the implications? These are challenging questions that affect many segments of society.

That's why Luc and his colleagues decided to consult with partners, not only on CO_2 reduction but also on how to effectively measure and report ambitions and impact and what kind of information stakeholders expect. This led to fruitful discussions about results, visions and expectations. This was also the case with NWB Bank. As Luc comments: "We had a very pleasant, open conversation, which ultimately led us to the excellent sustainability-linked loan."

"We were pleasantly surprised at the bank ," says Hielke van der Aa. As a sustainability analyst, he's well-versed in the subject of sustainability and enjoys discussing it. He and his colleagues accepted the invitation with enthusiasm. "We want to have an impact on sustainability, not only through our financing but also by proactively engaging with our clients. So it was a pleasant surprise when the housing association approached us."

Broad goals

That first conversation was just the beginning. It quickly led to further meetings to continue the discussion about the sustainability-linked loan. Domijn is a pioneer in the sector with this performance-based loan, but that didn't cause any hesitation. "The loan aligns perfectly with the sustainability steps we're already taking," says Luc. In a series of discussions, the housing association and the bank agreed on three clear, ambitious targets. Rather than focusing on just one aspect of sustainability, the approach is broad, aimed at climate protection, circularity and preventing energy poverty among tenants. For example, the housing association is committed to significantly reducing CO_2 emissions through its housing stock. This means, for example, insulating homes or connecting them to a sustainable heating network. In addition, the housing association is investing heavily in bio-based insulation, such as the use of flax for roof insulation. Finally, the housing association is expanding its energy consultancy service, so each year, many tenants will receive advice on sustainable installations or the smarter use of energy-guzzling appliances.

"Another great goal," says Luc, "one that directly benefits the tenants."

Ripple effect

With this loan, the housing association is taking another valuable step towards more sustainable operations. Domijn used the signing of the agreement with NWB Bank as an opportunity to reflect on this milestone. Hielke and Frenk van der Vliet, CCO of NWB Bank, travelled to Enschede not only to sign the contract but also to visit one of the company's innovative initiatives. The visit to Bundle, a social housing community for young people, made a big impression. This initiative combines social and climate goals, as Luc explains: "these young people live in comfortable, affordable studios made of wood and recycled materials."

A press release about the loan and the sharing of experiences at seminars and meetings, has generated many positive reactions from colleagues in the sector. The sustainability working group of the social housing umbrella organisation Aedes held fruitful discussions on how to make sustainability more tangible. The loan also sparked interest at Domijn itself. Employees were keen to contribute ideas to further shape sustainability targets. "A wonderful ripple effect," concludes Hielke, "just the way we like it!"



FINANCING PARTNER FOR ENHANCING SUSTAINABILITY IN THE NETHERLANDS

The coming decades will require major investments to enhance sustainability. We see our organisation playing an important role, not only with loans to our long-standing clients – such as water authorities and housing associations – but also by providing favourable financing for sustainable energy projects, such as wind farms and district heating networks.

This is how we can make an important contribution to an affordable energy transition in the Netherlands and take concrete steps to help shape our commitment to the Climate Agreement. We have put the financing of renewable energy projects even higher on our own agenda by setting an audacious goal: to have a loan portfolio that is energy positive by 2035, on our way to climate-neutral by 2050.

Financing sustainable energy projects

We started financing sustainable and renewable energy projects several years ago. Projects and organisations that are eligible for a subsidy – 'Stimulating Sustainable Energy Production and Climate Transition (SDE++)' – can come to us for financing. The SDE++ is the successor to the SDE+. Whereas the latter focused on the production of renewable energy, the SDE++ has focused on CO_2 reduction since its introduction in 2020. In the time since, technologies such as aquathermal and geothermal energy have become eligible under the subsidy scheme. We can also provide financing if a project has public shareholders or if local authorities provide a guarantee for the loan. Government involvement is an important condition for us as a public sector bank.

Further expansion of loan portfolio

In 2024, we continued to expand our loan portfolio with sustainability projects, albeit to a lesser extent than in the previous year. We provided €110 million in financing to renewable energy projects in 2024 (2023: €227 million) while the number of new projects with financing requests decreased, both in quantity and average size. Overall, projects are expected to continue to decrease in average size. In line with our desire for further diversification based on social impact, we expect to expand our portfolio with projects in other sectors by 2025.

Our total outstanding loan portfolio to renewable energy projects was €1,088 million at the end of 2024 (2023: €1,038 million).

Our audacious goal: becoming energy positive by 2035

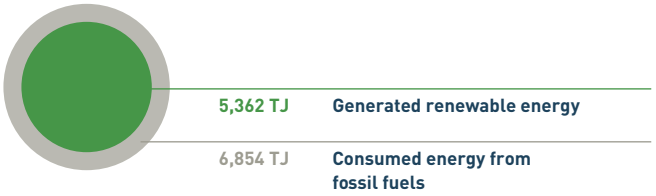
Financing the transition from fossil to renewable energy is a key focus of our organisation. In line with our goal for our loan portfolio to be climate-neutral by 2050, in 2022, we set an additional audacious target: our loan portfolio will be energy positive by 2035. By setting this target, we are focusing on a key component of our financing impact: optimising the energy balance of the organisations and projects we finance. On the one hand, we will encourage our clients to save energy, and on the other hand, we will stimulate renewable energy production through appropriate financing. The definition of energy-positive is that the production of renewable (climate-neutral) energy by the clients and projects we finance exceeds the consumption of fossil energy by our clients and projects from 2035 onward. We are focusing on both the heat and electricity transitions. Since the introduction of this audacious goal, it has immediately brought greater focus to our approach to lending and engagement.

Progress against our audacious goal

Compared to the previous year, we made significant progress towards our audacious goal. Our clients and projects produced 5,362 terajoules (TJ) of renewable energy in 2023. Their fossil energy consumption was 6,854 TJ. In 2022, the amount of renewable energy generated by our clients and projects was 2,750 TJ, compared to 7,692 TJ of fossil energy consumed.

In 2023, we added 11 new operational solar farms and 6 new operational wind farms to our portfolio. In addition, drinking water companies started to produce and distribute more green gas, biogas and electricity themselves. Despite this encouraging increase, we still have a tough challenge ahead of us to make our loan portfolio energy-positive by 2035. In particular, we can play a bigger role as a financier in the heat transition and will again pay particular attention to this in 2025.

AUDACIOUS GOAL: ENERGY POSITIVE BY 2035



The data we use to monitor this audacious goal, like our climate impact data, is for the 2023 financial year, not 2024 like the rest of our reporting in this Annual Report. And, as with our climate footprint, the energy production and consumption of clients and projects we finance is allocated based on the ratio of outstanding financing to the client's or project's total liabilities.

The consumption data comes from the Het PON & Telos research institute, which includes it in its annual Climate Impact Survey; the production figures for the water authorities come from the engineering company Arcadis, which collects this data in the context of the water authorities' annual Climate Monitor.

For renewable energy projects and district heating networks, we collect client-specific data ourselves. This includes looking at reports from technical consultants. We therefore use some client-specific data and some industry averages. This results in an average data quality score of 3 out of 5 for the audacious target, in line with the PCAF methodology.

IMPACT CASE HVC



Using heat from sludge and geothermal energy

THE ENERGY TRANSITION AS A JOINT MISSION

HVC and NWB Bank have enjoyed a pleasant working relationship for many years – a collaboration that has recently become more intensive. “Our discussions aren’t so much about the level of financing, but more about our common interest in advancing the energy transition. It’s great that we can work together in this way.”



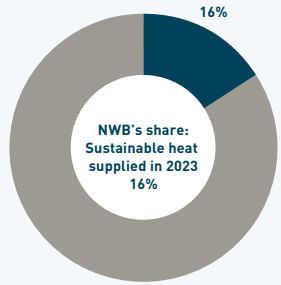
Noortje Magis
CFO HVC



Peter Borghstijn
project finance manager
NWB Bank

Our impact

NWB Bank's contribution
Sustainable heat supplied in 2023: Approx. **750,000 GJ**, with **16%** financed by NWB Bank.



Key figures HVC (2023)

- 27,402 connected household equivalents (heat customers)
- 561.077 GWh of renewable energy production
- 344 kilotonnes of sewage sludge processed with SVI
- SVI provides 100% renewable heat for 7,000 households
- 230 kilotonnes of sewage sludge to be processed with SDI starting in 2026

Noortje Magis:

“With the new sludge drying installation, we prevent 28.5 tons of CO_2 emissions per year."

HVC is a public energy and raw materials company. Active in West Friesland, North Holland, South Holland and Flevoland, it is currently helping 52 municipalities and eight water authorities become more sustainable. As CFO Noortje Magis explains, 2024 was a good year. The energy and waste management market continues to develop and we feel strengthened in our mission, partly due to the confirmation of our mandate from the shareholders."

Heat from sewage sludge

Noortje talks with pride about the sludge processing plant in Dordrecht, where the sludge left over after the water authorities purify sewage water is used for heating networks – both in Dordrecht and, from autumn 2025, also in Sliedrecht. HVC processes the sludge, captures the hot vapours that are released and converts them into heat. Today, 6,500 households are using this sustainable heat, with 2,000 to be added in Sliedrecht. This successful project is also being replicated in Alkmaar, where a sludge-drying installation is being built. "The new installation replaces an outdated sludge incinerator from an external party that consumes 16 million cubic metres of gas per year," says Noortje. "This will allow us to prevent 28.5 tonnes of CO_2 emissions per year."

Financial solidity

Overcoming challenges as big as the energy transition requires financial solidity. When Noortje saw HVC's balance sheet at her job interview in 2022, she was curious about the company's financial resilience. "The shareholders support the balance sheet through a joint guarantee, so it's a solid foundation," she explains. Nevertheless, the company is also working on strengthening its equity capital. In addition, HVC is pleased to see the confidence of banks that make important investments possible with both project and balance sheet financing. "We're a good match with NWB Bank: we have a large overlap in stakeholders and the same perspective on the development of a sustainable society."

Long-term horizon

Peter Borghstijn of NWB Bank agrees that HVC makes a good match. "As a public organisation, HVC benefits from stable financing with a long-term horizon," he says. "Our financing products also focus primarily on the long term, so that's an excellent fit. In addition, we share the same sustainability mission. For example, we're now following HVC's geothermal developments in the Westland region with great interest. Geothermal energy is already being used extensively there as a heat source to heat homes and greenhouses." Drilling for geothermal energy, however, comes with risks – such as finding no hot water or polluting the groundwater – which means banks must carefully consider whether they want to be involved. NWB Bank is also exploring the financing options for geothermal energy.

CO_2 model

Like NWB Bank, HVC believes it is important to communicate the results of sustainability efforts clearly. "We've built a CO_2 model that we hope does justice to our vision and mission," says Noortje. "We're working on reducing CO_2 emissions in various ways: by replacing fossil fuels with biogenic material such as sludge and using geothermal energy, for example, but also by capturing CO_2 when incinerating non-recyclable waste, so that it doesn't end up in the air." According to Noortje, the results still sometimes give a distorted picture. "Our customer group is growing, which means the reduction in emissions doesn't show a constant upward trend. That can be difficult to explain."

Working together

"In the coming years, we want to work together with NWB Bank to make an even bigger difference," she continues enthusiastically. For example, HVC is also looking into phosphate recovery from the incineration of sewage sludge. This process produces fly ash, a quarter of which consists of phosphate, an important raw material for industry and agriculture. "We're conducting research with partners and comparing the feasibility of technologies," explains the impassioned CFO, who is pleased with the good progress and the knowledge that parties such as the water authorities are contributing. "It's striking how intensively the water authorities are working on sustainability. I see a lot of creativity and innovative power – and that inspires confidence."



SUSTAINABLE, EFFICIENT AND SOCIALLY ENGAGED ORGANISATION

We can only fulfil our role in financing the Dutch public sector if we are well-equipped as an organisation. This is the ethos that forms the foundation of our strategy. We are one of the most cost-efficient and best-capitalised banks on a risk-weighted basis, and are supervised by the European Central Bank. Our employees are motivated and qualified to serve the public cause in their own individual way and we also lead by example in terms of sustainability and social engagement.

One key strength is our compact and flat structure. Although we grew substantially again last year – from 131 employees at the end of 2023 to 145 employees at the end of 2024 – we have maintained our compact organisational model and open culture as much as possible. The growth in staff numbers last year is a result of our ambitions in the area of sustainability, the further diversification of our lending activities, and ongoing investment in becoming a more professional and effective organisation.

Safe, stable and efficient bank

In 2024, NWB Bank was again in the top 10 of the world's safest banks, ranked sixth. This stability is reflected in our capital and liquidity ratios and our credit and ESG ratings. It is important to keep investing in knowledge, personnel and systems. At the same time, we try to keep our costs under control and maintain the lowest possible cost/income ratio.

Capital ratios

Our bank's Tier 1 equity capital, including hybrid capital, amounted to €2,299 million at the end of 2024 compared to €2,235 million at the end of 2023. The level of risk-weighted assets reached €5,550 million compared to €4,659 million at the end of 2023. This increase is due to an adjustment in the risk weighting used for drinking water companies and grid operators. After extensive analysis, we qualified these client groups in our 2023 Annual Report as public sector entities with a corresponding lower risk weighting. After consultation with the regulator, we decided to reverse this adjustment in 2024.

This also influences our capital ratios. The Tier 1 ratio was 41.4% at the end of 2024, compared with 48.0% at the end of 2023, and the core Tier 1 capital ratio (CET1 ratio) was 35.7% at the end of 2024, compared with 41.1% at the end of 2023.

Capital requirement

The capital ratios are well above the minimum requirements. The total SREP capital requirement for our bank is now 10.25%, an aggregate of the total Pillar 1 capital requirement of 8.00% and the Pillar 2 capital requirement of 2.25%. The required capital conservation buffer of 2.50%, together with the countercyclical capital buffer of 1.95%, brings the total capital requirement for NWB Bank to 14.70%.

Leverage ratio

The leverage ratio, unlike the Tier 1 and CET1 ratios, is risk-unweighted, and it is derived from the capital requirements under Basel III. This means that its calculation does not take into account the risk profile (expressed as a risk weighting) of a bank's assets. The leverage ratio is defined in the European Capital Regulation CRR II, which entered into force on 27 June 2019. It has been enforced since 28 June 2021. Under CRR II, we, like other promotional banks, are permitted to exclude our public sector lending from the calculation of the leverage ratio. As of 31 December 2024, our leverage ratio was 24.0%. This is higher than the 20.6% ratio published at the end of 2023 and thus well above the 3%

minimum requirement in force since 28 June 2021. Even if we did not adjust the leverage ratio for our promotional assets, we met the 3% minimum requirement at the end of 2024.

Liquidity ratios

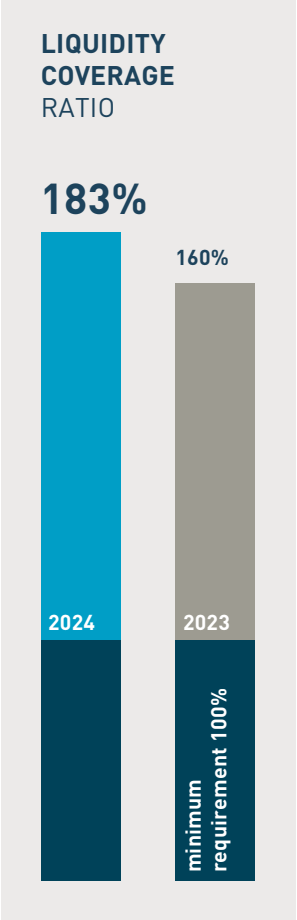
The purpose of the liquidity coverage ratio (LCR) is to ensure that institutions hold sufficient liquid assets to withstand any net liquidity outflow under severe stress conditions over a 30-day period. Our organisation's LCR at the end of 2024 stood at 183% (2023: 160%), which is well above the minimum requirement of 100%.

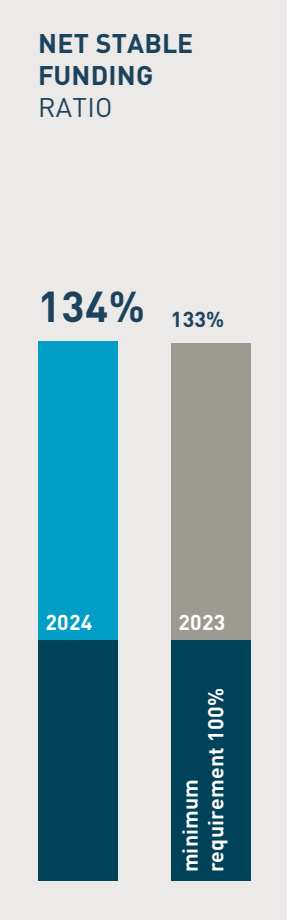
For NWB Bank, the net stable funding ratio (NSFR) at the end of 2024 was 134% (2023: 133%). This was also well above the minimum requirement of 100%. The NSFR is also a liquidity ratio and focuses on the availability of liquid assets in the longer term. The internal liquidity requirements are determined in part through the internal liquidity adequacy assessment process (ILAAP), and we again comfortably met these requirements in 2024.

Credit ratings

Retaining our organisation's high-quality risk profile, as reflected in our credit ratings, is a priority of our long-term strategy. To be able to optimally serve our clients, it is important for our credit ratings to be, and remain, in line with those of the State of the Netherlands. For years, we have enjoyed the highest credit ratings from Standard & Poor's and Moody's: AAA/Aaa.







ESG ratings

We also aspire to a high-quality risk profile in terms of sustainability. Our sustainability policy and its application are assessed by several ESG rating agencies. In general, we have strong sustainability ratings and want to further improve them where possible. NWB Bank has ESG ratings from Sustainalytics from the Netherlands, ISS ESG from Germany, MSCI ESG Research from the US and Moody's (Vigeo Eiris) from the UK.

The agencies issue ratings or scores based on their own ESG assessment framework. Further information about their assessment frameworks can be found on their websites. Although no harmonised assessment has yet been made by the rating agencies mentioned above, at most of these rating agencies, our ESG rating is at the top of the peer group.

Costs and organisational development

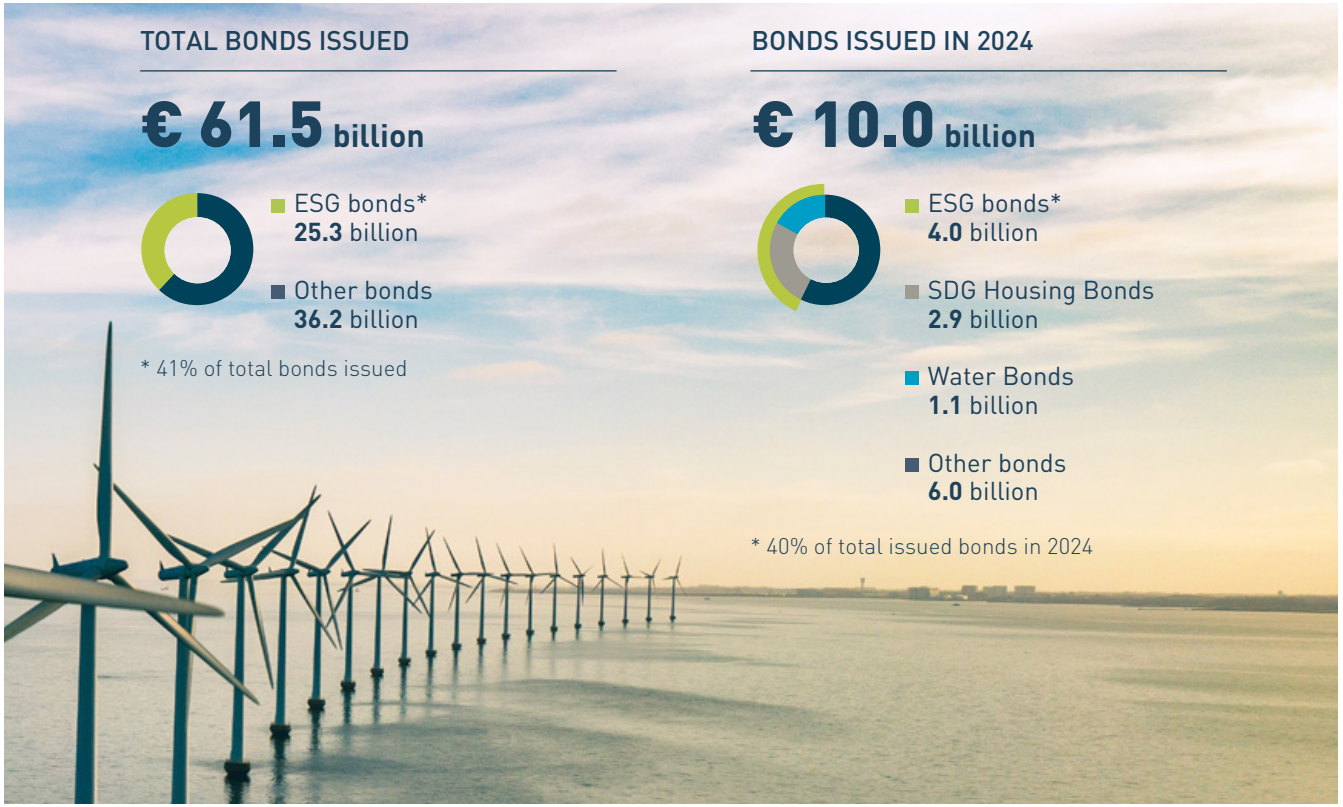
Operating costs in 2024 were €60 million compared to €53 million in 2023. This increase is largely due to higher staff costs, which increased from €23 million in 2023 to €28 million in 2024, not only because of an increase in staff but also because of collective labour agreement salary increases. Partly related to this, ICT costs also increased. We are also investing in capacity, systems and knowledge in areas such as ESG and data. In various projects, we regularly called on external consultants.

Laws, regulations and supervision

Laws and regulations are increasing both in volume and complexity. Examples include capital requirements and directives, the CSRD and EU Taxonomy, the Digital Operational Resilience Act (DORA), and the various guidelines issued by the European Banking Authority (EBA), including those related to subcontracting and ESG risk management.

Tax burden

The tax burden for 2024 amounted to €38.9 million, bringing the effective tax rate to 29.4%. Because we were able to report a leverage ratio of 20.6% at year-end 2023, we did not have to remit anything last year in connection with the minimum capital rule for banks and insurers. This rule, which is also referred to as the 'thin cap rule,' limits the deduction of interest for corporate income tax purposes to the extent that a bank's leverage

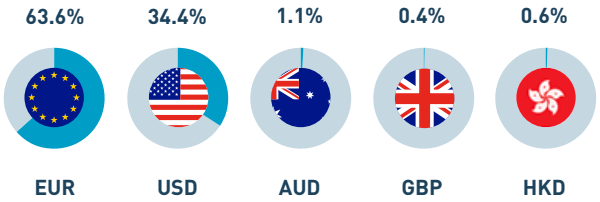


ratio is lower than 10.6%. The bank charge in 2024 was €18.3 million. In early 2024, the Single Resolution Board (SRB) indicated that the resolution fund had reached its target capital. This means that we did not need to make a resolution contribution in 2024.

ESG bonds

The vast majority of our funding from the international money and capital markets is raised through the issuance of bonds and commercial paper. As a sustainable bank for the public sector, ESG bonds have become an indispensable part of our business operations. In addition to traditional investment considerations, such as investment safety and risk-adjusted returns, investors purchase these bonds because they want to support climate-friendly and social projects within their investment mandates. By issuing ESG bonds, we continue to attract new investors and increase the market reach for these bonds. The issuance of these bonds underscores our role as a robust and sustainable financial partner for the Dutch public sector.

FUNDING RAISED BY CURRENCY



Capital market financing

In 2024, we raised €4.0 billion in funding with ESG bonds, out of a total of just under €10 billion. We issued €2.9 billion in SDG Housing Bonds to finance social housing in the Netherlands and €1.1 billion in Water Bonds to finance water authorities. At the end of 2024, we had over €25.3 billion in ESG bonds outstanding which represented 41% of total outstanding long-term funding at that time. We remain a leading international issuer of ESG bonds within the Sovereigns, Supranationals and Agencies (SSA) group, and are still one of the largest issuers of ESG bonds in the Netherlands.

We can fund ourselves as a bank on very favourable terms because of our safe risk profile, corroborated by the AAA/Aaa ratings that are equal to those of the State of the Netherlands. We use the long-term funding we raise through bond issuances to both finance new lending and refinance maturing loans. The average maturity of the funding raised in 2024 was 5.1 years (2023: 5.3 years).

Money Market Financing

To raise short-term funds, we primarily use commercial paper (CP). We have two programmes for this: a US Commercial Paper (USCP) programme and a Euro Commercial Paper (ECP) programme. Last year, we raised almost 53% of our CP under our USCP programme, which amounts to €118.1 billion in USCP (2023: €80.7 billion), versus €104.9 billion in ECP (2023: €61.5 billion). These figures offer a cumulative view; expiring CP was refinanced during the year. The outstanding CP amount at the end of 2024 was €5.6 billion (2023: €5.5 billion). The average maturity of the USCP was 20 days (2023: 24), and that of the ECP was 42 days (2023: 78).

We use the short-term funds raised through our CP programmes to provide short term loans to our clients, to increase our liquidity buffer, and for collateral obligations arising from our derivative activities as a bank to hedge our interest rate and currency exposures. In addition to the commercial paper market, which deals in tradable debt instruments with maturities of up to one year, we are also active in issuing short-term US dollar bonds with maturities of up to two years. These bonds, issued under our Medium Term Note programme, partially replace the issuance of commercial paper. They allow us to lock in favourable interest rates for a longer period.

Our own employees

Last year, our organisation continued to grow. Our workforce consisted of 131 employees at the end of 2023, but had reached 145 employees by the end of 2024, with a budgeted workforce of 175. We both expect and intend the organisation's growth to stabilise in 2025, and this is reflected in the strategic personnel planning we again carried out in 2024.

Attracting and retaining qualified and motivated employees is a key focus. When recruiting employees we

are open to everyone, regardless of gender, age, beliefs, cultural background, disability or sexual orientation. We strive for a good mix of talent, development potential and expertise among employees and hire professionals who enhance our diversity. We are a participant in the collective labour agreement (CLA) for the Dutch banking industry, the first CLA to include the SER Diversity in Business Charter, which we signed in 2023.

Given the growth of our organisation, we pay extra attention to fostering a sense of belonging and to ensuring that our vision quadrant resonates with everyone, including through the annual Together NWB Bank days. We also invest heavily in the development of our people with a generous training budget. Having successfully completed the management development programme for department managers in 2024, we have now launched a similar programme for team leads within our organisation.



IMPACT INTERVIEW
VECHTSTROMEN
WATER AUTHORITY





Stefan Kuks

Chair of the Vechtstromen water authority

The existential importance of water management

"NWB BANK IS A STABLE FUNDER OF OUR OPERATIONS."

Stefan Kuks has been chair of the Vechtstromen water authority since 2014 and is also professor of Innovation and Implementation of Water Policy at the University of Twente. He is an expert and passionate speaker on a primary necessity of life: water. As well as representing the water authorities in their contact with NWB Bank, Stefan is also Chair of the NWB Water Innovation Fund.

Our impact

NWB Bank's contribution

In the new battle against water for a safe future, we are co-financing the Flood Protection Programme (Hoogwaterbeschermingsprogramma).

Key figures Vechtstromen water authority

- 500 employees, 225,000 hectares under management
- 23 municipalities, 800,000 inhabitants
- 23 wastewater treatment plants
- €150 million annual operating revenue
- 70 years as a client of NWB Bank

Stefan Kuks:

"We need to use water more sparingly and commit to reusing more."

The bond between NWB Bank and the water authorities is close-knit, but the Vechtstromen water authority has a bridging function. Can you tell us about that?

The water authorities founded NWB Bank in 1954, and together they own approximately 81% of the shares. The Vechtstromen Water Authority owns over 14%, making it the bank's second largest shareholder after the State of the Netherlands. Someone needs to represent the water authorities in their contact with NWB Bank, and since we're the largest shareholder among the water authorities, it's something of a case of noblesse oblige. We take this contact very seriously. On behalf of the shareholder water authorities, I contribute, for example, to the selection process of members of the Supervisory Board and Managing Board.

In what ways is NWB Bank important to the water authorities?

As shareholders we receive dividends from the bank, but that's not the most important thing for us. First and foremost, it's important that the bank finances our projects. As a water authority, you receive income through taxation, which covers much of the running costs. But our water authority's investments are growing exponentially in volume every year: from €40 million to €80-€100 million in the last five years. For this, we have to borrow. We always request a quote from a number of banks, with the interest rate being a major factor in the decision. NWB Bank usually comes out on top; through all my years at the water authority, I have almost always signed a contract with NWB Bank. It's a stable financier of our activities.

Second, the bank keeps us on our toes when it comes to fulfilling our tasks in the areas of climate adaptation and water security. This is to ensure the Netherlands is sufficiently resilient and functions properly so that our economy can flourish. We have 18 million people living in a vulnerable delta with a high risk of flooding. This was the reason for establishing the water authorities back in the Middle Ages, and now, given the rise in sea levels, our role is once again crucial. Moreover, we're at the end of the major rivers: also an enormous challenge in terms of ensuring surface water quality and preventing flooding or drought. NWB Bank is investing heavily in this resilience, even when, from the point of view of climate risks, questions are being asked when granting loans to organisations and projects in low-lying areas: being in the danger zone makes them a risky investment. But at NWB Bank, their reasoning is: "The people who live there need us, so we should invest there". This illustrates the bank's social mission to offer the Netherlands a solid future in which water management is of existential importance.

And is the dividend payment a bonus?

In my opinion, the dividend comes third. We consider it a welcome benefit. At Vechtstromen, we've put it into an innovative fund of our own that finances projects costing two to three hundred thousand euros. I also happen to be Chair of the NWB Water Innovation Fund. Water authorities can apply to the fund for a contribution to projects that have proven themselves in the pilot phase and are ready for widespread application, but for which the risk for the bank is still too high. If the business case is convincing, the fund will help roll it out to the market. We've now financed two of these projects, and a third is in the pipeline. These include a circular water treatment system that makes it possible to reuse substances and a project for the recovery of bioplastic.

It's often said – with pride – that the Netherlands has conquered water, but problems old and new are now rearing their heads. What are the water authorities doing about it?

We face three major challenges: the threat, quality and availability of water. Since 1970, the Netherlands has entrusted the purification of sewage to the water authorities. Over the past 55 years, we've invested enormously in guaranteeing water quality. A sewage treatment plant lasts about 25 years, so a radical renovation took place around 1995, and since 2020, there's been another significant investment boost. Of course, a lot has changed in those 55 years. Back then, the controls were operated by hand; now, a wastewater treatment plant can be operated remotely. We remove phosphate and nitrogen from the water and ensure that there's enough oxygen in it for organisms to live. The next

step is to remove all drug residues, microplastics and other harmful substances.

The European Water Framework Directive has been in force since 2000. It stipulates that all ground and surface water must be chemically clean and ecologically healthy by 2027 at the latest. For most water authorities, this is an enormous task, and it's possible that they won't be able to meet the deadline. At Vechtstromen, we're doing everything we can. That includes investigating, in collaboration with the Ministry of Infrastructure and Water Management, how we can maximise the likelihood of achieving the objectives. What you definitely want to avoid is that the investments result in a substantial increase in costs for citizens. What's more, 30% of the waste entering our country comes from Germany, so other countries along the major rivers need to get to work too.

This undoubtedly involves substantial investments.

In order to comply with the Water Framework Directive, Vechtstromen is investing €240 million over a period of three-and-a-half years in sand and fabric filters at eight treatment plants. Ninety people are working on it every day, and we also have to hire a lot of expertise from engineering firms. We're experimenting at all eight wastewater treatment plants to create something unique, something that our partners can then take to market. For example, in Enschede, there's a data-driven treatment plant that fits in with the digital transformation. Then, in Emmen, you now have the Ultimate Water Factory: we want to use this wastewater treatment plant to remove 2,600 (and perhaps many more) substances of very high concern – such as GenX and PFAS – from the sewage water. It's ambitious, but when it comes to water quality, you have to set the bar high.

Water authorities aren't always top-of-mind among the general population. Is there enough awareness about their tasks?

As Dutch people, given our history, we're well aware of the threat of too much water. However, we're generally less concerned about a lack of water availability. Yet from 2018 to 2022, the country has suffered water shortages due to drought, and supply to companies is sometimes not possible. Due to melting glaciers, less water is entering via rivers, while lower rainfall is also causing problems. The result is pressure from salt- and brackish water from the sea, which mainly affects the provinces of Zeeland and South Holland. This leads to extensive use of the IJsselmeer for flushing, even as surrounding areas depend on the IJsselmeer for drinking water. This puts pressure on the availability of water everywhere.

The solution is to retain more water during wet periods, for example, by making deep waterways shallow – but that's quite a job when you consider that we have 25,000 kilometres of waterways. Around the University of Twente, we're a top technical region and would like to remain that way, but this also requires investments from industry to guarantee the availability of water, since there are companies with a large water footprint, such as New Origin in Enschede, which produces photonic chips. The Vechtstromen Water Authority, drinking water company Vitens and the beer brewer Grolsch have joined forces in an innovative partnership called De Twentse Golf for a robust water supply, and NX Filtration in Hengelo is producing innovative membrane filters for water purification. Together, we can maintain the economy while respecting the vulnerability of the landscape.

So, there's no reason to despair?

All in all, there are many challenges, and it's definitely complicated, but you always find a way to move forward step by step. That's what makes the water authority such a great place to work, and in NWB Bank, we've found a stable partner.



RESPONSIBLE RETURNS AND SOCIETAL IMPACT

As a bank of and for the public sector, we do not seek to maximise profit, but an appropriate profit is necessary to guarantee the continuity of our bank. This does not change the fact that societal impact is at the heart of everything we do as a bank. We want to contribute to climate adaptation, climate mitigation and biodiversity, but our societal impact is broader, and we explicitly look at the social impact that we have through our lending. We present the social impact in detail in our separate sustainability statements, focusing in the present section on the financial return.

Responsible returns

In 2024, we again realised a healthy profit of €94 million. As expected, this is lower than the previous year's €126 million, partly due to a more negative result from financial transactions and higher operating expenses.

Net interest income amounted to €248 million, compared with €261 million in 2023. And the market interest rate, which was once again subject to considerable change in 2024, only had a very limited effect on our interest result. This is because we carefully hedge our interest rate risk. As a result, the level of interest we charge our clients moves almost one-to-one with the interest we pay ourselves on the funding we raise. However, we have noticed that the interest margin has decreased because the cost of short-term commercial paper has increased, particularly since June.

The result on financial transactions was negative at €37 million in 2024 compared with a negative result of €16 million in 2023. This difference is largely the result of an unrealised positive change in market value in 2023 in the credit valuation adjustment (CVA) for derivative counterparties that did not occur in 2024.

As mentioned in the previous paragraph, last year's operating expenses amounted to €60 million, and the bank tax amounted to €18 million. The result from ordinary activities was €133 million. After paying ordinary taxes of €39 million, the net profit for the year was €94 million. This gives us a return on equity of 4.5% in 2024 (2023: 6.3%). We have agreed on a benchmark return on equity with our shareholders. For 2024, this was 3%, meaning we more than met the benchmark return.

Determining the amount available for dividend payment is an annual discretionary power of the Managing Board with the required approval of the Supervisory Board. This decision-making process takes into account the continuity of the bank, as well as the interests of shareholders and other stakeholders. For the 2024 financial year, the Managing Board and Supervisory Board set the profit available for the distribution of dividend at €50 million. The payout ratio amounts to 54% of the profit (2023: 48%).

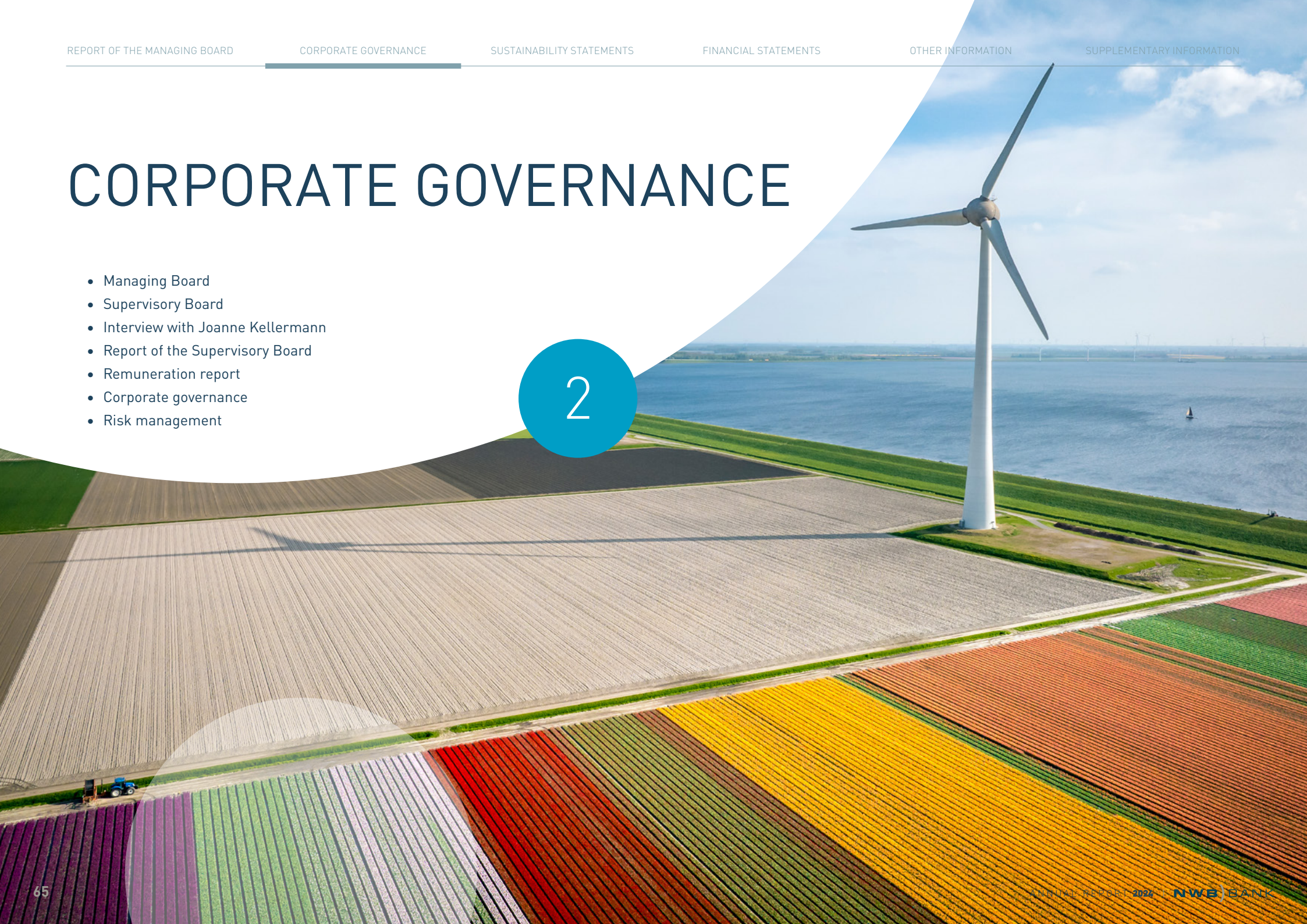
OUTLOOK FOR 2025

We will continue to provide the Dutch public sector with financing that is appropriate and as affordable as possible in a socially responsible and sustainable manner in 2025. We expect that the demand for credit from water authorities, drinking water companies, and housing associations in particular will grow in the coming years due to the major transition challenges they face. We therefore expect our loan portfolio to continue to grow, which will have a positive impact on net interest income. In view of macroeconomic developments and their impact on the money and capital markets, higher operating expenses and the increased tax burden due to the bank tax, we are cautious in our net profit forecast for 2025.

CORPORATE GOVERNANCE

- Managing Board
- Supervisory Board
- Interview with Joanne Kellermann
- Report of the Supervisory Board
- Remuneration report
- Corporate governance
- Risk management

2



MANAGING BOARD



Lidwin van Velden (1964)

Chair of the Managing Board, CEO

Year of first appointment
2010

Term of office ends on
1 January 2026

Portfolio
Strategy, communication, legal,corporate affairs, internal audit, human resource (HR) management & facilities, change & information management

Relevant other positions
President of the European Association of Public Banks, Member of the Supervisory Board of Centraal Beheer Algemeen Pensioenfonds, Member of the Supervisory Board of PharmAccess Group Foundation, Member of the Board of Impact Economy Foundation, external Member of the Audit Committee of Stichting ABP (from 1 January 2025)



Ard van Eijl (1973)

Member of the Managing Board, CRO

Year of first appointment
2022

Term of office ends on
15 April 2026

Portfolio
Risk management (financial and non-financial), compliance and security management

Relevant other positions
None



Wilma Schouten (1972)

Member of the Managing Board, CFO

Year of first appointment
2024

Term of office ends on
AGM May 2028

Portfolio
Finance & Control, Operations, ICT

Relevant other positions
Member of the Supervisory Board and Audit Committee of Zuyderland (until 31-12-2024)



Frenk van der Vliet (1967)

Member of the Managing Board, CCO

Year of first appointment
2012

Term of office ends on
1 January 2026

Portfolio
Lending, funding & investor relations, asset & liability management, corporate social responsibility

Relevant other positions
None

SUPERVISORY BOARD



Joanne Kellermann (1960)

Chair

Committees
Member of the Audit Committee, Member of the Remuneration and Appointment Committee

Year of first appointment
2020

Term of office ends in
Until 2028

Principal position
Chair of Pension Fund Zorg en Welzijn

Relevant other positions
Chair of the Supervisory Board at Aflatoun International, Member of the Council of State expert group, Member of the Willem F. Duisenberg Fellowship Stichting, Director at KellerCo B.V.



Toon van der Klugt (1956)

Vice-Chair

Committees
Member of the Remuneration and Appointment Committee

Year of first appointment
2017

Term of office ends on
Until 2026

Principal position
Chair of the Water Authority of Schieland and Krimpenerwaard (until 31 December 2024)

Relevant other positions
Vice-Chair and Secretary of Stichting Administratiekantoor Vreugdenhil-Klugt Beheer, Chair of joint scheme De Regionale Belasting Groep (until 31 December 2024), Chair of the Association of South Holland Water Authorities (until 31 December 2024)



André ten Damme (1964)

Committees
Chair of the Audit Committee, Member of the Risk Committee

Year of first appointment
2023

Term of office ends on
Until 2028

Principal position
Board member of Pension Fund Zorgen Welzijn

Relevant other positions
Chair of the Supervisory Board at Diabetesfonds, Member of the Supervisory Board and Chair of the Audit Committee of CVO Groep, Member of the Advisory Board of The Cronos Group



Frida van den Maagdenberg (1961)

Committees
Member of the Audit Committee, Member of the Risk Committee

Year of first appointment
2017

Term of office ends on
Until 2025

Principal position
Member of the Executive Board at the Leiden University Medical Center

Relevant other positions
Member of the Supervisory Board and Chair of the Audit Committee at Nederlandse Loterij (Dutch Lottery), Member of the Central Planning Committee at CPB, Member/Vice-Chair of the Supervisory Board at Nivel (the Netherlands Institute for Healthcare Research)



Caroline Oosterloo (1965)

Committees
Chair of the Risk Committee, Member of the Audit Committee

Year of first appointment
2023

Term of office ends on
Until 2027

Principal position
Head of Central Risk Management (until April 2024), ad-interim CRO (April-September 2024), Head of Central Risk Management (October 2024-January 2025), Head of Regulatory Transformation (from February 2025) ABN AMRO Bank N.V.

Relevant other positions
None



Annette Ottolini (1958)

Committees
Chair of the Remuneration and Appointment Committee

Year of first appointment
2019

Term of office ends on
Until 2027

Principal position
General Director and Board Member at Evides Waterbedrijf

Relevant other positions
Chair of the Supervisory Board at Vebego Group B.V., Member of the Supervisory Boardat Delfluent B.V., Member of the Board at Deltalinqs,Member of the Board at VEI, Member of the Board at Water for Life Foundation



Geert Embrechts (1970)

Committees
Member of the Audit Committee, Member of the Risk Committee

Year of first appointment
2024

Term of office ends on
Until 2029

Principal position
CFO Rabobank Wholesale & Rural

Relevant other positions
Member of the Supervisory Board at Rabo Herverzekeringsmaatschappij, Member of the International Advisory Board of the School of Business and Economics at Maastricht University



Manfred Schepers (1960)

Manfred Schepers was a Member of the Supervisory Board from 26 April 2016 and a Member of both the Risk Committee and the Audit Committee. Manfred stepped down at the Annual General Meeting (AGM) on 4 April 2024 (having reached the maximum term of office) and was succeeded by Geert Embrechts.

Interview





Joanne Kellermann
Chair of the Supervisory Board

"With the Managing Board and Supervisory Board at full strength, I feel it's full steam ahead as the bank enters a new phase."

The 70th anniversary of NWB Bank in 2024 was cause for celebration. According to the Chair of the Supervisory Board, Joanne Kellermann, it was also a reason for justifiable pride – not so much because of the anniversary, but mainly because of what the bank stands for and the value it creates for people and society.

"As a financier of sustainable projects, the bank brings added value that isn't limited to the Netherlands alone; in a sense, it's helping the world."

2024 was a special year for NWB Bank, with the celebration of its 70th anniversary. How did you experience it?

"Well, let me start by saying that it was another busy year for the bank, and for the Supervisory Board. We're very happy that the Managing Board is back at full strength with the arrival of a strong CFO, Wilma Schouten. She's also a woman, meaning the bank's daily management now consists of two men and two women. How many organisations can say that in the financial sector, where men are still in the majority? In our own Supervisory Board, Manfred Schepers stepped down after eight years, having reached the maximum term, and was succeeded by Geert Embrechts. With Geert, we have another active banker within our ranks, in addition to Caroline Oosterloo. I was reappointed as Chair in 2024, for which I am very grateful.

In addition, we selected a new external auditor to succeed EY, and we hope to have a fruitful collaboration with PwC from the 2026 financial year, after a good induction period. So an intense year, yes, but also a celebratory year with great results. And with the Managing Board and Supervisory Board at full strength, I feel it's full steam ahead as the bank enters a new phase."

The anniversary year ended with a seminar on 9 January 2025, with prominent speakers such as the former president of Ireland, Mary Robinson, and the former prime minister of Finland, Sanna Marin.
"It wasn't just another New Year's reception, but a brilliant day with fantastic content: relevant, inspiring and high quality, perfectly in line with NWB Bank. The seminar made even clearer the relevance of the bank's mission to finance the sustainability transition, especially now. Climate adaptation is not something new, it's not left-wing or right-wing and it's certainly not a fad. It's been part of the bank for decades and it's exactly what it's here for. The importance of the bank's value creation model also became very clear during the seminar. The financing needs of its client sectors will only increase in the coming years, partly due to the transition. As a financier of their sustainable projects, the bank brings added value that isn't limited to the Netherlands alone; in a sense, it's helping the world."

What was it like to be the closing speaker of the seminar?
"It was nice to be asked to give the closing speech, but also challenging. There was a lot happening that day, the energy was high, and I had the chance to make my contribution at the end. I told the audience that I'm very proud of NWB Bank's people, something I can safely say in my position as a supervisor. The bank always acts modestly, staying under the radar, which means it's only known to the connoisseurs. But during the seminar, the other speakers also recognised its achievements: Mary Robinson said that what the bank does is unique and that other countries should be jealous of the Netherlands for having such an institution. Well, it's allowed every once in a while to say that you're proud of the bank!"

It's worth noting that NWB Bank has decided to report in accordance with the European Union (EU)'s Corporate Sustainability Reporting Directive (CSRD) earlier than required. Why did it make this decision?
"The Supervisory Board also wanted to implement the CSRD early, and we're very pleased that the bank succeeded. A group of people had already been working for some time to figure out how to realise this reporting. It's quite complicated, so how do you go about it? Everyone worked towards bringing the CSRD fully to life throughout the organisation, and ultimately there was enough confidence in the bank, the Managing Board and also us as Supervisory Board to prepare this Annual Report according to the CSRD requirements. This is one year earlier than we expect to be required to do so. This also fits perfectly with the bank and completely in line with its value creation model."

"The bank's daily management now consists of two men and two women. How many organisations can say that in the financial sector, where men are still in the majority?"

As every year, the Supervisory Board carried out a working visit in 2024. Where did you go this time?
"We call it the 'outdoor meeting'! We went with the Managing Board and partners to the Schieland and Krimpenerwaard water authority, where our Vice-Chair Toon van der Klugt was a dike warden until the end of 2024. Two things stood out. First, you could see high water along the dike on one side and the pumping station many metres lower on the other: an enormous difference in height and therefore an enormous responsibility. If a dike like that breaks, the whole of Rotterdam and the surrounding area will get wet feet. Seeing something like that makes a real impression – it's astonishing. We don't always realise how well things are organised in the Netherlands, nor how much the water authorities do for relatively little money per capita. The second interesting thing was a strong example of the Dutch 'polder model'. The water authority was looking for a solution for excess water, while the city council and the region wanted a recreational facility. 'All right,' they thought, 'why not create a competitor for the Amsterdam Bosbaan?' That became the Willem-Alexander Baan, an Olympic rowing course in the Eendragtspolder water storage area. So you can see how they came together to realise several goals at the same time: a win-win situation."

The Supervisory Board supervises the Managing Board, but it is also subject to supervision itself: from the Dutch Central Bank and the European Central Bank. How does that work?

"Given the nature of the bank, this supervision is quite intensive and something we often discuss, also with the external supervisor itself. There have been many personnel changes in the supervisory teams and we're curious to see how the cooperation with the newcomers develops. In our own role as a supervisor, we're very much aware of the organisation's rapid growth. We speak regularly with the Works Council, because this growth demands a lot from everyone: for existing employees, it requires continuous adaptation, and for new employees, it requires good supervision to ensure they settle in well, with good onboarding aimed at familiarising new joiners with the bank's culture and with attention to risk awareness. Also, in this time of labour shortages, it's not always easy for NWB Bank to recruit people, but we do notice that many candidates respond to vacancies because they're attracted to the bank's social relevance and mission."



REPORT OF THE SUPERVISORY BOARD

As the Supervisory Board, we are the supervisor, advisor and employer of NWB Bank's Managing Board. We operate in accordance with the letter and spirit of Dutch and European laws, regulations, directives and codes.

SUPERVISION

In line with our *Supervisory Vision 2021–2024*, in 2024 we operated independently, with a proactive, positive and critical attitude and based on trust. We used our own knowledge and experience to create long-term value. As usual, we developed the Supervision Vision into a supervision agenda for 2024, with a good balance between supervisory tasks, advisory tasks and the role of employer.

Supervisory Board activities

The Supervisory Board met seven times in 2024 for formal consultations with the Managing Board, including a strategy day. There were also regular consultations with shareholders, the DNB/ECB Joint Supervisory Team (JST) and the Works Council. At the end of the summer, we paid our annual working visit to a water authority, this time the Schieland and Krimpenerwaard water authority. Supervisory Board Vice-Chair and dike warden Toon van der Klugt introduced the Supervisory Board, Managing Board and their partners to the work of the water authority in more detail.

Meetings

The meetings included further strengthening of internal controls, succession planning and new appointments to the Supervisory Board and Managing Board.

Composition of the Supervisory Board and Managing Board

After André ten Damme succeeded the late Lex van Overmeire at the end of 2023, Manfred Schepers resigned at the AGM on 4 April 2024, having reached the maximum term of office. At an Extraordinary General Meeting on 13 May 2024, Geert Embrechts became his successor. In the second half of the year, we started recruiting a new Supervisory Board member to replace Frida van den Maagdenberg, who will reach her maximum term of office in 2025.

At the same meeting on 13 May 2024, Wilma Schouten was appointed to the Managing Board and the position of CFO from 1 June 2024. We are pleased that with her arrival, the Managing Board is back to full strength. From April 2023 to May 2024, the CFO position was filled ad interim.

Strengthening internal controls

In 2024, internal controls at the bank were further strengthened through process improvements, specific tooling and workforce expansion. The Supervisory Board monitored this strengthening with an eye on the areas for improvement suggested by the ECB following thematic reviews. The results of first-line monitoring and second-line testing of key controls were reported in full to the Risk Committee.

Strategic workforce planning

The Supervisory Board notes that the organisation is paying full attention to the rapid growth in employees. Because of this growth, we spoke again with the Managing Board in 2024 about strategic workforce planning and ensuring risk awareness when onboarding employees. The Managing Board intends to pause workforce growth in the coming years, with the exception of positions arising from new regulations and market developments. It is hoped that the digitalisation efforts of recent years will support more effective and efficient working. In 2024, the bank completed a management development programme to further develop leadership qualities among managers. In 2025, an organisational structure according to the Hay method will be implemented as well as a succession-planning policy.

ECB supervision

ECB supervision is a permanent item on the Supervisory Board's agenda. In 2024, we paid particular attention to stress tests, on-site inspections and deep-dives by the regulator and the follow-up to the recommendations resulting from these. Although NWB Bank is a very stable and safe bank, we again found that the ECB's supervision is rather intensive for significant banks, placing a heavy burden on the organisation.

Other topics

Other recurring topics on the agenda were market developments, political developments in The Hague and Brussels, the financial results, developments in risk management (including risk appetite), digitalisation, the Digital Operational Resilience Act (DORA), the integration of environmental, social and governance (ESG) considerations into the bank's core processes and the need for cost control.

Approach to meetings

Before each regular meeting, we hold a closed session without the Managing Board present. We use the time to exchange views on external developments, share individual observations, discuss personnel matters and set the objectives for the meeting. We share the outcomes at the beginning of the meeting with the Managing Board.

Furthermore, the Chair of the Supervisory Board holds a fortnightly telephone consultation with the Chair of the Managing Board, and informal discussions between Managing Board members and Supervisory Board members take place regularly. Additionally, the Supervisory Board as a whole holds at least one informal meeting per month.

Strategy session

During the annual strategy day with the Managing Board, we talked in detail about the bank's strategy. Among other things, a new design of the strategic dashboard was presented, modelled using an updated value creation model. We discussed in detail the bank's strategic goals, as included in the dashboard, and its strategic preconditions, such as the ratio of guaranteed versus unguaranteed lending. To map out future credit demand, the Managing Board had inventoried expected investment needs by sector. We also discussed organisational development, financial projections and the sustainability agenda. Finally, employees from the ESG Accelerator working group gave a presentation on the creation of the ESG transition plan, which succeeds the Climate action plan published in 2022. In groups, we discussed with the Managing Board and the members of the working group the bank's intended follow-up approach to make a positive contribution to climate, nature and society.

The guest speaker at the strategy day was our own Supervisory Board member Annette Ottolini, who gave a presentation on the challenges in the drinking water sector as seen from her principal role as General Director of Evides Waterbedrijf. The presentation was co-authored by the Association of Dutch Water Companies (Vewin) and addressed the security of drinking water in the Netherlands, the quality of the resources and the financeability of the sector. The industry is positive about the outline agreement reached with the new cabinet on securing the drinking water supply, but concrete plans regarding both this and barriers to housing construction are still lacking.

Based on the strategy day, we as the Supervisory Board have concluded that the 'sustainable water bank' strategy remains solid and that the bank is on course to achieve its strategic goals. We also endorse the bank's societal role in terms of pressing issues such as climate adaptation, climate mitigation, nature conservation and the increasing investment needs of the public water sector and social housing associations.

Dialogue with shareholders

As is customary, we also engaged in dialogue with the bank's shareholders outside the official Annual General Meetings. In 2024, we met twice with the Department for State-owned Enterprises of the Ministry of Finance and once with the representatives of the shareholder water authorities. The main topics of discussion were the recruitment and selection of a new Supervisory Board member and Managing Board member and the preparation of the shareholder committee to review the remuneration policy. We are satisfied with the

MEMBERS' ATTENDANCE OF SUPERVISORY BOARD MEETINGS AND RELEVANT COMMITTEES IN 2024

	Joanne Kellermann[1]	André ten Damme	Geert Embrechts[2]	Toon van der Klugt	Frida van den Maagdenberg[3]	Annette Ottolini	Caroline Oosterloo	Manfred Schepers[4]
Supervisory Board (7)	86%	100%	100%	86%	100%	100%	100%	100%
Audit Committee (5)	80%	100%	100%		100%		100%	100%
Risk Committee (5)	100%	100%	100%		100%		100%	100%
Remuneration and Appointment Committee (5)	100%			80%		100%		
Total	92%	100%	100%	83%	100%	100%	100%	100%

1) Standing invitation for Risk Committee meetings
2) Board member from 13 May 2024
3) Standing invitation for Audit Committee meetings
4) Board member until 4 April 2024

discussions held with shareholders and find them to be constructive. We look forward to continuing the engagement in 2025.

Dialogue with the supervisory body

In early 2024, we held the regular supervisory meeting with the ECB's JST. We had a constructive discussion on, among other things, the outcomes of the annual Supervisory Review and Evaluation Process (SREP).

Dialogue with the Works Council

In 2024, a representative of the Supervisory Board attended two consultation meetings with the Works Council. The topics discussed were accommodation, workforce growth, absenteeism and the transition to a new pension contract in connection with the new pension law. We appreciate the work of the Works Council.

Committees

The Supervisory Board has three committees: the Audit Committee, the Risk Committee and the Remuneration and Appointment Committee. The members of the Supervisory Board who are not members of a committee have a standing invitation to attend committee meetings. The committees prepare decision-making in accordance with their own charters and advise the Supervisory Board on various subjects. In addition, the shareholder committee is responsible for preparing the evaluation of the remuneration policy for the Managing Board and the Supervisory Board. The five-yearly review of the executive remuneration policy is scheduled for the 2025 AGM. Alongside a delegation of shareholders, the Chair and Vice-Chair will participate in this committee as observers.

Audit Committee

During the year, the Audit Committee paid particular attention to the implementation of reporting in line with the CSRD, leading to five meetings instead of four. Supported by the Audit Committee, the Managing Board decided to report according to the requirements of the CSRD on the 2024 financial year, one year earlier than required. As usual, the Audit Committee discussed financial and operational developments based on the Managing Board's quarterly report, the internal auditor's quarterly report and the external auditor's (half-)yearly report. Specific points of attention included the selection of a new external auditor per the 2026 financial statements, the external assessment of the internal audit function, strengthening internal governance and controls and cost control, especially in ICT, cybersecurity and ICT risk management.

The Chair of the Audit Committee is André ten Damme. In the first quarter of 2024, the committee further consisted of Joanne Kellermann, Manfred Schepers and Caroline Oosterloo. Following Manfred Schepers' resignation at the AGM on 4 April 2024, Geert Embrechts became his successor on the Audit Committee around a month later. As in past years, a member of the Risk Committee made regular use of the standing invitation to meetings in 2024. As usual, the regular meetings were attended by the Managing Board, the internal and external auditors, the head of Internal Audit and the head of Finance & Control. Chair of the Committee consults regularly with the internal auditor, the external auditor, the head of Internal Audit and the bank's CFO.

Risk Committee

As usual, the Risk Committee reviewed the risk management framework and the extent to which the organisation is able to operate within it. The committee reviewed in detail the annual update of the risk appetite statement. Operational risk management and reporting was high on the agenda during the year, due to the strengthening of internal controls. The committee discussed ESG risks using a materiality analysis and the ESG-specific stress tests developed by the bank. The committee also considered how ESG should be further integrated into the bank's risk management. The Risk Committee commended the organisation for its pioneering work on ESG risk mapping in general and for the publication of its ESG transition plan in mid-October in particular. Other recurring items on the agenda were the annual audit, the supervisory authority's thematic inspections and the follow-up to the results of these inspections.

At the start of the year, the Risk Committee consisted of Caroline Oosterloo (Chair), André ten Damme, Frida van den Maagdenberg and Manfred Schepers. After Manfred Schepers' resignation, Geert Embrechts succeeded him. As usual, a member of the Audit Committee made regular use of the standing invitation to meetings in 2024. The Risk Committee met five times in 2024 in the presence of the Managing Board, the head of Internal Audit, the head of Compliance and the external auditor. In addition, the Chair of the Risk Committee held regular meetings with the bank's CRO and the head of Compliance.

Remuneration and Appointment Committee

The Remuneration and Appointment Committee (RAC) focused in particular on the onboarding of new employees, absenteeism, the management development programme and succession planning. It also focused on onboarding the new CFO and searching for a Supervisory Board member to succeed Frida van den Maagdenberg from the 2025 AGM. The RAC carried out the search together with a selection committee, which is set up separately for each vacancy and is composed of members of the Supervisory Board.

The RAC consists of Annette Ottolini (Chair), Toon van der Klugt and Joanne Kellermann. The committee met five times during the year, with the bank's CEO and the head of HR & Facility in attendance. This included an extra digital meeting about the transition to the new pension contract.

COMPOSITION OF THE SUPERVISORY BOARD

The composition and personal details of NWB Bank's Supervisory Board are shown at the beginning of this chapter (see: x). The composition of the Supervisory Board takes into account the complementarity of the team in terms of knowledge and experience. The Supervisory Board consists of seven members, four of whom are women and three men, thus meeting the desired and required gender diversity. Further information on the diversity and independence of the Supervisory Board can be found in the **Corporate governance 83** section.

QUALITY ASSURANCE OF SUPERVISION

To ensure the quality of supervision, we carry out an annual self-assessment and engage in continuous professional development.

Self-assessment

For the annual self-assessment, we use an online assessment tool. Every three years, there is an evaluation by an external, independent agency to gain insight into the Supervisory Board's qualities and areas for improvement. This external evaluation took place at the end of 2024. After individual surveys and one-on-one interviews with both the Supervisory Board and the Managing Board, the results of the evaluation were first discussed in dialogue with the Supervisory Board before the insights were shared with the Managing Board in a subsequent session. The evaluation identified where the Supervisory Board performs well and where there are areas for improvement, both in its internal functioning and in relation to other stakeholders such as the Managing Board members.

Overall, the Supervisory Board and its committees are satisfied with their own substantive performance. The Supervisory Board has a diverse composition, in terms of both expertise and backgrounds. There is a strong focus on the social and sustainable character of the bank and on its stability and continuity. As in previous evaluations, both conclusions and actions emerged. As a Supervisory Board, we not only reflected on our performance in the past year, but also looked ahead to our performance in the near future. One point of attention was that, in addition to ongoing issues, we could spend more time on plenary dialogue on future developments. In 2024, it became clear that there was still a need for more interim contact – also informally – between members of the Supervisory Board and Managing Board. We have been working on this for two years now, through regular calls between (committee) chairs and Managing Board members and monthly informal calls with the Supervisory Board. These provide additional opportunities to exchange views on non-agenda topics.

DISTRIBUTION OF AREAS OF EXPERTISE ON SUPERVISORY BOARD

AREAS OF EXPERTISE	Joanne Kellermann	André ten Damme	Geert Embrechts	Toon van der Klugt	Frida van den Maagdenberg	Caroline Oosterloo	Annette Ottolini	Manfred Schepers
Banking/ financial markets	X	X	X			X		X
Finance/accountancy/ risk management		X	X		X	X		X
Regulation	X		X			X		X
ICT/cybersecurity		X		X	X		X	
HR/Remuneration policy				X	X		X	
Corporate governance	X		X			X		
Socio-political environment	X						X	X
Water authorities/ semi-public sector				X	X		X	
Environmental, Social and Governance	X		X	X		X	X	X
Business operations/outsourcing		X		X	X			
Communication	X						X	

In early 2025, the Supervisory Board adopted its vision for the coming years. This vision can be read on the bank's website. We also drew up a supervision agenda for 2025, which we will follow up on during the year.

Lifelong learning

The bank invests in lifelong learning to continuously strengthen the expertise and environmental awareness of the Supervisory Board. In 2024, internal and external experts gave presentations to members of the Supervisory Board and the Managing Board on the following topics:

- hedging and hedge-accounting
- implementation of ESG transition plan
- deep-dive on individual credit analysis of water authorities and housing associations
- implementation of Digital Operational Resilience Act (DORA)

Individual members of the Supervisory Board also attended educational sessions on topics including:

- executive remuneration policy
- governance
- ESG scenario analysis
- CSRD implementation, sustainable finance and AI
- climate scenarios

WORD OF THANKS

We look back on a year in which we recruited both a new Supervisory Board member and a new Managing Board member, bringing both the Supervisory Board and Managing Board back to full strength. There was close and strong cooperation and the bank achieved good results both internally and externally. In dialogue with us as the Supervisory Board, the bank took further steps in the area of internal controls. Looking ahead, it remains important to highlight the added value of the bank's business model and strategy, both in The Hague and in Brussels.

Finally, we congratulate the bank and its employees on its 70th anniversary and on the publication of the ESG transition plan in October. This plan, which is the successor to the 2022 Climate action plan, describes the steps NWB Bank is taking to make a positive contribution to climate, nature and society. It is a testament to the ambition and efforts of the bank, which has been practising long-term value creation for seven decades.

The Hague, 18 March 2025

Supervisory Board
Joanne Kellermann, Chair
André ten Damme
Geert Embrechts
Toon van der Klugt
Frida van den Maagdenberg
Caroline Oosterloo
Annette Ottolini

REMUNERATION REPORT

Our remuneration policy is clear and transparent, with a view to attracting and retaining qualified and knowledgable staff. It also reflects our societal role as a bank of and for the Dutch public sector. We opt for a moderate and sustainable remuneration policy that is consistent with our bank's strategy, low risk profile and risk appetite. As a result, it contributes to the achievement of our objectives, which are focused on sustainable long-term value creation.

MANAGING BOARD REMUNERATION POLICY

We last revised the Remuneration Policy for our Managing Board at the 2020 Annual General Meeting (AGM). This remuneration policy is almost identical to the remuneration policy adopted in 2015, with the main change being the removal of variable remuneration. We will re-evaluate the remuneration policy in 2025 and have set up a shareholder committee to prepare for this.

Fixed remuneration

The Chair of the Managing Board and the other statutory members of the board appointed by the shareholders on or after 16 April 2020 are entitled to a maximum remuneration of €319,803 and €271,833 respectively. The amount includes a conversion of the variable remuneration that was abolished as of 1 January 2019. This conversion to a fixed supplement is 11.1% and applies to all members of the Managing Board. The maximum remuneration is indexed annually in accordance with the structural salary adjustment as stated in the collective labour agreement (CLA) for the banking sector.[2] In the most recent evaluation of the remuneration policy, we have taken into account the vision of the board members and the structure of their own remuneration, and this will also happen in the evaluation in 2025.

Pensions

Our Managing Board members participate, as do our employees, in a group pension plan. The plan has been administered by a premium pension institution (PPI) as of 1 January 2020 (PPI). As of that date, a new five-year contract has been signed, whereby the old defined benefit scheme has been replaced by a defined contribution plan. For this, we pay, as an employer, a monthly premium to the administrator with which the employee saves for a pension benefit on the date of retirement. We have agreed on compensation for the non-contributory entitlements of employees determined as at 31 December 2019, which will not change in the future. The new pension plan requires participants to make a contribution, as was the case in the previous scheme, of 3%. The employer's pension contribution is based on an age-dependent graduated scale.

Other terms and conditions of employment

Managing Board members are entitled to an electric car or, if they do not wish to use one, are granted an allowance as part of the bank's car scheme. The bank will pay all costs related to the purchase and use of an electric car. The additional tax liability is carried by the Managing Board members themselves. All other terms of employment for members of the Managing Board are in line those of other employees.

2) An indexation of 4% took place on 1 January 2024, equal to the structural salary adjustment based on the CLA. After processing the conversion of the variable remuneration to a fixed supplement of 11.1%, this indexed amount is €319,803 for Lidwin van Velden, €271,833 for Ard van Eijl and Wilma Schouten and €286,156 for Frenk van der Vliet.

REMUNERATION MANAGING BOARD

Fixed remuneration

Lidwin van Velden, who was appointed as a member of the Managing Board on 1 January 2010 and has been its Chair since 19 April 2018, has been subject to the remuneration policy established in 2015 since 19 April 2018. Under this policy, maximum remuneration, including variable remuneration (which was abolished and converted into a fixed allowance from 1 January 2019), of €272,000 applies to the CEO. After processing the conversion of the variable remuneration into a fixed allowance and including indexation, this amount is €319,803 as at 1 January 2024.

The other board members receive a maximum total remuneration of 85% of that of the Chair of the Managing Board.

Ard van Eijl and Wilma Schouten are subject to the 2020 remuneration policy. The salaries in this version of the remuneration policy are the same as those in the 2015 remuneration policy. Ard van Eijl was appointed statutory member of the Managing Board at the AGM of 14 April 2022, and Wilma Schouten was appointed statutory member on 13 May 2024 during an Extraordinary General Meeting. Ard van Eijl was already a member of the Executive Committee as of 1 December 2018, but that was a non-statutory appointment and thus the remuneration policy for Managing Board members did not apply to him at that time. Remuneration for both Ard and Wilma in 2024 is €271,833.

OVERVIEW REMUNERATION OF MANAGING BOARD MEMBERS

(in thousands of euros)	Fixed remuneration	Pension contribution	Other
2024			
Lidwin van Velden	320	52	84
Ard van Eijl	272	45	50
Wilma Schouten[1)]	159	22	17
Frenk van der Vliet	286	48	61
Total	1037	167	212

1) Joined the organisation at the AGM on 1 June 2024.

(in thousands of euros)	Fixed remuneration	Pension contribution	Other
2023			
Lidwin van Velden	306	45	68
Melchior de Bruijne[1)]	151	22	197
Ard van Eijl	260	40	47
Frenk van der Vliet	274	45	61
Total	991	152	373

1) Melchior de Bruijne's employment contract was terminated on 1 August 2023. He resigned as statutory board member of the Managing Board and CFO on 20 April 2023 and received severance payment of €175,000.

Frenk van der Vliet, a member of the Managing Board since 1 January 2012, is still subject to the remuneration policy applicable before 2015. Under this old policy, a maximum total (fixed and variable) remuneration of €280,000 applies to the Chair of the Managing Board and a maximum of 85% of this amount to the other members of the Managing Board. After processing the conversion of the variable remuneration into a fixed allowance and including indexation, this amount is €286,156 as at 1 January 2024.

Pension contribution includes compensation Defined Contribution scheme 2020. In 2024, this amounts to €5,664 for Lidwin van Velden (2023: €5,000), €6,396 for Frenk van der Vliet (2023: €6,000) and €8,052 for Ard van Eijl (2023: €8,000). Wilma Schouten does not receive such compensation as she was not employed by NWB Bank in 2020.

Other

'Other' include the following remaining remuneration:

1. a partially taxed expense allowance of €2,800 (2023: €2,800) in proportion to the employment contract;
2. an allowance under the staff mortgage interest discount plan: for Lidwin van Velden €3,000 (2023: €3,000), for Ard van Eijl €4,000 (2023: €4,000), for Wilma Schouten €3,000 (2023: € n/a). Frenk van der Vliet does not make use of this allowance;
3. a contribution for the maximisation of pensionable income (€137,800): for Lidwin van Velden €34,000 (2023: €33,000), for Frenk van der Vliet €27,000 (2023: €26,000), for Ard van Eijl €20,000 (2023: €17,000) and for Wilma Schouten €12,000 (2023: n/a);
4. compensation for the harmonisation of the pension plan as of 1 January 2015: for Lidwin van Velden € 10,000 (2023: € 9,000), for Frenk van der Vliet €12,000 (2023: €11,000) and for Ard van Eijl €3,000 (2023: €3,000). Wilma Schouten does not receive this compensation;
5. as of 31 December 2019, compensation has been granted for certain non-contributory entitlements of Managing Board members, which will not change in the future. In 2024, for Lidwin van Velden this amounts to €15,000 (2023: €14,000), for Frenk van der Vliet €9,000 (2023: €9,000), for Ard van Eijl €7,000 (2023: €7,000) and for Wilma Schouten nil (2023: n/a);
6. the flat-rate contribution based on the tax addition for cars amounts to €18,000 (2023: €3,000) for Lidwin van de Velden and €11,000 (2023: €11,000) for Frenk van der Vliet. Ard van Eijl receives a cash contribution of €12,000 (2023: €12,000) under the car scheme and Wilma Schouten has a car at her disposal but does not use it privately.

EMPLOYEE REMUNERATION POLICY

The employee remuneration policy applies in full to all of our employees, irrespective of their positions or job scales. As an employer, we apply the CLA for the Dutch banking industry. The fixed remuneration for our employees comprises 12 monthly salaries, 8% holiday allowance and a 13th month's salary payment. Indexation occurs in line with the structural salary adjustments laid down in the CLA for the banking industry. Employees also receive an allowance of 10.745% in addition to their salaries in connection with the abolished variable remuneration. This allowance is not pensionable.

The bank has a gender-neutral remuneration policy and aims to pay employees working in similar positions equally. In 2022, we investigated possible gender pay differences, with the results showing that the bank rewards men and women equally. Nevertheless, attention to equal pay remains important and therefore has our ongoing focus.

In 2020, we reviewed the employee remuneration policy. The new employee remuneration policy incorporates the change in the pension scheme as of 2020 and also extends the period of evaluation from two to five years. We will review the employee remuneration policy again in early 2025, in line with the five-yearly evaluation of the remuneration policy for our Managing Board and Supervisory Board.

Pensions

The group pension plan for employees is similar to that for Managing Board members as described above. The pension costs consist of the following components: 'Defined Contribution (DC) plan cost up to € 137,800 less employee contribution', 'any employer contributions above € 137,800 less employee contribution', 'pension compensation (2.8% contribution on pensionable salary in 2024)', 'pension compensation for the harmonisation of the pension plan as of 1 January 2015', 'DC plan compensation' and 'average salary supplement'.

Other terms and conditions of employment

The bank's employees receive various secondary terms of employment, such as the reimbursement of study expenses, a bicycle plan, a staff mortgage interest discount plan and supplementary disability insurance. Employees whose positions justify participation in the bank's electric car scheme may do so or are entitled to an allowance under the scheme.

Pay ratio

The ratio of the compensation of the Chair of the Managing Board, as the highest paid employee, to the median of all other employees of the bank is 4.1 (2023: 4.0). Total remuneration consists of fixed remuneration and pension costs.

REMUNERATION OF THE SUPERVISORY BOARD

The compensation of the Supervisory Board was reviewed at the AGM on 20 April 2023. This is done every five years. Originally, the evaluation was scheduled for the 2022 AGM, but for various reasons it was decided to postpone it for a year.

On the advice of a specially appointed shareholder committee, the 2023 AGM decided to adjust the remuneration of the Supervisory Board by adopting a ratio that creates a fixed relationship between the remuneration of the Chair of the Managing Board and that of the Supervisory Board. The ratio is 15% for the Chair of the Supervisory Board compared to the maximum remuneration of the Chair of the Managing Board and 10% for the members of the Supervisory Board. This adjustment was introduced with retroactive effect from 1 January 2023. The next evaluation of the compensation of the Supervisory Board will take place in 2028.

With effect from 1 January 2023, the following compensation structure applies to the members of the Supervisory Board, with the amounts being indexed to the structural income adjustment in accordance with the CLA (4% from 1 January 2024, 1% from 1 July 2023 and 3.5% from 1 January 2023).

(in thousands of euros)	2024	2023
Chair + committees	48	46
Vice-Chair + Remuneration and Appointment Committee	32	31
Member + Audit Committee + Risk Committee	32	31
Member + Remuneration and Appointment Committee	32	31

The above amounts include expense allowances but not travel cost reimbursement.

There are no variable components or option schemes in the remuneration of our Supervisory Board.

On an individual basis, the remuneration of the members of the Managing Board is pro rata to the period of their appointment:

(in thousands of euros)	2024	2023
Joanne Kellermann	48	46
André ten Damme[1]	32	3
Geert Embrechts [2]	20	
Petra van Hoeken[3]	-	9
Toon van der Klugt	32	31
Frida van den Maagdenberg	32	31
Caroline Oosterloo[4]	32	21
Annette Ottolini	32	31
Lex van Overmeire[5]	-	8
Manfred Schepers	9	31
Total	237	211

1) André ten Damme joined the Supervisory Board on 1 December 2023 .
2) Geert Embrechts joined the Supervisory Board on 13 mei 2024.
3) Petra van Hoeken was a member of the Supervisory Board until 20 April 2023.
4) Caroline Oosterloo was a member of the Supervisory Board until 20 April 2023.
5) Lex van Overmeire was a member of the Supervisory Board until 6 April 2023.

The above amounts do not include travel cost reimbursement. Value-added tax (VAT) has not been included since 2021, as a policy rule from 28 April 2021 stipulates that Supervisory Board members do not (no longer) have to charge VAT on the remuneration they receive.

CORPORATE GOVERNANCE

Corporate governance is about the good management of (listed) companies and their supervision. It governs the relationship between directors, supervisors and shareholders. For NWB Bank, this means sound and transparent corporate governance, focused on long-term value creation and taking into account the interests of all our stakeholders, especially as we have a special societal responsibility as a bank of and for the public sector. The Supervisory Board and the Managing Board are jointly responsible for good corporate governance and compliance within the bank. This responsibility is partly laid down in legislation, such as the Financial Supervision Act (Wft), and partly based on self-regulation. In this section, we describe the most important regulations and explain how we apply them.

GUIDELINES

We apply the following guidelines for corporate governance:

Dutch Corporate Governance Code

The Dutch Corporate Governance Code (hereafter: the Code) contains principles and best practice provisions that govern the relationships between the Managing Board, the Supervisory Board and the (General Meeting of) shareholders. The Code applies to Dutch companies whose shares are listed on the stock exchange. Our bank's shares are not listed, which is why we are not required by law to apply the Code. However, we have chosen to apply the Code nevertheless, taking account of a specific feature, namely that shares in our bank may only be held by the State of the Netherlands, water authorities and other legal entities governed by public law. The application of the Code is also in line with the Policy Document on Minority-State-Owned Enterprises (Nota Deelnemingenbeleid Rijksoverheid).

The charters of our Supervisory Board, including its committees, and those of the Managing Board are in line with the Code as updated at the end of 2022. These charters contain agreements about these bodies' composition, division of tasks and working methods. They also contain provisions about conflicts of interest and interaction with the Managing Board and shareholders.

Given the most important changes in the latest version of the Code, our charters place more emphasis on sustainable long-term value creation, ESG and expansion of reporting on diversity and inclusion. There is also more attention for behaviour and culture in evaluations of the Managing Board and Supervisory Board, clarification of reporting lines and assessment of the internal audit service. In 2024, there was no reason to revise the charters again.

NWB Bank deviates from the Code on the following points:

- Due to our bank's two-tier board and the fact that our shares are not certified, we omit the principles and best practice provisions for the one-tier board and the certification of shares.
- The best practice provisions on disclosure and information to the General Meeting of Shareholders are not fully formalised as we do not have listed shares. As a result, we have not adopted a policy on bilateral contacts with shareholders as part of these provisions.
- As our bank has only registered shares, all shareholders are known. We keep a register with the names and addresses of our shareholders, the date of acquisition of the shares and the amount paid for each share. We maintain direct contact with our shareholders throughout the year.

- In the absence of variable remuneration, we have not performed scenario analyses for the remuneration policy.

Future-Oriented Banking

Since its publication in 2014, we adhere to the Future-Oriented Banking package, a set of self-regulation rules from the Dutch Banking Association (NVB). The package consists of three sections: the Social Charter, the Dutch Banking Code and the Code of Conduct. The Social Charter describes the role banks should fulfil in society and the shared values of the banking sector. The Dutch Banking Code safeguards good governance by all Dutch banks and sets out principles for the controlled and ethical conduct of business and effective risk management as well as for the structure of the Managing Board and Supervisory Board. The Code of Conduct provides guidelines for employees on practising their profession in a prudent and ethical manner. The principles of the package are integrated into our bank's mission, core values and codes of conduct.

In 2014, the Banking Code was supplemented in two ways: by provisions on safeguarding societal interests (Banking Code, page 4) and on the creation of remuneration policies (Banking Code, page 13). We are already putting the first of these into practice: the requirement that stakeholder interests are identified and carefully weighed when formulating strategy, objectives and policies. We have not yet been able to put the second into practice, as we will not adopt a new remuneration policy until 2025.

Other guidelines

In addition to the Dutch Corporate Governance Code and the Future-Oriented Banking package, we apply the guidelines of the European Banking Authority, European Securities and Markets Authority, ECB and Bank for International Settlements.

STRUCTURE

Our corporate governance structure is as follows:

Supervisory Board

Our Supervisory Board independently oversees the bank's strategy and its implementation, with a strong focus on long-term value creation. Its composition is balanced, expert and diverse, and its independence is guaranteed.

Profile

We have a general profile for the composition and appointment of our Supervisory Board members. This was last updated as part of the review of our corporate governance with laws and regulations at the end of 2021. In addition, we draw up an individual profile for each vacancy on the Supervisory Board that fits within the general profile. Supervisory Board members should have an eye for (international) social, economic, political and other developments relevant to NWB Bank. They must also be able to assess these developments.

Composition

At the end of 2024, the Supervisory Board consisted of seven members, three men and four women, i.e. 43% men and 57% women. Each member of the Supervisory Board has the expertise and background required to fulfil his or her role on the Supervisory Board. The Supervisory Board complies with the bank's diversity and inclusion policy. We aim for the Supervisory Board to be at least 30% male and 30% female, with a diversity of skills, backgrounds and experience.

The distribution of expertise on the Supervisory Board is currently as follows. Supervisory Board members Joanne Kellermann (chair), Caroline Oosterloo and Geert Embrechts have extensive financial expertise, a banking background, knowledge of international money and capital markets, experience in prudential supervision and knowledge of risk management. André ten Damme has broad expertise in financial services, financial management and ICT management. He is also an experienced supervisor with a broad interest in the financial sector. Toon van der Klugt has broad management experience, extensive knowledge of public policy and a network within the public administration. Frida van den Maagdenberg and Annette Ottolini both have general administrative experience in the semipublic sector and extensive knowledge of ICT. Frida brings

additional financial knowledge and Annette has additional experience in a commercial environment. Manfred Schepers stepped down at the AGM of 2024, having reached the maximum term of office, with Geert Embrechts succeeding him just over a month later. The composition and distribution of the Supervisory Board's committees meet the requirements in the charters. An overview of the areas of expertise can be found in the **Report of the Supervisory Board**.

The composition of the Supervisory Board is such that its members are able to act independently and critically towards each other and the Managing Board. The requirements for independence are therefore standard in the general profile for the composition of the Supervisory Board and the appointment of its members. At the start of every meeting, the Supervisory Board considers whether a conflict of interest can be anticipated during the meeting. In doing so, it emphasises the importance of independence.

The annual review of the bank's corporate governance against laws, regulations and guidelines in 2024 showed no reason to make further refinements to the charters of the Supervisory Board or its committees.

Managing Board

The day-to-day management of our bank is in the hands of the Managing Board. The AGM appoints the statutory members of the Managing Board for a period of four years on the recommendation of the Supervisory Board. In principle, the Managing Board consists of four members, namely Lidwin van Velden (CEO), Ard van Eijl (CRO), Wilma Schouten (CFO) and Frenk van der Vliet (CCO). After the position of CFO had been filled on an interim basis for over a year, Wilma Schouten was appointed CFO of the bank on 13 May 2024, effective 1 June 2024.

The Managing Board operates in accordance with the Executive Committee Charter, which contains rules on the division of responsibilities, working methods and decision-making, rules on conduct and culture, interaction with and information for the Supervisory Board, remuneration policy and conflicts of interest. As with the Supervisory Board, the composition of the Managing Board should be in line with the bank's Diversity and Inclusion Policy. We aim for a balanced and mixed composition, including diversity of gender, knowledge and experience. For the Managing Board and senior management, we aim for a composition of at least 30% men and at least 30% women. The appointment of Wilma Schouten as the new CFO means this target is met. An individual profile is drawn up for each vacancy on the Managing Board, setting out the knowledge and skills required. Each member of the Managing Board must have knowledge of the financial sector in general and the banking sector in particular, the bank's role in society and the interests of all stakeholders.

Works Council

Our bank has a six-member Works Council. It operates in accordance with the Works Council regulations, which contain rules on its composition, term of office, election and procedures. The council meets monthly to discuss staff interests, with the HR department occasionally joining to exchange information. In addition to these meetings, there were six consultations between the Works Council and the Chair of the Managing Board in 2024, two of which were attended by a delegation from the Supervisory Board (in accordance with Section 24(2) of the Works Councils Act). The term of office of the members of the Works Council ended on 1 January 2025. Six candidates, including one existing member, stood for election, so no elections were necessary.

Internal auditor

The internal auditor function within our bank is performed by the Internal Audit Department (IAD). It strengthens NWB Bank's ability to create, protect and preserve value by providing the Managing Board with independent, risk-based and objective assurance, advice, insight and foresight. The IAD's mandate, position within NWB Bank, reporting lines, scope of activities, type of services and other specifications are laid down in the Internal Audit Charter, which has been approved by the Supervisory Board. The head of Internal Audit attended all meetings of the Audit Committee and Risk Committee in 2024. They periodically report the outcomes of investigations, the progress of follow-up management actions, progress

of the risk-based audit plan, important developments and emerging risks, among other things, to the Audit Committee and the Supervisory Board. The Audit Committee held a separate meeting with the internal auditor once in 2024.

The IAD works closely with the second-line departments by observing their activities, preventing overlap and building on their results where possible. The head of Internal Audit remains fully responsible for substantiating audit findings and opinions. Internal Audit also maintains an optimal relationship with the external auditor by coordinating audit plans, sharing findings and reports and collaborating where necessary. In addition, it maintains open contact with regulators, coordinates activities and provides reports and information upon request.

Until July 2024, the IAD complied with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA) and with the quality system of the Dutch Institute of Chartered Accountants (NVKS). However, after the Internal Audit Charter was amended in July 2024, the NVKS no longer applies, as the IAD does not conduct NVKS-related audits. It now conforms to the Global Internal Audit Standards (GIAS) of the IIA. Throughout 2024, the IAD complied with the codes of conduct of the NVKS and the professional organisation of ICT auditors NOREA, as well as NWB Bank's Code of Conduct and other relevant policies and procedures. A Quality Assurance and Improvement Programme has been set up to evaluate compliance with the GIAS and with the NVKS and NOREA Codes of Conduct, as well as the achievement of performance targets and the pursuit of continuous improvement.

Gathering information

The Supervisory Board has the option of obtaining information from external experts if the performance of its duties so requires. This was not used in the year under review. In addition, the Supervisory Board consults internal experts, and the board obtains information internally by attending discussions between the Managing Board and the Works Council.

External auditor

Like the internal auditor, the external auditor (EY) attended all meetings of the Audit Committee and the Risk Committee in 2024. The external auditor also attended the March meeting of the Supervisory Board at which the annual accounts were discussed. The Audit Committee held one separate meeting with the external auditor in 2024. As in 2023, EY audited the bank's financial statements in 2024. Following a selection procedure, the Supervisory Board made a proposal to the Audit Committee in early 2024 regarding the choice of a new accountant for the audits of the annual accounts from 2026. On the positive advice of the Audit Committee, the Supervisory Board proposed that PwC be nominated at the AGM. PwC was then appointed as the new external auditor at the AGM of 4 April 2024, effective from the 2026 financial year.

CONTROLLED AND ETHICAL CONDUCT OF BUSINESS

We ensure controlled and sound business operations in the following ways.

Long-term value creation

Sustainable long-term value creation is embedded in the strategy of 'the sustainable water bank'. More information on this strategy and its implementation in 2024 can be found in the **Strategy and value creation** section.

Risk policy

The policy on the management of financial and non-financial risks and its application in 2024 can be found in the **Risk management** section.

Conduct and culture

The organisation has grown considerably over the past years. As a result, in 2024 we continued spreading, strengthening and experiencing our culture of openness, connection and collaboration. The 'vision quadrant' is the foundation on which we build when it comes to topics such as leadership, diversity and inclusion, development and safety. In this way, we enable our employees to work together to achieve NWB Bank's mission: to invest together in a water-conscious and sustainable society.

A management development programme was launched for managers in 2023 and completed in 2024. In addition, the Managing Board and employees enjoyed participating in the successful third edition of the NWB Bank Together Days. These two days focused on dialogue and experience, with the vision quadrant at the heart of this. The vision quadrant makes it clear who we are as NWB Bank, what we stand for and where we want to go. We have also focused a great deal on internal communication, and this, together with the organisation of a series of town hall meetings, has helped to ensure that all employees are aware of the bank's goals and results.

Banker's oath and rules of conduct

All our employees take the banker's oath upon commencement of employment. This also applied to external advisers working for the bank for more than three months. Taking and signing the banker's oath subjects them to the disciplinary rules of the banking sector. The banker's oath is integrated into the bank's rules of conduct. This Code of Conduct was updated in 2023 through collaboration between HR and Compliance, with the bank's vision quadrant incorporated into the document. The new Code of Conduct was approved by the Works Council at the beginning of 2024 and then given final approval by the Managing Board. The new Code of Conduct has been communicated to all colleagues within the bank.

Compliance and integrity

In line with the Three Lines of Defence model, where each line has a specific role and responsibilities, the bank has placed the compliance function in the second line. The Compliance department's responsibilities are set out in the Compliance Charter, which we update annually. The compliance function focuses on promoting compliance with laws, regulations, internal procedures and codes of conduct that are relevant to the integrity and reputation of the organisation. Compliance acts independently and is not involved in the execution of front-line activities. Organisationally, the Compliance department reports to the CRO and has a direct reporting line to the Managing Board and an escalation line to the Supervisory Board. Compliance reports to the Risk Committee on a quarterly basis.

A thorough systematic integrity risk analysis (SIRA) process was carried out again in 2024. The results of the analysis provide a clear and detailed insight into the integrity risks to which the organisation may be exposed. This enables the Managing Board and the Supervisory Board to focus on the management of integrity risks within the bank. Managers and their relevant team members have been and continue to be closely involved in the implementation of the SIRA.

We again carried out control monitoring and testing activities in 2024, including the periodic monitoring and testing of key control measures for compliance risks, such as customer due diligence (CDD). These short monitoring and testing cycles show how effectively controls are being applied and where improvements can be made. The results are also used in the SIRA to assess the extent to which identified integrity risks are controlled. Compliance updated the CDD policy in 2024 and monitored the bank's insider regulations. The Code of Conduct was also updated. As in previous years, Compliance provided internal training in 2024 on various topics, including CDD and transaction monitoring. New colleagues from Public Finance, Specialised Finance and Treasury, as well as the Managing Board, also participated in an e-learning session on market abuse. Colleagues from various departments who deal with laws and regulations in their day-to-day work took the 'Getting to grips with regulations' training course, and Compliance organised onboarding sessions for new colleagues at the bank with Operational Risk Management. Attention was also paid to the training of the Compliance team members themselves.

Disclosure of conflicts of interest

The members of the Supervisory Board and the Managing Board have disclosed all their relevant outside activities to the bank. These are disclosed elsewhere in this report. Where there is a potential conflict of interest in relation to a Supervisory Board member's principal and/or secondary position, the Supervisory Board member concerned does not take part in the discussion or decision. Since the end of 2021, the reporting of potential

conflicts of interest has been a standard agenda item at Supervisory Board and committee meetings. There were no reports of (potential) conflicts of interest in 2024.

Diversity and inclusion

As an employer, NWB Bank strives for a balanced composition of employees who complement each other because of the importance of 'diversity of thought' and avoiding tunnel vision. To underline this, we signed the SER Diversity at Work charter in 2023. In this way, we also communicate externally our commitment and the importance of a diverse and inclusive workplace.

Gender diversity is one important factor. The targets for the Managing Board and the Supervisory Board (at least 30% women and 30% men) also apply to the bank's senior management. In 2024, we achieved the target figure for the Managing Board, with 50% women and 50% men, as well as for the senior management layer, with 54% women and 46% men. We achieve this balance by giving preference to candidates who contribute to diversity and inclusion when filling vacancies of equal merit.

Remuneration policy

The remuneration policy and its application in 2024 can be found in the **Remuneration report**.

RISK MANAGEMENT

Our strategy sets high demands on our risk management and internal controls. For this purpose, we use an organisation-wide approach. This chapter provides insights into our bank's risk taxonomy and how these risks may manifest themselves. The taxonomy is divided into financial risks, non-financial risks and other risks. We review this taxonomy annually based on workshops in the field of risk identification and materiality.

Financial risks include credit risk, interest rate risk, market risk and liquidity risk. The only non-financial risk is operational risk. Other risks include strategic risk, ESG risk and reputational risk. We try to continuously improve our understanding and management of the risks.

CREDIT RISK

We define credit risk as the potential impact on earnings/capital due to a deterioration in the creditworthiness of debtors/counterparties. Our risk appetite for this risk is low.

Our policy

Our policy is to maintain the very high creditworthiness of our credit and liquidity portfolios. We grant loans to client groups in the Dutch public sector. This mainly concerns loans to (local) governments or loans guaranteed by them, both directly and indirectly. In addition to local governments, our clients are primarily housing associations, healthcare institutions, drinking water companies and renewable energy projects and we finance public-private partnership projects in which the government acts as a principal. We also grant loans to university medical centres and regional grid operators.

For our liquidity portfolio, we purchase bonds. These are interest-bearing securities including bonds issued by, or guaranteed by, Dutch authorities, bonds of international organisations and multilateral development banks and covered bonds of Dutch banks. We apply the same quality requirements to these bonds as we do to lending in the Dutch public sector. Finally, we enter into derivative transactions (currency and interest rate swaps) with banks and pension funds, which give rise to counterparty credit risk and CVA risk, which are backed by collateral.

As in all previous years, we did not experience a credit loss in 2024. Due to both the public nature and related solvency of the vast majority of our bank's credit relationships, the credit risk of the loan portfolio is limited. This is also reflected in our bank's robust capital ratios.

We use derivatives to manage interest rate and currency risk. To minimise the counterparty credit risk of these

CREDIT RISK CAN BE DIVIDED INTO THE FOLLOWING SUBTYPES

Subtype	Definition
Credit default risk	Possible impact on profit/capital due to debtors defaulting on their obligations.
Credit migration risk	Possible impact on profit/capital due to deterioration of creditworthiness based on internal/external ratings of debtors or guarantors.
Counterparty credit risk	Possible impact on profit/capital due to counterparties not fulfilling their obligations in derivative transactions.
CVA risk	Possible impact on profit/capital by mark-to-market losses in credit valuation adjustments (CVA) on bilateral derivative transactions.
Settlement risk	Possible impact on profit/capital if, during the settlement of a transaction, the counterparty does not fulfil its obligations while the institution has fulfilled its obligations.
Credit concentration risk	Possible impact on profit/capital as a result of credit loss arising from a concentration of exposures on a small group of clients, a group of clients with similar default characteristics or financial assets with high levels of correlation.

derivatives, we only transact with counterparties with at least a single-A rating. This applies to derivatives that are not centrally cleared. We have also put restrictions in place to diversify and maximise risk per counterparty in relation to derivatives.

We make agreements with derivative counterparties within the framework of the International Swaps and Derivatives Association (ISDA). These agreements concern at least ISDA schedules, and credit support annexes (CSAs) for which, on the one hand, netting agreements are applicable, and on the other hand CSAs, by which the derivatives are hedged. For the most part, these CSAs are without any thresholds and with a daily exchange of mainly cash as collateral. The remaining counterparty credit risk relates mainly to an uncollateralised exposure arising from long-term derivative contracts and related CSA. There are no longer transactions taking place under this agreement, so the exposure will expire over time.

Sector challenges

The sectors served by the bank are stable, with sustainability across the portfolio a common challenge. Worth noting are the challenging outlook in the water authority, social housing association and healthcare sectors and the developments in the renewable energy market.

As a result of the water authorities' failure to meet the requirements of the Water Framework Directive (WFD), the European Union initiated infringement proceedings against the Netherlands in August 2024, specifically for failure to issue permits for abstraction from and discharge into surface waters. Additional investments have been made in recent years in order to meet the WFD targets in 2027. In addition, significant investment is needed in wastewater treatment plants, many of which are reaching the end of their life. Combined with the investments needed to adapt to climate change, water authorities' taxes will continue to rise in the coming years and the need for financing will increase.

Important topics for the social housing association sector are availability and affordability, satisfaction and quality of life, sustainability and finances. The Netherlands is struggling with a severe housing shortage, while the target group for social housing is only increasing. Investments in maintenance and improvement, new construction and sustainability will increase further in the coming years, with the surpluses from the operational cash flows being used to finance this. This will not be sufficient to cover all investments, however, which means that we expect a significant increase in financing in the coming years. We finance the social housing association sector with a full, unconditional and irrevocable guarantee from the Social Housing Guarantee Fund (WSW).

The Dutch healthcare sector is facing major challenges, with demand for care rising due to an ageing population. We are closely monitoring developments in the sector. Unchanged policies are making financing and maintaining a high quality of care unsustainable and creating even higher workloads. More money alone will not solve the problems in healthcare. Operationally, the pressure on healthcare remains high due to an increase in absenteeism, staff shortages and personnel not in paid employment (PNIL). While the labour market shortage and the affordability of healthcare call for reforms, there is little financial leeway to realise these reforms, posing an investment dilemma. In order to provide adequate care, healthcare institutions must invest heavily in digitalisation and redesigning healthcare processes, in collaboration with health insurers. If they do not, the workload in the sector will remain unacceptably high and the return structurally too low. Sustainability is an increasingly important theme within the healthcare sector, but only a limited number of organisations have signed up to the Green Deal Sustainable Healthcare 3.0 and the Environmental Thermometer Care to improve performance in this area. We only finance care institutions based on a full, unconditional and irrevocable guarantee from the Care Sector Guarantee Fund (WfZ) and academic hospitals.

The renewable energy sector faces a number of challenges. Peak consumption and supply of electricity is growing faster than the capacity of the infrastructure,

leading to grid congestion in many places in the Netherlands: a traffic jam on the electricity grid. This congestion can slow down economic development and the construction of new solar and wind farms. Smart solutions in the field of energy storage and conversion can reduce the problem and provide a new revenue model. Operational projects within our solar and wind energy portfolio are performing well financially. Large suppliers of wind turbines are still facing significant financial challenges due to higher costs for materials, supply chain problems and increased interest costs, and we expect further consolidation in this market. At the debtor level, however, this is expected to have no or, at most, only a limited effect on our bank. In addition, the number of sustainable district heating networks in the Netherlands must increase significantly in order to reduce dependency on natural gas and further reduce CO_2 emissions. We see the risk profile of district heating networks is higher in the construction phase because this is when investments are made, while there is no or limited income in return. In addition, delays can occur during installation, and the construction of a district heating network has a major impact on public space. The new Collective District Heating Supply Act (Wet collectieve warmtevoorziening, Wcw) aims to promote the heat transition, particularly in the built environment, while at the same time better safeguarding the public interests of *sustainability*, *security of supply* and *affordability*.

INTEREST RATE RISK

We define interest rate risk as the current or future risk to both earnings and the economic value of an institution stemming from adverse interest rate movements affecting interest rate-sensitive instruments. This risk is also referred to as interest rate risk in the banking book (IRRBB). Our risk appetite for this risk is medium.

Risks due to fluctuations in interest rates arise from differences in the interest rates and maturity terms of assets and liabilities. We maintain a prudent policy with regard to these risks. We manage the interest rate risk by entering into interest rate derivatives for both the asset and liability sides of the balance sheet. In doing so, we commit ourselves to, at predetermined moments, exchange the difference between the fixed and variable interest rates, which are calculated on the basis of an agreed principal amount.

As a bank, we are prepared to take a strategic interest rate risk position, if this helps us to achieve a result aimed at realising the benchmark return on equity as agreed upon with our shareholders. This benchmark return on equity is based on the yield of a 10-year rolling investment in a 10-year Dutch government bond, plus a surcharge of 100 basis points. In addition, a minimum of 3% is used for the benchmark return. Our Fund Transfer Pricing model for pricing new lending is based on this benchmark return. The strategic interest rate

INTEREST RATE RISK IS SUBDIVIDED INTO THE FOLLOWING SUBTYPES

Subtype	Definition
Gap risk	The risk arising from the term structure of interest-rate-sensitive instruments due to differences in the timing of their interest rate changes; think, for example, of changes in the term structure of interest rates that occur consistently across the yield curve (parallel risk) or differ periodically (non-parallel risk).
Basis risk	The risk arising from relative changes in interest rates on interest-sensitive instruments that have similar maturities but are priced on the basis of different interest rate indices. Basis risk results from incomplete correlation in the matching of interest earned and paid on different interest rate-sensitive instruments, with otherwise similar characteristics with respect to interest rate changes.
Option risk	The risk arising from embedded and explicit options, where the institution or its client can change the level and timing of their cash flow. In particular, this relates to the risk arising from interest rate-sensitive instruments where the holder is almost certain to exercise the option when it is in their financial interest. It also relates to the risk arising from flexibility implicit in or provided by the terms and conditions of interest rate-sensitive instruments where changes in interest rates can lead to a change in the client's behaviour.
Credit spread risk from non-trading book activities (CSRBB)	The risk arising from changes in the market's perception of the price of credit risk, liquidity premium and possibly other components; consider changes leading to fluctuations in price that are not explained by IRRBB or expected default risk.
Refinancing risk	The risk that an increase in the refinancing costs of the liabilities when they become repayable is not offset by corresponding asset income.

position is determined on a quarterly basis, independent of any view on interest rates. The basis for calculating, monitoring and controlling interest rate is a sound risk policy, supplemented by a management system that takes into account the effective interest rate of the financial instruments. The Asset & Liability Committee (ALCO) determines the extent of the risks within the set frameworks. For management purposes, we use an interest rate gap analysis, risk measures such as (spread) DV01, earnings at risk and scenario analyses. We subsequently analyse the outcomes of positions taken using profit forecasts, interest margin analysis and performance analysis. This management information is also important for the decision-making processes and the monitoring by the ALCO.

Part of interest rate risk involves refinancing risk. This risk stems from one of the most important characteristics of a traditional banking business: maturity transformation. In our case, public sector clients mainly ask for funding with a relatively long maturity. This is related to the long-term investments they make. Although our bank is also in a position to attract funding with long maturity, we do recognise the impact of a potential increase in the funding spread on interest income if there is a maturity mismatch between funding and lending, which may increase the funding spread (and its impact on interest income) when refinancing in the future. We apply a limit system for this, which is described in more detail in the **financial statements**.

MARKET RISK

We define market risk as the risk of losses in on or off balance sheet positions resulting from an adverse change in market prices. Our risk appetite for this risk is low.

MARKET RISK CONSISTS OF THE FOLLOWING SUBTYPE

Subtype	Definition
FX risk	The possible impact on profit/capital due to changes in foreign exchange (FX) rates.

Our policy aims to fully cover foreign exchange rate risks for both funds borrowed and lent. Partly in light of diversifying our funding, we largely attract funds in foreign currencies, although we only lend in euros. The resulting currency risks are immediately hedged in full by currency swaps.

LIQUIDITY RISK

We define liquidity risk in terms of the potential impact on profit/capital if repayment obligations cannot be met. Our risk appetite for this risk is low.

Subtype	Definition
Funding liquidity risk	The risk that we cannot meet our repayment obligations. This risk also explicitly covers liquidity concentration risk (e.g. concentration of liquidity sources), client withdrawal risk and liquidity risk arising from margin requirements (and movements therein).
Market liquidity risk	The risk of not being able to trade on the market at a reasonable price with immediate effect.

Our bank has AAA/Aaa credit ratings, which is equal to that of the State of the Netherlands. With this credit status, we are more than able to meet current and future market liquidity needs under normal circumstances. These liquidity needs are almost entirely funded by the international money and capital markets and we do not attract deposits from retail clients. When raising funds, we take into account diversification across geographical markets, investors, currencies, funding programmes and instruments. In the unlikely event of a stagnation in the money and capital markets, we always have ample and sufficient opportunities to repay maturing bonds and to finance new loans. We have an ample liquidity buffer, including a liquidity portfolio consisting of interest-bearing securities, including bonds issued or guaranteed by the Dutch government, bonds issued by international organisations and multilateral development banks, and covered bonds issued by Dutch banks. In addition, a large part of our loan portfolio is eligible for funding against collateral at DNB.

OPERATIONAL RISK

We define operational risk as the risk of loss resulting from inadequate or failed processes, losses caused by people and systems or external events.

As we aim to be a robust and sustainable public sector bank, our risk appetite for operational risk is low. Our internal organisation, processes and systems are designed to minimise operational incidents and associated losses.

Framework

We have implemented a risk management framework to manage operational risks. The framework ensures consistent terminology and a risk management cycle for identifying, analysing, measuring, monitoring, managing and reporting these risks. We continuously adapt our framework to the internal and external environment to ensure we have good and effective controls.

Within the framework, we use the following instruments to monitor our current risk profile:

- Risk control self-assessments: the first line conducts an annual self-assessment of risks and the effectiveness of processes and controls;
- Key risk indicators (KRIs): for various sub-categories of operational risk, we have established indicators to assess our risk management;
- Incident register and reporting: we record incidents and report them to the Non-Financial Risk Committee (NFRC), which discusses the incidents and any measures to prevent similar incidents;
- Control monitoring & testing: the first line performs regular monitoring of defined key controls. Compliance and Operational Risk Management review the operation and documentation of these key controls;
- Non-financial risk report: we provide an integrated non-financial risk report to the NFRC and the management team.

Our bank's operational risk management is structured in accordance with the Three Lines of Defence model. The first line is responsible for controlling the operational risks in our primary processes. The second line monitors the effectiveness of risk management by setting frameworks and providing advice and monitoring. This second line consists of the Compliance and (Operational) Risk Management departments.

The IAD forms the third line and has an independent role within the bank. The IAD assesses the management in the first and second lines of the risks that are related to our activities. A continuous dialogue about operational risk takes place throughout the year. The results of this dialogue and the results of our operational risk management are periodically reported to the Managing Board and the Risk Committee.

Key developments

With the Delta Plan project, we laid the foundation for strengthening our internal control framework with regard to various ICT processes. Based on business continuity management, we drew up an integrated framework, the Business Continuity Management System (BCMS), which includes runbooks (manuals) that were set up in collaboration with ICT and the other relevant departments. We also held a crisis management team exercise and carried out backup and data recovery tests as further steps in the periodic testing of the bank's operational resilience.

Faced with ever-increasing cyber threats, we also continued to strengthen the bank's resilience and (cyber) security. We developed, improved and implemented various security capabilities.

We consider our employees to play an essential role in our security. All our employees therefore took part in training courses in 2024 focusing on challenges related to phishing, cyber security and data privacy. We also organised operational risk training courses aimed at increasing risk awareness and effective risk management, and thus also promoting a culture of integrity. We will continue our risk management efforts and initiatives in 2025 with an integrated bank-wide awareness and training programme.

Fraud assessment

We assess the risk of fraud as part of the operational risk framework. This assessment is carried out in the context of the systematic integrity risk analysis (SIRA) based on the risk scenarios. This analysis is carried out annually.

Compliance

We take our reputation as a solid bank with integrity seriously. Compliance and integrity are therefore important areas of attention within our bank. We want to leave our clients and investors feeling absolutely certain that they can use our services, or store their funds with us,safely and with peace of mind.

Supervisory Board members, members of the Managing Board and employees have taken the banker's oath (which comes with related rules of conduct and disciplinary rules), in accordance with the official rules on oaths and commitments within the financial sector, as well as the Banking Code. We also have a **Code of Conduct (in Dutch)** that forms part of the employment contracts for our employees.

We have a second-line compliance function with two core tasks: promoting and monitoring compliance with laws and regulations (both internal and external), and promoting integrity. The compliance function reports directly to the CRO and has direct access to the Chair of the Supervisory Board.

OPERATIONAL RISK RECOGNISES THE FOLLOWING SUBTYPES

Subtype	Definition
Human capital risk	The risk of not being able to attract, develop, retain and appropriately reward competent employees, including talent to shape and build the bank's business.
Business continuity risk	The risk of direct or indirect damage as a result of the discontinuation of (critical) business processes or systems for a period longer than the defined maximum downtime, due to internal or external events.
Business operations risk	The risk of direct or indirect damage as a result of inadequate or failing processes, whether in implementing or changing processes.
ICT risk	The risk of disruption to (ICT) business systems or applications due to inadequate or failing ICT systems, processes or infrastructure.
Data management risk	The risk of inappropriate decision-making based on inaccurate and/or incomplete data resulting from the failure to effectively and efficiently manage data, data quality and/or data knowledge throughout the data life cycle, including when data is obtained, created, processed, used, shared, accessed, stored and/or deleted.
Regulatory compliance risk	The risk of failing (intentionally or negligently) to comply in a timely manner with laws, regulations and other rules that apply to the bank, its business activities, employees and products or services.
Conduct risk	The risk arising from inadvertent or negligent failure to comply with professional obligations, conflicts of interest and/or improper business or market practices and/or improper governance structures and/or inappropriate, unethical or unlawful behaviour by management or employees (socially unacceptable behaviour).
Model risk	The risk of inappropriate decision-making, based on model output, due to errors in the development, implementation or use of such models.
Financial crime risk	The risk of involvement in crimes related to money laundering, terrorist financing and sanctions evasion, corruption and bribery, tax integrity and market abuse (including insider trading). This risk often arises from a failure to comply with requirements to prevent and detect these crimes. Factors such as products, channels, clients, countries, employees and third parties can play a role in this risk.
Outsourcing and third-party risk	The risk that an (important) outsourcing or third party will fail to meet its (contractual) obligations, including but not limited to operational (risk) management, adequate (digital) resilience and/or adequate security.
Legal risk	The risk that agreements, claims or disclosures could potentially result in damage to NWB Bank's brand and reputation, legal sanctions or liability resulting in financial loss.
(Non-)financial, regulatory reporting and tax risk	The risk of inaccuracies in the reported ((non-)financial, regulatory) information; the risk that the bank's (future) reported profits change without changing the (economic) value of NWB Bank; and the risk of not complying with tax laws in a timely and effective manner, resulting in fines (penalties), interest and legal costs imposed by the tax authorities on taxes arising from the bank's activities.
Fraud risk	The risk arising from (1) acts of fraud, misappropriation of assets or circumvention of regulations, laws or company policies involving internal parties and/or third parties and/or (2) exceeding authority in entering into, authorising or failing to report a transaction or deliberately misrepresenting functions and/or (3) deliberate damage to systems (hardware and/or software) by internal personnel through acts or omissions, theft of data.

Laws and regulations are increasing in both volume and complexity. And the number of rules and requirements set by regulators is also increasing. This increases the pressure on managing compliance risks. We have a regulatory team to identify developments in laws and regulations, share information about that and take appropriate measures. The compliance function plays a coordinating role within the regulatory team.

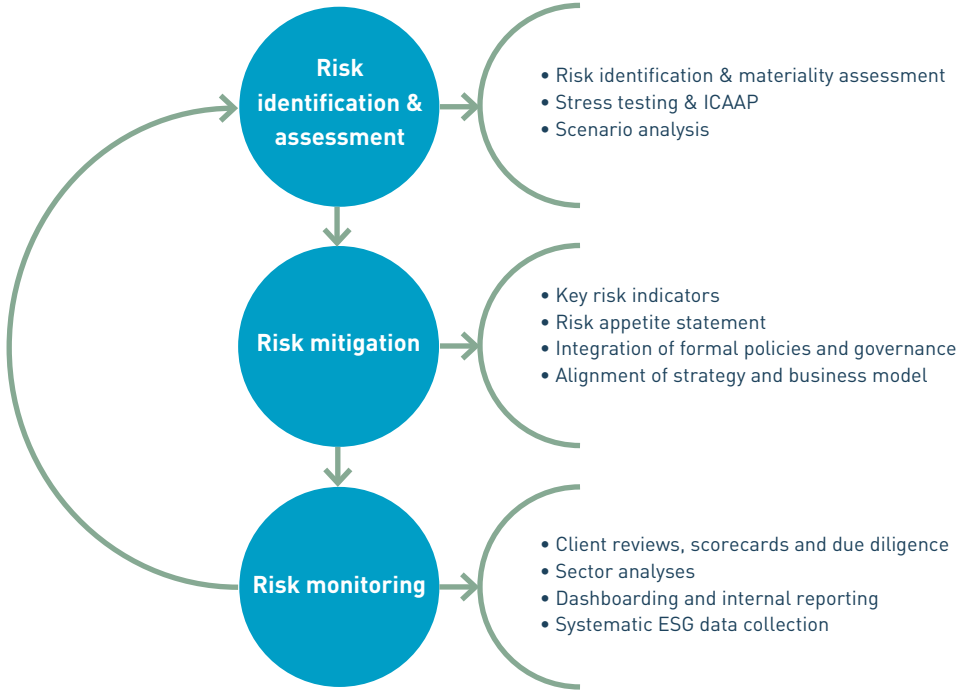
In recent years we have further strengthened the compliance function and optimised a number of processes, including CDD and transaction monitoring. This confirms how seriously we take compliance work.

STRATEGIC RISK

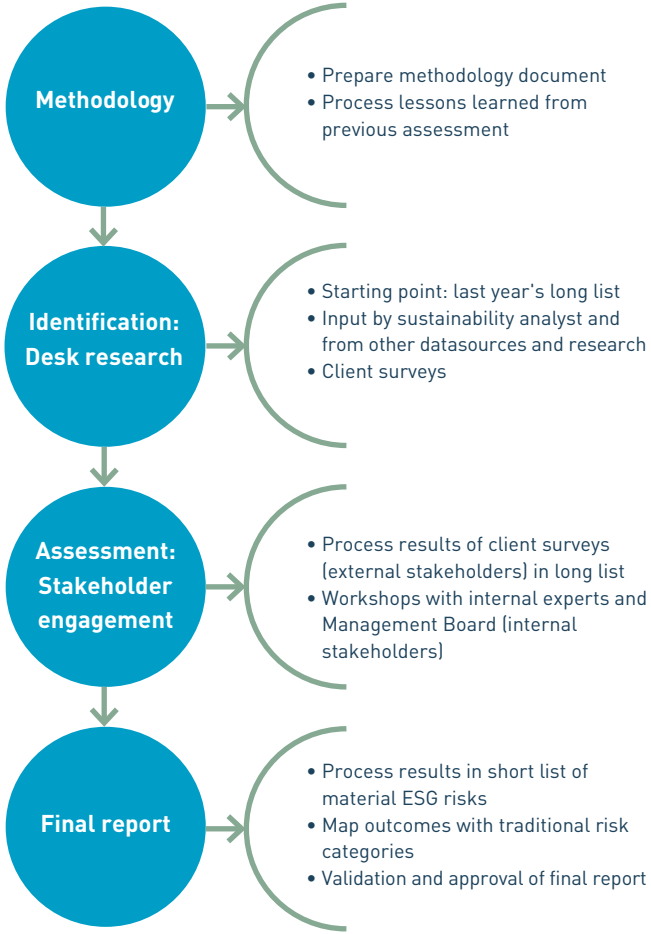
We define strategic risk as the risk of not achieving the strategic objectives we have formulated. Strategic risk may arise from the pursuit of inadequate objectives, making mistakes, under-implementation of decisions, inadequate allocation of resources or from failure to respond adequately to changes in the business environment. Our risk appetite for this risk is low.

The Managing Board and the Supervisory Board have formulated a number of strategic frameworks within which the bank must operate in order to create value for our clients, shareholders and other stakeholders. An important starting point in managing strategic risk is maintaining our high-quality risk profile. In order to continue to optimally serve our clients, it is important that our bank's credit ratings remain equivalent to those of the State of the Netherlands. Our ratings depend largely on the public sector profile of our shareholders and clients, in combination with our strong solvency. We keep a close eye on external factors that could influence this. If necessary, the Managing Board makes timely adjustments to our strategy. As a promotional bank dedicated to the Dutch public sector, it is important to respond proactively to the public sector's changing needs. If government policy regarding the financing of the Dutch public sector were to change, then that would also have an impact on us. We maintain continuous, constructive dialogue with our stakeholders on this issue. Finally, the rapidly changing legislation and regulations for financial institution is another important focus area. The Managing Board is responsible for the management of strategic risks.

ESG RISK MANAGEMENT CYCLE



ESG RISK IDENTIFICATION & MATERIALITY ASSESSMENT



ESG RISK

We define ESG risk, including climate risk, as the risk that ESG factors negatively affect the strategic goals, the capital position and/or profit of our bank. The concept of double materiality is part of this definition, which means that we not only consider the impact of ESG risks on the bank, but also explicitly consider the impact of our lending on people and the environment, which in turn may have an impact on the bank. ESG factors manifest themselves in both financial and non-financial risks. This section provides an overview of our ESG risk management framework. We will discuss this topic further in the ESG risk chapter of the Sustainability Statements.

Governance

ESG risk management is a shared responsibility within the bank. We regularly assess our processes, capacities and resources for managing ESG risks. The responsibilities for ESG risk management are assigned within the Managing Board and the Three Lines of Defence model. Responsibility for setting frameworks, policies and monitoring ESG risk management falls explicitly within the second line. The first line is responsible for analysis, CDD and engagement, and monitoring of sustainability targets, reporting and disclosure. The third line conducts independent reviews and assessments. Decision-making on ESG risks takes place at Managing Board level and in existing committees, including the Credit Committee, the ALCO and the NFRC. The Sustainability Advisory Board focuses on providing strategic advice on various sustainability issues. The bank-wide ESG Accelerator working group also acts as a think-tank and collaborative body to align cross-functional sustainability issues and ESG data needs.

Strategy

As the sustainable water bank, we have sustainability in our DNA. By financing key sectors such as water authorities and drinking water companies, we have been contributing to climate adaptation and mitigation since our establishment 70 years ago. From a social perspective, our financing of housing associations contributes to the availability of affordable housing for Dutch society. We have included our most concrete objectives and ambitions in our ESG transition plan and its predecessor, the Climate action plan. We also regularly review our bank-wide sustainability strategy. In 2022, this led to the formulation of our ambitious goal: an energy-positive loan portfolio by 2035, on our way to climate neutral by 2050. The bank's strategy which focuses at sustainability feeds directly into its ESG risk strategy, with the bank opting for a macroeconomic or systemic view. We see, for example, financing of the Dutch water authorities as an important mitigation of climate risks for housing associations, while the water authorities build and maintain dikes to ensure that housing associations and social housing residents keep their feet dry. In particular, we integrate ESG risk considerations into sustainability objectives through the formulation of KRIs for key sectors. Engagement with clients is essential in

both the implementation of our ESG transition plan and the mitigation of ESG risks.

Risk management

Our ESG risk management cycle is a framework for the various processes and procedures aimed at identifying, assessing, mitigating and monitoring ESG risks. This annual cycle starts with the ESG risk identification and materiality assessment (see figure), in which we identify the material ESG risks for the bank. For this risk identification and assessment we use academic sources, ESG data we have collected ourselves, input from clients (external stakeholders) and input from stakeholder workshops with internal experts. The assessment leads to the identification of material ESG risk factors (drivers) in the short, medium and long term, with a subsequent assessment of the impact on the bank's traditional risk categories through the so-called transmission channels. We foresee a material impact on strategic risk, operational risk and credit risk. For example, drought can lead to damage to the foundations of social housing and reduce the creditworthiness of housing associations. In addition, damage to our reputation in the water sector or the inadequate response of our bank to ESG and sustainability developments can make it more difficult to achieve our strategic objectives.

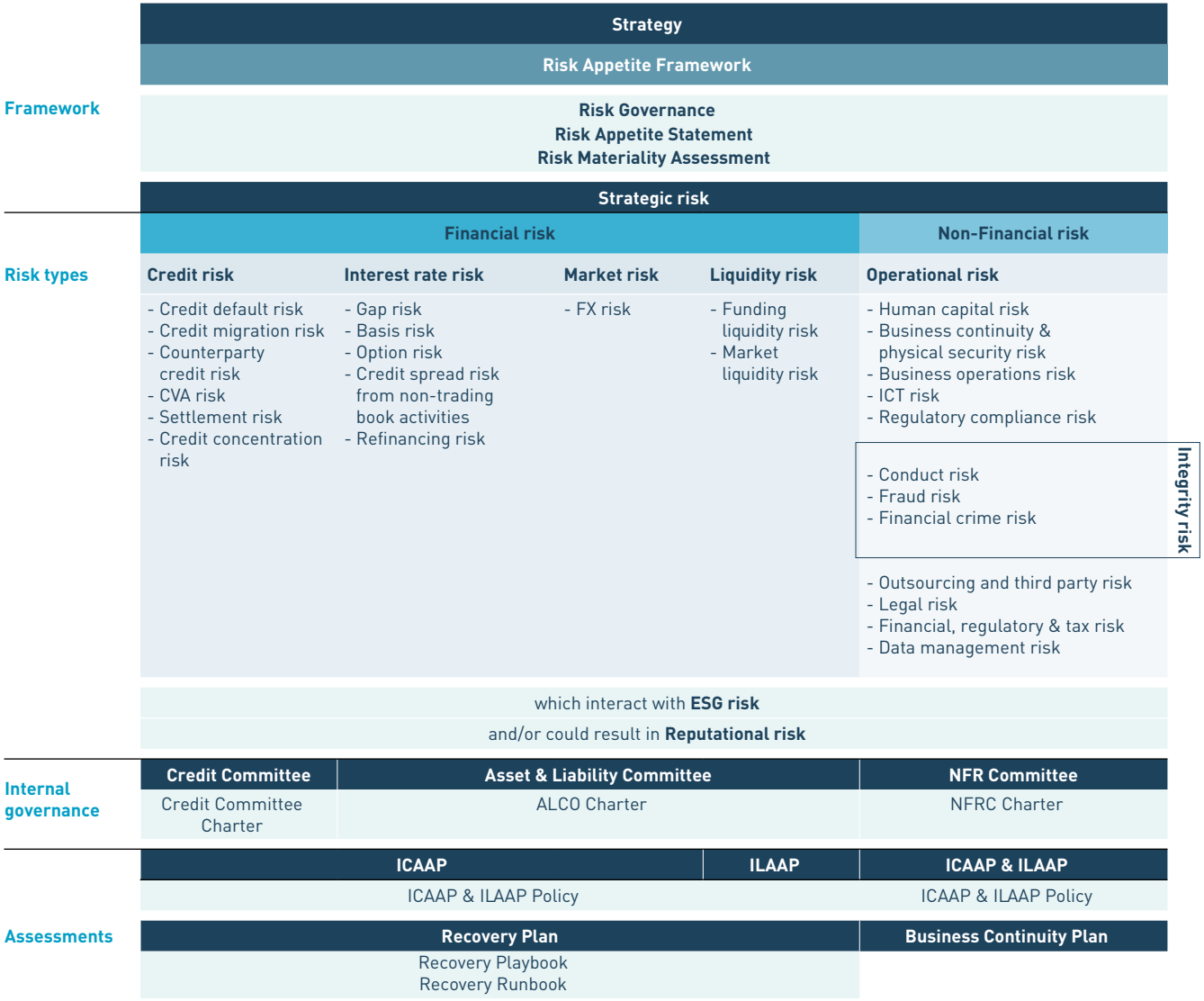
Material ESG risk drivers, which we identify based on our ESG risk materiality assessment (RMA), include the short-term (<3 years) physical risk of biodiversity loss. In terms of short-term transition risks, we have identified obligations related to property energy labelling, increasing energy demand, nitrogen emissions, surface water quality and the energy transition. In the medium term (>3-10 years), we have identified biodiversity loss and a shortage of raw materials as physical risks, and a shortage of social housing and healthcare as social risks. In terms of transition risks, we have identified the energy transition, energy labels, greenhouse gases and surface water quality, among others. Especially in the long term (> 10 years) we see an increase in the materiality of ESG risks. These include the physical risks of raw material scarcity, drought, flooding, biodiversity loss and extreme weather conditions. In terms of transition risks, in addition to those already mentioned, we consider the quality of groundwater and more far-reaching regulations for supply chain management of economic activities. Material social risks mainly include a hard-to-access and expensive healthcare system, insufficient (affordable) housing and energy poverty.

Material ESG risks are included in the double materiality analysis (DMA) and further managed through the risk management cycle. A key part of this is the collection of ESG data, which we use to further quantify and monitor ESG risks. We are conducting quantitative stress tests, focusing on the short term, and qualitative scenario analyses, focusing on the medium and long term. We develop scenarios based on scientific reports from the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC) and the Royal Netherlands Meteorological Institute (KNMI).

In order to monitor the risk factors, we have defined a set of ESG key risk indicators (KRIs), which are reported and discussed in various committees within the bank. The KRIs relate to the overall CO_2 reduction of the portfolio, energy labelling within housing association portfolios, nature within communities and various water authority targets. We evaluate the KRIs annually with the assessment RMA and adjust or expand them as necessary. The KRIs enable us to assess the performance of our clients and, if necessary, take action in the form of engagement. At the client level, we have incorporated ESG risks into the scorecards for the various client groups, with a credit risk score being determined for an individual client. In addition, potential ESG risks are explained and assessed in credit analyses and reviews.

REPUTATIONAL RISK

Reputational risk is the risk of damage to our bank's reputation resulting from a specific incident. This can be any kind of event, which means that this type of risk needs to be managed in the context of all other risks. Reputational risk may result in a loss of our ability to meet our (strategic) objectives because we no longer meet the expectations of our clients, regulators, rating agencies, investors or other stakeholders. Our Managing Board is responsible for managing reputation risk. Our appetite for this risk is low as well.



RISK MANAGEMENT FRAMEWORK

We have set out how we have organised our risk management, also known as risk governance, in the risk management framework below. This framework brings together various elements that play a role in our bank's risk management.

Risk governance

Our strategy places high demands on risk management and internal controls. We apply an organisation-wide approach to risk management and control. The Managing Board defines the risk management framework and, within this framework, the ALCO, Credit Committee and NFRC take decisions about the bank's risks. The Supervisory Board, and in particular its Risk Committee, evaluates the management of risks. This is an important part of its supervisory task.

Risk assessments

We conduct two types of risk assessment.

Internal Capital Adequacy Assessment Process (ICAAP)

ICAAP is used to determine minimum capital requirements. In this process, we assess our bank's capital adequacy for each type of risk on a quarterly basis. It is therefore an important activity in the bank's capital management. Part of the ICAAP is to perform stress tests to assess the robustness of our capitalisation.

Internal Liquidity Adequacy Assessment Process (ILAAP)

In the ILAAP, we internally assess the adequacy of the liquidity position and liquidity risk management. This determines our internal liquidity requirements.

Recovery Plan

Starting in 2024, we will update our Recovery Plan every two years and submit it to the ECB and DNB. This Recovery Plan sets out the measures a bank can take in a severe stress situation, and how it can recover afterwards. A key part of the Recovery Plan is the set of recovery triggers that may prompt the bank to take action. These recovery triggers are consistent with our risk appetite.

STATEMENT OF THE MANAGING BOARD

The Managing Board is responsible for establishing and maintaining adequate internal risk management and control systems within NWB Bank. The effective functioning of these systems is a constant focus of the Managing Board's attention.

The Annual Report provides sufficient insight into the functioning of the internal risk management and control systems and any deficiencies. These systems provide reasonable degree of certainty that the financial reporting does not contain material inaccuracies. It should be noted that any risk management and control system has inherent limitations and therefore cannot prevent all inaccuracies.

There are no material risks and uncertainties that are relevant to the expectation of the continuity of the bank for a period of 12 months after the report has been prepared. The Managing Board therefore considers that the going concern basis for the financial statements is appropriate.

The Managing Board declares that, to the best of its knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the bank. The Managing Board also declares that the Annual Report gives a true and fair view of the position of the bank on the balance sheet date and of the course of business during the financial year, and that the Annual Report describes the principal risks to which the bank is exposed.

The Hague, 18 March 2025

Managing Board

Lidwin van Velden
Ard van Eijl
Wilma Schouten
Frenk van der Vliet

SUSTAINABILITY STATEMENTS

- General statement
- Environmental information
- Social information
- Appendix Sustainability Statements

3



GENERAL STATEMENT

We will discuss our ambition and the scope of the sustainability statements here.

PRINCIPLES

Introduction and ambition

NWB Bank is committed to sustainability and transparency. For this reason, we are reporting on the basis of the European Union (EU)'s Corporate Sustainability Reporting Directive (CSRD) in 2024, despite possibly not being required to do so until 2025.

The CSRD includes criteria for standardised and comprehensive sustainability reporting on environmental, social and governance (ESG) topics. These guidelines are housed in the European Sustainability Reporting Standards (ESRS). The distinguishing feature of the CSRD, compared with guidelines such as the Global Reporting Initiative (GRI), is the requirement for double materiality. This means that an organisation reports from two perspectives: the impact *on* the organisation (financial materiality) and the impact *of* the organisation (impact materiality). In other words, double materiality considers both the impact of the organisation on the outside world and the impact of external factors on the organisation, with CSRD covering the entire value chain, upstream and downstream.

The CSRD should have been implemented in Dutch law by 6 July 2024, but that was not achieved. On 14 July 2025, Minister Heinen submitted the Sustainability Reporting Directive Implementation Act to the House of Representatives. In line with the advice of the Netherlands Institute of Chartered Accountants (NBA), we are acting in accordance with the proposed legislation. We are aware that we are applying the new regulations at a time when they are not yet legally required, there are not yet any sector-specific norms or standards and implementation guidelines will continue to develop.In doing so, we recognise that a better understanding of the requirements may emerge when the European Financial Reporting Advisory Group (EFRAG; a collaboration between various national and European stakeholders regarding reporting) publishes additional implementation guidance or Q&As. In February 2025, the European Commission published the Omnibus initiative, which aims to simplify sustainability reporting requirements. We are closely monitoring this development and its potential impact on our sustainability statements.

Scope

The Sustainability Statements of this Annual Report cover reporting on NWB Bank for the financial year ending 31 December 2024. The management report, the sustainability statements and the financial statements have been drafted at indivual level of the bank's own business. In addition to its own business, certain parts of the sustainability statements discuss the bank's value chain and clients. As our organisation has no subordinate companies, we do not use the grounds for exception formulated in article 19a and 29a of Directive 2013/34/EU; nor do we make use of the ground for exception regarding business-sensitive information.

We feel a great responsibility to report on our sustainability performance as comprehensively and thoroughly as possible. This is also what our stakeholders expect from us. We do this by examining the entire value chain: we meticulously map out where impacts, risks and opportunities (IROs) lie not only for our own institution, but also for our clients and other stakeholders.

In mapping the IROs and the impacts of our value chain, we looked first at our own clients and suppliers. We then assessed our clients' value chain, focusing on our main business: lending to parties in the Dutch public sector.

Data in the report

Information about our operations comes from our own information systems. We also use Het PON & Telos, a knowledge company affiliated with Tilburg University, to apply the Partnership for Carbon Accounting Financials (PCAF) methodology to determine the carbon footprint of our loan portfolio. They also calculated the key performance indicators (KPIs) for the impact in the value chain. A methodology is available for both calculations, which are explained in our annual **PCAF**

and **Impact** reports. To provide further insight into the composition, delineation, degree of certainty and improvement initiatives of reported data points, please refer to the **Reporting guidelines** section.

In addition to information on the fiscal year ended, these Sustainability Statements provide insight into comparative data from the previous year. In case of changes to methodologies, the comparative figures are corrected to keep the data comparable. This is the case for part of our CO_2-equivalent (CO_2e) footprint. Where relevant, we mention this in a footnote.

In applying the requirements of the ESRS, we cannot avoid making assumptions and using approaches that are fundamental to the reported information. The application basis for and implementation of these choices are documented for each data point according to the methodologies mentioned above. We have identified the following indicators as being subject to measurement uncertainty:

- Climate mitigation: **emissions in CO_2e**
- Biodiversity: **green-blue network**
- Social impact: **performance of housing associations**

We still see a lot of potential for further improving the provision of information. We try to continuously improve data quality by using the most recent source material, limiting assumptions and taking advantage of any new, higher-quality sources. Preferably, our data comes from direct sources or is confirmed by relevant stakeholders.

The CO_2e footprint of our loan portfolio was calculated for 2023, since data on client consumption is often a year behind. We extrapolated the footprint for 2024 using the increase in the loan portfolio and the updated emission factors.

Time horizons

In determining the time horizon for impacts, risks and opportunities, we follow the ESRS for the short term. For the medium and long term, we deviate to align with our ESG risk management framework, where the medium term is 1-5 years and the long term is 5-10 years. These horizons are based on prudential laws and regulations including the Capital Requirements Regulation (CRR), Capital Requirements Directive (CRD) and the guidelines of the European Central Bank (ECB) and European Banking Authority (EBA), including the ECB Guide on Climate-related and Environmental Risks. These time horizons are longer, emphasise the long-term perspective of our business model. In looking ahead, we use two medium-term time horizons of 1–3 years (short-medium term) and 3–10 years (long-medium term) and a long-term time horizon of >10 years, identifying IROs for all these periods. We define the short or current term as <1 year.

Our ESG risks are detailed in the **Risk section**.

Phase-in of reporting requirements

Some provisions and reporting requirements of the CSRD do not immediately apply to our organisation. Only after one or more years do we have to comply with the following (full) requirements:

DR E1-09 on anticipated financial impacts of material physical and transition risks and potential climate-related opportunities. In the coming period, we will further develop relevant scenarios so that we can meet these requirements in the future.

DR S1-16 on, among other things, the gender pay gap. For companies with fewer than 750 employees, a phase-in is possible. We will include an analysis for this from next year. We are currently working on a job matrix that will allow us to better compare positions within the bank, so that we can report a more balanced gender pay gap.

Incorporation by reference

In the Sustainability Statements, we make a number of references to our ESG transition plan and other parts of our annual report.

ESG transition plan

The transition to a sustainable society requires an integrated approach. In our **ESG transition plan,**we set clear goals to guide our organisation and in turn make an even greater impact together with our clients. For a large number of reporting requirements, the Sustainability

Statements refer, for contextual and supplementary information, to this document, which defines our vision of making a positive contribution to climate, nature and society.

Management and corporate governance report

To present information about our business operations as comprehensively as possible, we cover the following topics in the management and corporate governance report.

- **the role of the Managing Board, Supervisory Board and Works Council in relation to ESG**
- **integrated ESG risk management**
- **our remuneration policy**
- **the description of our products and services, our strategy and our value creation model**
- **our financial results**

STRATEGY AND MANAGEMENT APPROACH

In this section, we discuss our strategy in relation to our sustainability goals.

Value creation model

Our value creation model provides a visual representation of the value we add to society and the process behind it. Our strategy is reflected in the different parts of this model: input, business model, output, outcome and impact. The value creation model is discussed in the Report of the Managing Board.

Management approach

As far as possible, we have translated our strategy into concrete objectives. The Managing Board sets these objectives in coordination with the Supervisory Board. We actively monitor our progress on these strategic objectives and report this to the Supervisory Board. We refer to how we have organised responsibilities and tasks as our management approach, meaning our policy implementation, control, supervision, rules and principles. Between all these facets, we continuously seek an optimal balance to achieve our objectives as efficiently and effectively as possible. We communicate transparently about our approach and are accountable to all our stakeholders, including through this Annual Report.

Sustainability objectives are an integral part of our strategic goals. We believe that striving for social impact and managing sustainability risks should be fully integrated into our organisation and processes. We examine whether sustainability can or should play a role in our considerations. In credit proposals, for example, we include sustainability impacts and risks as standard. Examples include the rate at which climate impacts are being reduced and the potential exposure to physical climate risks. These are specifically reflected in the scorecards we use for our client sectors. Sustainability is also a recurring topic on the agendas of the Managing Board and Supervisory Board. We have a Sustainability Advisory Board that draws up, monitors and amends plans and policies with a direct relationship to sustainability and is also responsible for formulating our sustainability policy. The committee includes employees from various departments and is chaired by the Chief Commercial Officer (CCO). The Sustainability Advisory Board advises and reports to the Managing Board, which is ultimately responsible for all sustainability-related policy, direction and control. We have aligned our management approach to sustainability with our compact organisation and with our role as a financial services provider of and for the public sector.

ESG risks are also comprehensively embedded in our risk committees: the Credit Committee, the Non-Financial Risk Committee (NFRC) and the Asset & Liability Committee (ALCO). This provides management with insight into the ESG risks we face, especially climate risks. The Public Finance, Specialised Finance

and Credit Risk Management departments have been expanded and strengthened in this area in recent years, and thanks to this additional capacity and knowledge, sustainability is even more prominent in our market approach. We explicitly incorporate ESG risks in our internal governance and risk management. We place all related tasks within the so-called Three Lines of Defence model:

- The first line includes the Public Finance, Specialised Finance, Treasury, Finance & Control and Legal departments and is responsible for due diligence, individual client assessments, engagement with clients, (sustainability) reporting and disclosure of information, among other things. ESG risk management is principally a first-line responsibility, with the second line providing oversight.
- The second line consists of the Financial Risk Management, Operational Risk Management and Compliance departments, and supports, advises, coordinates and monitors the first line. Second-line departments are responsible for setting ESG risk management frameworks and policies and ensuring compliance with ESG regulations. They also monitor and determine whether the first line is operating within the agreed frameworks. The Chief Risk Officer (CRO) is responsible for the second line.
- The third line is the Internal Audit Department (IAD), which evaluates sustainability management measures and provides an objective, independent opinion on them, together with opportunities for improvement.

With this governance, sustainability and ESG risk management are explicitly embedded and integrated within all relevant lines and departments of the organisation, involving all management.

For information on our general governance, please see **Chapter 2**, where the ESG responsibilities of the Managing Board, Supervisory Board and Works Council are described in more detail.

Developments in 2024

To report on and manage our impact, we need to collect, store and analyse all kinds of ESG data. With various projects underway in this domain, we have formed an ESG Accelerator working group to coordinate them, bring together knowledge and set priorities. All relevant departments of the bank are represented in this working group. During 2024, the ESG Accelerator's activities included preparations for CSRD and a new materiality analysis, focusing on the concept of double materiality. The ESG Accelerator reports to a steering committee, in which the Managing Board is represented.

Sustainability performance and remuneration

In 2020, the remuneration policy for the statutory board was last established. Since then, no variable performance-related remuneration has applied to them, following an earlier decision to abolish it for our employees. We do, however, include performance related to climate or other ESG factors in the assessment of our employees' performance. An explanation of the bank's remuneration policy can be found in Chapter 2: Corporate governance.

Our influence

The ESG IROs we have identified primarily affect our clients. As a result, we use our influence to encourage them to achieve these goals. Our financing is the main way to create impact, mitigate risks and capture ESG opportunities and we have four options for incentivising sustainability among our clients to meet our goals: engagement, positive and negative pricing, active financing and exclusion. We have also described these options in our ESG transition plan. They are levers: ways to achieve results with indirect pressure.

Engagement

We are in constant contact with our clients and sector parties such as umbrella organisations, regulators and guarantee funds. We asked parties from each of these groups for their insights when drafting the ESG transition plan. We hold conversations with them to keep abreast of the developments and challenges they face and to discuss how we can move their issues forward together. During these discussions, we can also make clear which ESG developments we consider important and what we expect from our clients in this regard, such as setting and monitoring targets. We focus primarily on clients for whom our financing is most important. After all, if we fulfil all or a significant portion of a client's financing needs,

we are more likely to get a seat at the table to discuss sustainability policies. In addition, we prioritise clients who are frontrunners, laggards or for some other reason have a high impact on ESG topics.

Engagement helps mitigate our risks and increase our positive impact. Normally, engagement takes place with clients who have the most impact, but in the future, we may also choose to engage more intensively when we have the impression that a client is lagging too far behind. We can then determine the transition from normal to intensive engagement using KPIs and key risk indicators (KRIs). We are in the process of working out what a higher engagement intensity looks like when normal engagement proves insufficient.

Positive and negative pricing

To help clients become more sustainable, we offer sustainability-linked loans (SLLs). By the end of 2024, eight outstanding loans were linked to sustainability conditions, a number that we will increase next year. With these SLLs, we agree KPIs in the area of sustainability with the client in advance. If the client meets these targets, we give a discount on the interest rate. We thus encourage clients to become more sustainable. We use indicators and targets that are ambitious and easily verifiable. In addition, ESG factors are an integral part of our risk considerations and are included in our client analyses and periodic reviews. Depending on creditworthiness, ESG factors can also lead to higher credit spreads for clients. When there is a guarantee, it is important to ensure that the guarantee system is prepared for any ESG risks. We regularly hold discussions with relevant stakeholders about this.

Exclusion

In accordance with our Articles of Association, we provide financing exclusively to activities within or related to the Dutch public sector. We can therefore in principle conclude that our clients serve the public interest, which means that the scope for applying exclusion varies per sector. We do use exclusion criteria to clarify what we are definitely not prepared to finance. In addition, we use exclusion criteria to clarify what we are definitely not prepared to finance. We choose not to part with clients who are still lagging behind in terms of sustainability; after all, our clients serve the public interest and have their eye on sustainability, but also sometimes face dilemmas regarding prioritisation, capacity, time and cost. For example, providing healthcare may take priority over sustainability in the short term. We weigh this in our assessments.

Active financing

We are active in financing renewable energy projects and infrastructure that are essential for the energy transition, such as wind farms, heat networks and regional grid operators. Crucial for us as a bank for the public sector is that there is a clear link with the government in such financing. This can be in the form of a guarantee or shareholding, but also, for example, an SDE++ subsidy (for the stimulation of sustainable energy production and climate transition).

In 2022, we launched the NWB Water Innovation Fund (WIF), through which we support water authorities' innovative projects that are broadly applicable and contribute to making the Netherlands more sustainable. The WIF is a revolving fund, separate from the bank, with its own board and investment committee. The WIF provides risk capital in the form of a loan. This is always co-financed: the fund contributes a maximum of 50% of the total risk capital required and at least one-third is contributed by one or more water authorities. The maximum contribution from the fund is €2 million per application. Such lending does not fit within NWB Bank's own risk appetite, which is why we have established an independent fund in consultation with our shareholders. In the future, we will continue to look for new financing opportunities to contribute to making the Netherlands more sustainable.

Budget

The implementation of the above measures is fully integrated into the organisation. In addition, we spent €0.6 million on ESG data in 2024. To process all our ESG data, we invested €0.5 million in 2024 in integrating it in our data warehouse.

OUR STAKEHOLDERS

Our stakeholders include our shareholders, clients, investors, industry organisations, employees, regulators and the government, as well as the 'silent stakeholder:' nature and the environment. To know what is important to our stakeholders, we stay in regular contact with them. Maintaining, intensifying and expanding the stakeholder network is an ongoing task for management and the relevant departments. In line with their own responsibilities, the departments and their managers also maintain regular contact with stakeholders.



Shareholders

The number of shareholders is limited and manageable, which allows for regular personal contact. Formally, a general meeting of shareholders takes place once a year. At this meeting, the Managing Board accounts for the previous year's results and policy. It also explains the bank's strategic developments.

Informal consultations are held with the water authorities at least once a year. In 2024, this happened in the autumn, when we got to know many new administrators who took office after the water authority elections in March.

The Managing Board also has quarterly consultations with the Ministry of Finance. Corporate social responsibility and the energy transition are priorities in the *Government Participation Policy Memorandum 2022*, the most recent memorandum, which sets out how the Ministry interprets its shareholding in state-owned companies such as NWB Bank.



Clients

We have around 1,000 clients, with all of whom we aim to maintain a long-term relationship that, where possible, goes beyond lending. All our clients are part of, or operate in, the Dutch public sector and therefore intrinsically feel a great social responsibility, especially where sustainability is concerned. The sustainable character of our bank stems partly from this and we never fail to draw extra attention to our clients' responsibility for sustainability, and especially the climate, in our discussions. The Public Finance department's credit management team has an important role to play in this regard. In 2024, we organised two client days: one for water authorities and one for housing associations. In addition, we hosted a meeting on our ESG transition plan for a mixed group of clients and other stakeholders.



Employees

Internally, we strive for open dialogue among employees and between our employees, management team and Managing Board. We place high value on an informal, inclusive and open culture, where, for example, the door of the Managing Board is literally and figuratively open. Several times a year, we organise a townhall session for all employees, during which the Managing Board informs everyone about the annual and half-yearly figures and the outcomes of the annual strategy cycle.

The official consultative body between the Managing Board and employees is the Works Council. In 2024, the Managing Board held four formal consultations with the Works Council. They discussed, among other things, the appointment of an external confidential advisor, the privacy policy and accommodation. Members of the Supervisory Board join the meetings twice a year.



If employees in the organisation unexpectedly identify wrongdoing, they can contact an (external) confidential advisor. We also have a whistle-blower policy, which enables employees to report alleged wrongdoing without jeopardising their legal position.



Industry organisations

In addition to contact with our clients themselves, we have periodic contact with industry associations and assurance institutes of client groups, as well as with the ministries that our client sectors fall under.



Investors

For the most part, we finance our bank on the international money and capital markets by issuing bonds and commercial paper. In doing so, we also try to attract investors who consider not only financial-economic factors but also sustainability issues in their decision-making. Since 2014, we have therefore been active in issuing ESG bonds.

We hold regular discussions with (potential) investors, organised by the Treasury department. The aim is on the one hand to explain the business model, strategy and activities of the bank, and on the other hand to listen to what investors consider important. Since we issue ESG bonds, we sometimes also take investors along to sustainable and social projects that we have financed with the proceeds of these bonds.

We actively seek dialogue on sustainability with our investors, and they with us. Investors keep us on our toes and use research and ESG rating agencies to assess sustainability and transparency in our operations and organisation.



Regulators

The Managing Board, management team and some employees have regular discussions with the supervisory authorities. We are supervised by the ECB, the Dutch Central Bank (DNB) and the Netherlands Authority for the Financial Markets. The prudential supervision is intensive, with the regulators increasingly calling attention to climate and environmental risks. When there are developments in supervision, we enter into dialogue with the supervisory bodies, both as ourselves and jointly through the European Association of Public Banks and the Dutch Banking Association.



Government

We are a bank of and for the public sector and, partly for this reason, contact with both decentralised and central government is important. We have regular consultations with ministries and provide expertise in policy discussions where possible and when requested. One example is the periodic consultation on social housing with the Ministry of the Interior and Kingdom Relations.

As an institution with a banking licence, we must comply with specific laws and regulations. Examples include prudential regulations on capital, remuneration policy and taxation. We therefore regularly consult with authorities at the national and European level. In doing so, we often join forces with other banks, including through the Dutch Banking Association and the European Association of Public Banks. In this way, we try to ensure that new or changing legislation and regulations take account of the specific business model of promotional banks such as NWB Bank.



Nature and the environment

Our actions have a direct and/or indirect impact on nature and the environment. Conversely and in turn, nature and the environment demand that we adapt our actions, as is evident in, among other phenomena, climate change. We believe that we must explicitly take nature and the environment into account, which is why we have decided to recognise them as so-called silent stakeholders. Since nature and the environment cannot make their own voices heard, we maintain contact with environmental organisations.

MATERIALITY AND VALUE CHAIN

In this section, we explain our materiality analysis and value chain analysis.

Materiality analysis

In previous years, we conducted our materiality analysis according to the requirements of the GRI. In this report, we apply the requirements of the ESRS, which uses the concept of double materiality. Double materiality involves not only financial materiality but also impact materiality. Impact materiality refers to a company's impact on people and the environment, while financial materiality is about a company's risks and opportunities that translate into a financial impact, such as revenue growth, profit or loss. According to the CSRD, sustainability topics can manifest as impacts, risks or opportunities (IROs).

We consider not only direct stakeholders, but all parties along our entire value chain. In addition, we consider impacts on silent stakeholders represented by non-governmental organisations (NGOs), such as nature. We have expanded our materiality analysis to include both direct and indirect stakeholders, to bring the entire value chain into focus.

In addition to the axes of financial materiality, impact materiality and the breadth of the value chain, the CSRD is distinguished by the requirement to consider topics over different time frames. Short-, medium- and long-term impacts are considered, outside the period of the financial statements. As we are a lender with a long-term horizon, this aligns well with our internal strategy processes. We define the terms as follows: 'short' <1 year (ST), the short-medium 1–3 years (SMT), medium-long 3–10 years (MLT) and long >10 years (LT).

Conducting the materiality analysis

In the materiality analysis, we identify material topics and IROs in four steps. Here we describe the method and assumptions for each step.

Understanding the business context and value chain

To gain insight into our material topics, we started by analysing our value chain extensively. This was crucial to better understand the relationships and influences within our ecosystem of clients and stakeholders. The scope of the bank's value chain is described in more detail below.

Identifying potential IROs

The materiality process included the analysis of documentation, such as risk assessments and sector-specific analyses including client scorecards. Sector publications and news reports were another important source. We did this analysis based on the observation that we create impact primarily through our lending to clients in the (semi-)public sector, financing that helps them perform their public tasks and activities. Based on the scope of financing, we can therefore identify where a large part of the bank's IROs (impact, risk, opportunities) are likely to be located. In our **value chain analysis** we identified sectors with a significant amount of funding provided. In addition, we identified activities, relationships and other factors that require specific attention due to a higher risk of negative impacts or financial effects, such as the financing of port areas that are home to intensive industrial activities. Because stakeholder engagement is an integral part of our ESG work, we did not gather additional information through engagement; instead, the focus was on consulting (subject-matter) literature and substantiating insights that emerged from various conversations.

Impacts have been determined using information from our value chain and third parties. These include sector reports, media releases, annual reports and publications from research institutes and advocacy groups. Based on this information, we linked a list of potential impacts to the ESRS themes. We supplemented this list with the entity-specific topics that emerged from last year's assessment.

Financial risks are a core focus of a healthy and strong financial institution. The **ESG risk materiality assessment** (RMA) served as the starting point for identifying these risks. The first step was to link the material ESG risks to the ESRS themes and sub-themes. We then used the data used in the credit risk analyses to estimate the degree of sensitivity of clients and sectors to the various risks. To qualify the potential financial impact of ESG risks, we calculated the financial

exposure to ESG risks for the existing portfolio. We linked data on energy labelling and energy performance of social housing owned by public housing associations to the climate change theme, sub-theme energy, and estimated the risk per client. Based on this client risk, we included the outstanding loans to arrive at a quantitative estimate. This resulted in a medium level of materiality for climate change and the three underlying sub-themes of adaptation, mitigation and energy. This indicates that, based on the data currently available, we do not expect ESG risks in the areas of water management, biodiversity and social housing to have a material financial impact in the short, medium or long term. We will, of course, continue to monitor the risks we have identified and work on scenario analysis to deepen and quantify the potential financial impact in the coming year.

This risk materiality analysis (RMA) therefore differs from the double materiality analysis (DMA), which produces different materiality results, allowing ESG risks to be excluded from the RMA in the DMA. Materiality in the RMA is defined as the likelihood and impact of ESG risks to our organisation and portfolio, and their impact on our traditional financial and non-financial risks. To the extent that ESG risks translate into credit risk for our clients, the DMA is a next step in which we seek to translate this into estimated actual financial consequences.

Financial opportunities have been identified primarily from client and sector information. Our analysis follows the bank's sector and client analyses and commercial forecasts. Based on the size of and expected developments within a sector, we look at the potential for increasing financing demand in that sector. If there is increasing demand for financing, we can respond and meet that need. This allows us to make more revenue and impact and potentially more profit, keeping in mind that as a public-sector bank we do not seek to maximise profit.

Interrelatedness is an important aspect of double materiality: if there are impacts, are there automatically also opportunities and risks, or vice versa? To determine any overlap and shortcomings, we juxtaposed the outcomes of the processes for IROs.

Assessing and determining material topics

The assessment followed a process we established with the ESG specialists within the organisation. For impacts, we used the aspects of *scale*, *scope*, *remediability* and *likelihood*, and for risks and opportunities, we used *size* and *likelihood*. As an intermediate step, we reduced the longlist of IROs to a shortlist, discarding low-scoring indicators.

Impacts were quantified as much as possible, with the materiality determination being primarily qualitatively driven. Based on available research and information, we established a scale of threshold values for each IRO, expressing a materiality score of 1 to 5. We labelled topics scoring at least 3 in a given time horizon as material.

Financial risks were quantified using existing scorecard indicators. At the client level, we translated these into an exposure-at-risk score, which can be used to establish a portfolio total that gives an indication of the extent of risk in a given time horizon per topic and client group.

Financial opportunities rely on a qualitative assessment of any increase in financing demand from our current and potential future clients. To differentiate between low, medium and high material issues, we used the same threshold values as for financial risks.

As a financial institution, we constantly monitor the potential effects of ESG issues. While we endorse the importance of vigilance and the major potential consequences of climate change, among other things, we did not see any directly related financial impacts this fiscal year, nor do we expect any material settlement in the coming fiscal year.

Validation

We validated the identified topics with feedback from internal and external stakeholders. For this purpose, we approached parties including water authorities, housing associations and drinking water companies in our client portfolio. The outcome of this validation phase was that the previously defined topics could remain unchanged. This remains an iterative process.

Stakeholder validation was carried out with the sectors identified as most important and with a number of other key stakeholders, including so-called silent stakeholders. The goal of the stakeholder validation was to gather as much information as possible, by conducting both a survey and a substantive conversation. In addition to talking about the material issues that the value chain partner had itself identified, we focused on their interplay with the bank and how we can support the stakeholder in increasing or mitigating IROs. In these discussions, all stakeholders expressed agreement with the topics presented

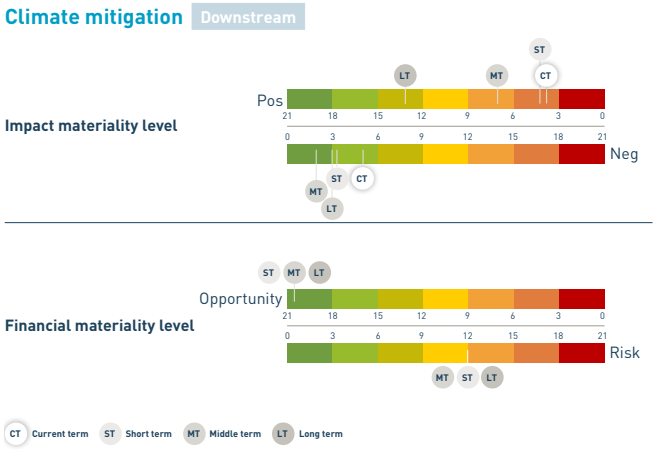
The following stakeholders took part in the validation:

- the coalition of the willing, representing municipalities;
- Aedes, representing the housing association sector;
- Woonstad Rotterdam, as a leading housing association;
- Social Housing Guarantee Fund (WSW), as guarantor for the housing association sector;
- Dunea, as a major regional drinking water company;
- the Ministry of Finance's Directorate of State Participations, as shareholder;
- Natuur & Milieu, as a silent stakeholder representing the interests of nature and the environment;
- the Dutch Banking Association, representing the financial sector.

Monitoring and internal validation were important parts of the process, in addition to compiling and processing the results of the materiality analysis. The people involved checked each other's analyses. In a subsequent feedback cycle, we presented our double materiality analysis (DMA) to the ESG Accelerator working group, before internal audit professionals issued an advisory report on the process and methodology that had been followed. After taking the advice and comments into account, the Sustainability Advisory Board validated the DMA, and the result was then presented to the Managing Board.

Material topics

Based on the materiality analysis, we identified a number of material topics which are discussed below. In each case, we briefly discuss the relevance of the issue and how we address it. The underlying impacts, risks and opportunities are part of the **connectivity table**. As explained earlier in this chapter, ESG risks identified in the **risk material assessment** do not always result in an expected material financial impact. Therefore, they are not included as 'risks' for the purposes of these Sustainability Statements.



Climate mitigation

Climate change mitigation is the impact on the climate of the (financed) emission of greenhouse gases within the bank's own operations and value chain, related to its financing and investment activities. This topic also includes financial (transition) risks and opportunities. The negative impact of greenhouse gas emissions is offset by the positive impact of policies and measures to limit emissions. Climate protection is the basis for the third pillar of our strategy 'Financing partner for enhancing sustainability in the Netherlands', which focuses on the financing of renewable energy projects. We report on the impacts, risks and opportunities of climate change mitigation on the basis of **ESRS E1**.

Climate adaptation Downstream



Climate adaptation

Climate adaptation is the positive impact on resilience to climate change through the management of (potential) floods and droughts by the water authorities, made possible in part by the bank's balance sheet financing. It also includes financial risks and opportunities arising from the occurrence of damage or increased demand for financing. Climate adaptation is reflected in both the first and second pillars of our strategy: 'Bank of and for the public water sector' and 'Key player in financing the Dutch public sector'. We report on the impacts, risks and opportunities of climate adaptation based on **ESRS E1** and entity-specific characteristics.

Energy Downstream



Energy

Energy covers the impact on energy consumption of our own business processes, financed energy consumption in the value chain and the production of renewable energy from projects we finance. This topic includes financial (transition) risks and opportunities. As mentioned above, sustainable energy is central to our strategic pillar 'Financing partner for enhancing sustainability in the Netherlands'. We report on the impacts, risks and opportunities of sustainable energy based on **ESRS E1** and entity-specific characteristics.

Water management Downstream



Water management

Water management refers to the positive impact on the state of water management by the water authorities and on the supply of drinking water by the drinking water companies, partly made possible by our balance sheet financing. We have not identified any direct financial opportunities or risks in this area. Water management is part of our strategic pillar 'Bank of and for the public water sector'. We report on impacts on **water quality and availability** based on entity-specific reporting requirements.

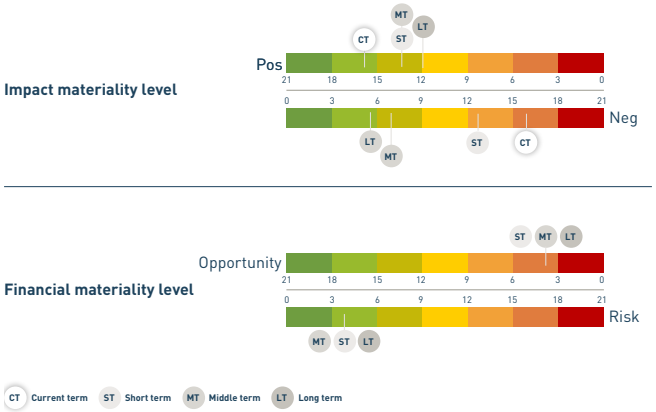
Biodiversity and ecosystems Downstream



Biodiversity and ecosystems

Biodiversity and ecosystems cover the impact on the quality and extent of ecosystems and biodiversity within the managed area of funded organisations. Over time, we expect to make a more positive contribution than the current, mostly negative, trend in biodiversity. This offers long-term opportunities. Biodiversity is part of our strategic pillars 'Key player in financing the Dutch public sector' and 'Bank of and for the public water sector'. We report on the impacts on and opportunities for **biodiversity and ecosystems** on the basis of entity-specific reporting requirements.

Own employees Eigen activiteiten



Own employees

Our own employees concern the impact on our employees of working conditions and circumstances such as sickness (absenteeism), gender equality and training opportunities. Apart from 'key person risk', we do not currently see any specific financial risks or opportunities related to our employees. Employees are part of our strategic pillar 'Sustainable, efficient and socially engaged organisation'. We report on the impact on our own employees based on **ESRS S1**.

Social housing Downstream



Social housing

This relates to the impact of our financing on the quality and availability of social housing for the Dutch population. There are no potentially significant financial impacts related to the high social importance of social housing finance. Social impact is part of our strategic pillar 'A key player in financing the Dutch public sector'. We report on **social impact** on the basis of entity-specific reporting requirements.

Approval

The Managing Board has approved the list of material topics for inclusion in these Sustainability Statements following discussion in the Sustainability Advisory Board. The material topics were explained at a meeting of the Supervisory Board. The Sustainability Advisory Board will review the material topics annually and re-submit them to the Managing Board. The internal audit department validated the process of double materiality analysis in 2024 in accordance with the regulations.

Differences from the previous year

Compared to the 2023 materiality analysis, there are methodological changes and shifts in the results. This is due to the move from GRI to CSRD reporting. Under GRI, the analysis was limited to the bank's impact on stakeholder decisions and on the economy, environment and society. The financial axis has now been added, with opportunities and risks as an important area of analysis. The new double materiality process places greater emphasis on the interrelationship between financial and impact materiality, the impact of the chain on society and the different time frames in which impacts are felt. The list of potentially material topics is also different, in line with the themes of the standards. This sometimes creates challenges when issues that are important to us do not fit easily into a standard. We overcome this by developing company-specific topics in line with the standard's methodology.

These changes are reflected in the results of the materiality analysis. For example, biodiversity and the bank's wider social impact have been given a higher priority. The way we present material topics has also changed, as it is difficult to capture the multiple axes and time frames in a two-dimensional graph. For the material topics, we show materiality by perspective and time frame. In doing so, we clarify why we conclude that these topics are material and provide insight into the changing expectations of stakeholders and the broader trend in sustainability standards.

Information to report

Identifying material topics is the starting point, not the end point, of thorough Sustainability Statements. Once we have determined *what* to report on, the next step is to determine *how* much detail is material and, finally, how to present it, i.e. the choices we make in focusing on sustainability issues. In addition to the generally required disclosures, we report relevant data on our policies, action plans, targets and standards in relation to the material topics. Our starting point is the CSRD reporting requirements, although some of these do not fully reflect the reality of our organisation and value chain. In such cases, we apply company-specific reporting criteria, and our reasoning is detailed in the **Index** section.

Value chain analysis

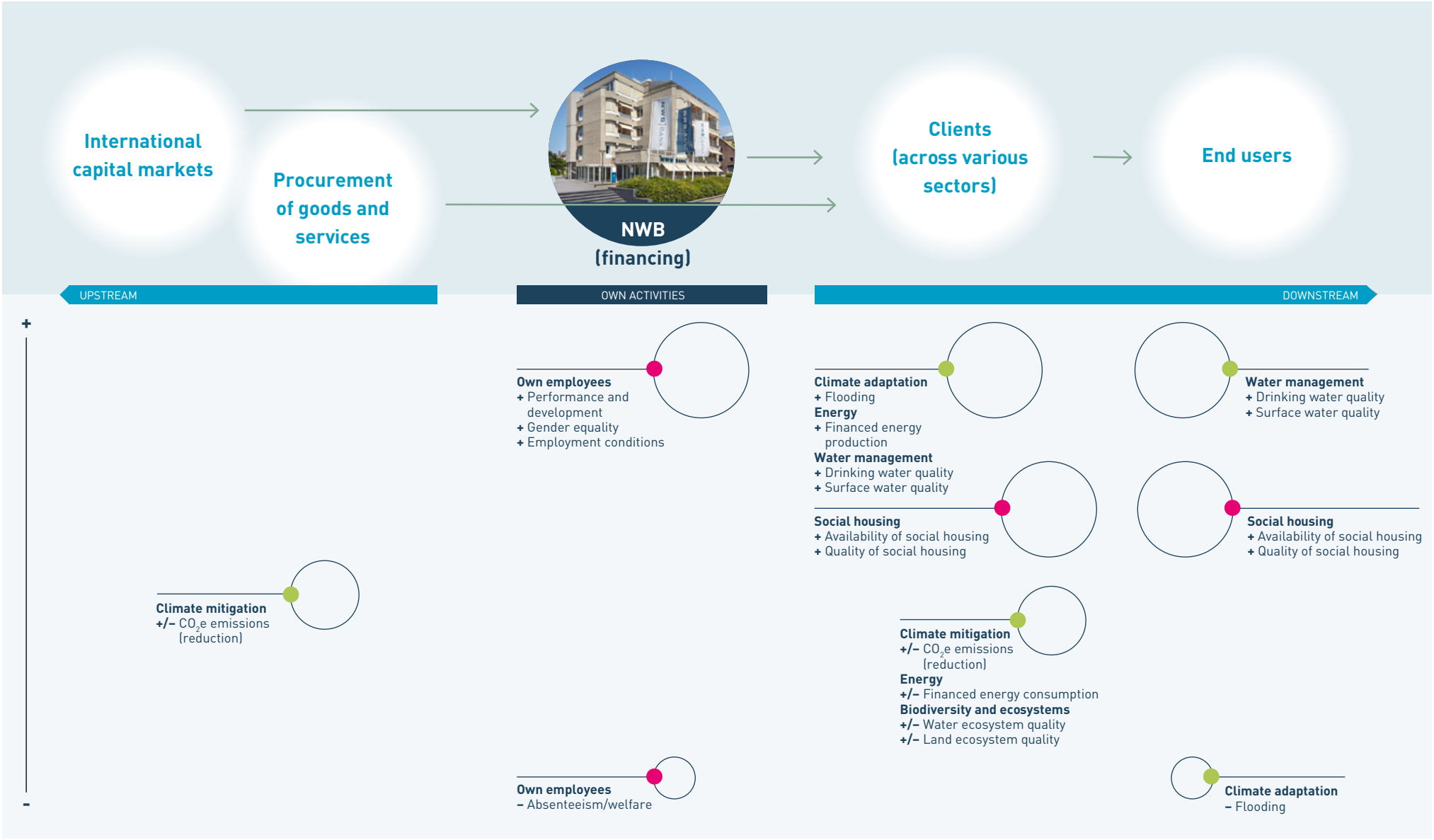
Value chain analysis is an important part of the double materiality analysis. Value chain analysis helps companies identify and prioritise significant impacts, risks and opportunities (IROs) throughout their value chain.

The ESRS defines the value chain as all the activities, resources and relationships that a company uses or relies on to produce its products or services from conception to delivery to end of life. This comprises internal processes, supply chains, distribution and the wider environment, including regulatory and geopolitical factors. It considers both upstream activities (such as those related to suppliers) and downstream activities (those related to clients and their value chain). We have based our value chain analysis on financial relationships, using data from the 2023 balance sheet and identifying inputs, outputs and relationships with key players. The analysis aims to provide insight into the interactions of the business model with external factors, as a basis for accurate reporting and strategic decision-making.

Our comprehensive value chain analysis shows that we mainly influence, and are influenced by, the following sectors: water authorities, drinking water companies, housing associations, municipalities and local authorities and services, healthcare and welfare institutions, and renewable energy projects. The bank provides both project and balance sheet finance to these sectors. To get the full picture, we also consider sectors with potential impact, such as port companies and educational institutions. We consider the bank's derivative counterparties, suppliers of goods and services, and clients' activities, although the impact on our suppliers is extremely liminted because we are a compact organisation with little direct purchasing of goods and services. For our clients, their suppliers and customers also play a crucial role in mapping out how we, as a financial institution, influence the entire value chain from capital to the real economy. This analysis enabled us to better align key issues with the expectations and needs of our stakeholders.

The diagram below shows a schematic representation of the bank's value chain. This allows us to identify the material topics and the policy we are pursuing, including the targets, measures and standards we have set. By 2024, there were no significant changes in the size, structure or ownership of the bank and its value chain.

IMPACT IN THE VALUE CHAIN



STRATEGY AND RISK MANAGEMENT FRAMEWORK

In this section, we discuss our management of ESG risks and opportunities in more detail

ESG risks and opportunities

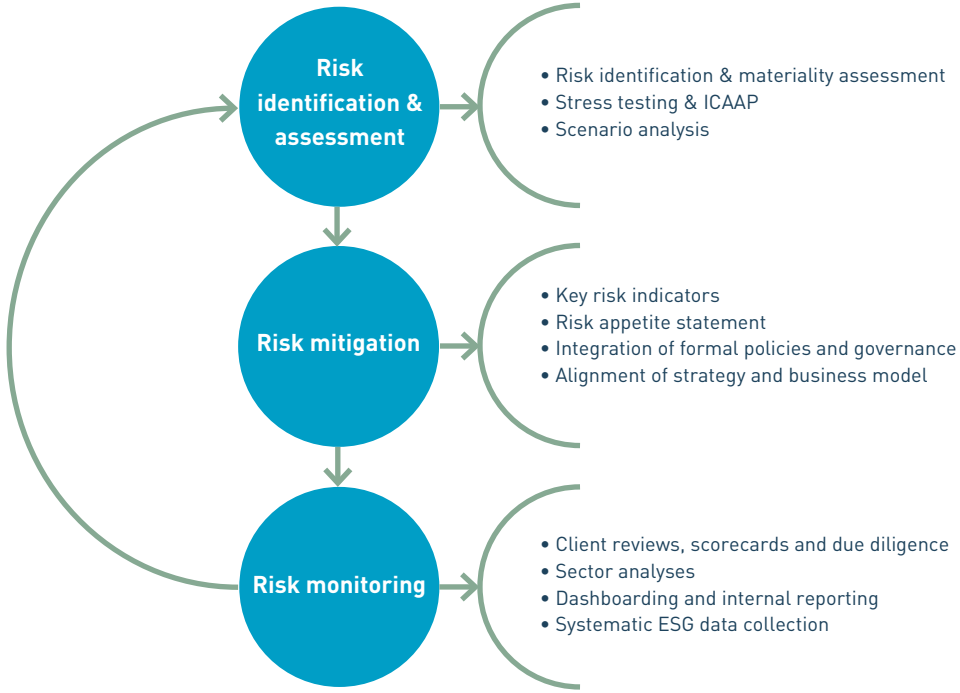
Our strategy must ensure that we maximise opportunities for responsible returns and social impact. At the same time, we need to manage the risks to our bank. Opportunity and risk management go hand in hand. As part of our sustainable water banking strategy, we have been explicitly addressing sustainability (ESG) opportunities and risks over the past few years. These are (partly) reflected in the SWOT analysis in the **'Opportunities and risks' section**. The impacts, risks and opportunities (ORIs) have been further elaborated for each material topic.

ESG risk management

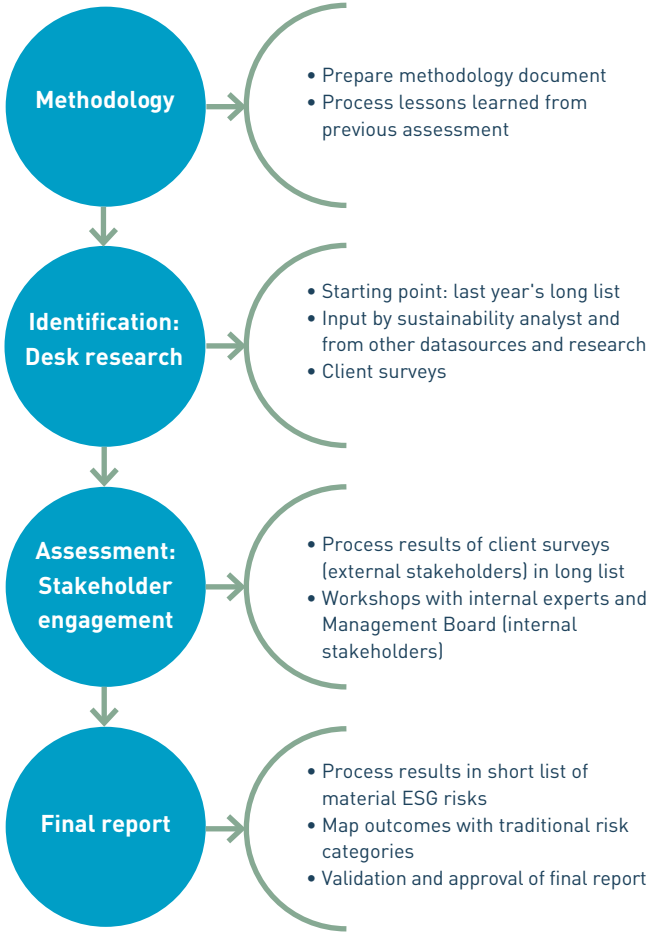
In terms of ESG risk management, this is part of our **overall risk management framework**. ESG risk is the risk that ESG factors will negatively impact our bank's strategic objectives, capital position and/or earnings. Within our risk management framework, we have several processes in place to identify, monitor and manage ESG risks. These processes and the governance responsibilities described earlier are set out in policy and form part of the ESG risk management cycle.

ESG risk identification

The cycle starts with the ESG risk identification and the materiality assessment. During this process, we identify the material ESG risks for our organisation. As with our impact assessment, we use insights from our clients and other stakeholders, academic research and other data sources. We identify risks for the short term (< 3 years), medium term (3-10 years) and long term (> 10 years), and then assess the impact on our traditional risk categories through transmission channels. Transmission channels are the ways ESG risks affect us and our clients. Examples include physical damage to assets due to physical risks such as drought, but also a potential fine for us or a client for failing to comply with certain policies, regulations or agreements. We then assess the impact of ESG risks on our traditional risk types, including strategic, credit, operational and interest rate risk.



ESG RISK IDENTIFICATION & MATERIALITY ASSESSMENT



In 2024, we identified the material ESG risks, the micro- and macro-economic transmission channels, and the associated traditional financial and non-financial risks. Climate and environmental risks are categorised into physical risks and transition risks. Overall, ESG risks tend to become more material over the medium to long term, which aligns with common understanding. We have also included the material ESG risks as a starting point in the double materiality analysis (DMA). Due to the early implementation of the DMA, these are the results of the materiality assessment of the ESG risks for 2023, used to identify the risks for 2024. The results from 2023 were in line with 2024.

ESG risk assessment

We further analyse material ESG risks through stress testing and scenario analysis. Stress tests are conducted annually as part of the ICAAP, the general annual risk assessment process for significant financial institutions, to examine and quantify the impact of ESG risks on

TRANSVERSALITY OF ESG RISKS

RISK SOURCES	ESG RISKS	TRANSMISSION CHANNELS	TRADITIONAL RISKS
Climate Climate change **Nature** Degradation of nature	**Physical risk** • Biodiversity loss • Flooding • Weather conditions • Drought • Groundwater pollution • Use of natural resources **Transition risk** • Greenhouse gas emissions • Surface water quality • Energy label obligations • Energy transition • Circularity policies • Nitrogen emissions	**Microeconomic** • Investment costs • Damage to assets • Non-compliance with regulations and sanctions • Reputational damage and claims • Impracticability of ESG commitments • Operational impact • Loss of revenue • Inadequate infrastructure (grid congestion) **Macroeconomic** • Changing political climate • Increased regulation and oversight • Inflation, higher costs and taxes • Changing demographics • Shortage of personnel and resources • Current system is unsustainable	**Credit risk** Deterioration of credit quality and write-down of collateral **Interest rate risk** Refinancing risk – sovereign downgrade and loss of AAA rating **Liquidity risk** Financing risk – reputational damage and ESG crises **Operational risk** Disruptions, inadequacy of banking processes, resources and regulatory compliance **Strategic risk** Uncertainty about the viability of the business model
Socio-economic Social developments	**Social risk** • Drinking water quality • Housing shortage • Access to healthcare • Energy shortage		

the balance sheet. This is done using short-term stress scenarios (< 3 years) based on the bank's material ESG risks. In addition to determining the impact of these stress scenarios on our capital and liquidity position, over the past two years we have conducted an in-depth analysis of the impact of flood risk on our largest client group, namely the housing associations. These quantitative exercises are based on ESG (risk) and location data from our clients.

We conduct an annual scenario analysis for the medium term (>3–10 years) and long term (>10 years). This is primarily a qualitative exercise, supported by data wherever possible, to assess the long-term impact of ESG risks on our strategy, business model, and business environment, as well as those of our clients. The analysis is based on scientific scenarios developed by institutions such as the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC), and the Royal Netherlands Meteorological Institute (KNMI). It specifically focuses on our client group and material ESG risks. In 2024, we conducted this analysis using the KNMI'23 climate scenarios, incorporating both high- and low-emission scenarios, and taking into account the wetting or drying effects on the Dutch climate.

The main purpose of scenario analysis is to determine the impact of physical ESG risks and transition ESG risks in the broader context of strategic and operational risks. The results are incorporated into the bank's strategy cycle, policies and reports, such as the ESG transition plan. Stress testing mainly determines the impact of ESG risks on financial risks (credit risk, interest rate risk and liquidity risk), and we are gradually expanding the scope beyond physical climate risks to include transition, natural and social risks. As both exercises continue to evolve, the availability and quality of ESG data remain critical. To address this, the bank-wide ESG Accelerator working group is actively engaged in identifying ESG data needs and establishing processes to collect, assess, and ensure the completeness and reliability of ESG data.

The results of the ESG risk assessment are the starting point for the DMA. The annual ESG risk materiality assessment identifies the material ESG risks for the bank and our portfolio that can have an impact on both financial (credit, interest rate) and non-financial (strategic, operational) risks. In this, only the impact of ESG risks, more specific climate risks (E1), on our credit risk appears to be material, in the sense that the ESG risks could actually lead to an increased credit risk of our portfolio based on available ESG data. This makes the DMA in fact a follow-up step to the RMA, only with a more limited scope. The risk assessment of the DMA has also been supplemented with ESG factors that affect

ESG KEY RISK INDICATORS

KRI	ESG risk	Target
Reduction of CO_2 emissions: housing associations, municipalities, water authorities, healthcare institutions	Physical risk (climate change impacts) and transition risk (climate change agreement)	2050: net zero emissions; annual reduction in line with transition pathways
Energy labels: housing associations	Transition risk (energy labels and policy)	2028: 3% EFG energy labels 2027: 4% 2026: 6% 2025: 8% 2024: 9%
Surface water quality: water utilities	Physical risk (surface water quality and biodiversity loss) and transition risk (Water Framework Directive (WFD) objectives)	2027: 100%
Status of primary flood defences: water authorities	Physical risk (flood risk) and transition risk (responsibilities for climate change impacts)	2050: 100%

our organisation itself and is not part of the ESG risk materiality assessment.

ESG risk mitigation

Effective management of the material ESG risks we have identified and analysed requires a well-defined policy. Our ESG risk management policy outlines the processes we implement to mitigate and monitor ESG risks, as well as the roles and responsibilities of various departments and management. Ensuring that ESG risk management is aligned with the bank's overall business strategy and sustainable impact objectives is crucial. One of the most significant ways we address ESG risks while fostering positive sustainable impact is through our loans to our client groups. This approach is detailed in our ESG transition plan and is reflected in the follow-up steps we have established to mitigate and monitor ESG risks.

Key Risk Indicators (KRIs) are an important component. We establish KRIs in the annual Risk Appetite Statement to determine our ESG risk appetite. These KRIs define transition paths and targets for key client groups with respect to the ESG risks that are material to these client groups. The table below provides an overview of the ESG KRIs. They are aligned with our organisation's sustainability standards and regulations, as well as our overall sustainability goals. These KRIs also enable us to monitor the material climate and environmental physical and transition risks that we have identified for housing associations, municipalities, water authorities and the overall portfolio.

ESG risk monitoring

The ESG KRIs also play an important role in monitoring ESG risks. The KRIs are based on data that we update annually and monitor in a dashboard, which allows us to track progress across our portfolio, key client groups and individual clients. This dashboard is regularly included in internal reports to the Bank's Risk Committees and the Managing Board. Based in part on the KRIs, we decide every year which clients and umbrella organisations to engage with – for example, if a sector or client is lagging behind or if they are large, leading clients. You can read more about our engagement strategy in **'Our influence'**.

In addition to the KRIs, we produce annual sector analyses of our key client groups, including sustainability trends and risks. These sector analyses are also an important input to our individual client reviews. We monitor the credit risk of clients in our portfolio with annual analyses of new and existing clients, consisting of quantitative scorecards and qualitative reviews. Based on the ESG data, we translate material ESG risks into ESG risk variables, which are included in the scorecards and thus integrated into the client's credit risk score. We also discuss potential ESG risks and other sustainability issues in our credit analyses and reviews.

This is an overarching chapter for our ESG risk management. The following chapters on each material topic therefore refer to this chapter.

DUE DILIGENCE STATEMENT AND ESG REPORTING RISK

Sustainability due diligence

The Sustainability Statements are our way of reporting on the identification, assessment and management of material sustainability topics for the bank. The underlying process involves identifying, measuring and assessing (potential) negative impacts, acting accordingly and (possibly) adjusting the overarching strategy.

Customer Due Diligence (CDD)

Regardless of their risk profile, we apply our Customer Due Diligence (CDD) policy to new customers and periodically to existing customers. The aim is to combat money laundering, terrorist financing and sanctions evasion. As part of the CDD process, we assess the actual and potential negative human rights impacts of our clients' operations and value chain, based on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, with the aim of limiting or, better still, preventing abuses. We also assess our clients' operations against the exclusion criteria set out in our sustainability policy. The general CDD policy applies to clients (and their value chains) to whom we extend credit, parties from whom we purchase interest-bearing securities for the liquidity portfolio, and financial counterparties with whom we enter into derivative transactions. We always review the CDD policy before entering into a transaction with a new client.

For our sustainable and project finance activities, we conduct a more in-depth review in the form of an external report, which includes social and sustainability considerations and assesses these projects against the Equator Principles.

The bank's responsible employees receive regular training in customer due diligence. We conduct systematic integrity risk analysis to identify integrity risks and assess the extent to which they can be managed.

Where necessary, action is taken and monitored by our Non-Financial Risk Committee. Management and the Managing Board are closely involved in this process. The Managing Board and the Supervisory Board receive reports to support their oversight of integrity risk management.

ESG RISK INDICATORS IN SCORECARDS

ESG	Risk indicator	Sector
E	CO_2 emissions, flood risk, drought	Housing associations, municipalities, water authorities, healthcare institutions, drinking water companies, project finance
E	Energy labels	Housing associations, municipalities
E	Heat stress, public green spaces	Municipalities
E	Surface water quality, energy neutrality, water quality in natural areas	Water authorities
E	Availability of drinking water	Drinking water companies
S	Energy poverty	Housing associations, municipalities
S	Voter turnout	Municipalities, water authorities
S	Housing pressure	Municipalities
S	Tenant satisfaction	Housing associations
S	Patient satisfaction	Healthcare institutions
S	Social indicators (working conditions, availability of services, etc.)	Drinking water companies, project finance
G	Governance factors (ethical behaviour, remuneration policy, etc.)	All sectors

ENVIRONMENTAL INFORMATION

We address three environmental topics: 1. climate change, 2. water and marine resources, and 3. biodiversity and ecosystems.

CLIMATE CHANGE

IIn this section, we discuss our strategy and approach to climate change, focusing on climate mitigation, mitigation adaptation, the energy transition, as well as the **EU Taxonomy**.

Impacts, risks and opportunities

Many existing impacts are negative in nature, which we hope to mitigate and compensate for in the long term. Sometimes this results in positive impacts, such as the financing of renewable energy production and the prevention of flooding. Climate change is also the overarching theme with the greatest expected financial impact on the bank, mainly due to transition costs and damage to clients that may lead to credit losses. In addition, we see great opportunities to play an active role in financing this transition. The integrated approach to impacts, opportunities and risks in the areas of climate adaptation, mitigation and energy, as shown in the table below, follows from our ESG transition plan.

Climate resilience analysis

Our climate resilience analysis consists of stress testing and scenario analysis. Stress tests allow us to assess the potential impact of short-term ESG risks on the bank's funding and lending activities, and whether more capital needs to be held against them. We use scenario analysis to map the impact of ESG risks over the medium and long term, and to examine what measures we and our clients can take to manage these risks. For the time being, our stress tests and scenario analyses focus mainly on climate risks, but from 2025 we plan to include natural risks as well. To determine the climate change scenarios, we use scientific evidence from reports by the Intergovernmental Panel on Climate Change (IPCC), the Network for Greening the Financial System (NGFS) and the Royal Netherlands Meteorological Institute (KNMI).

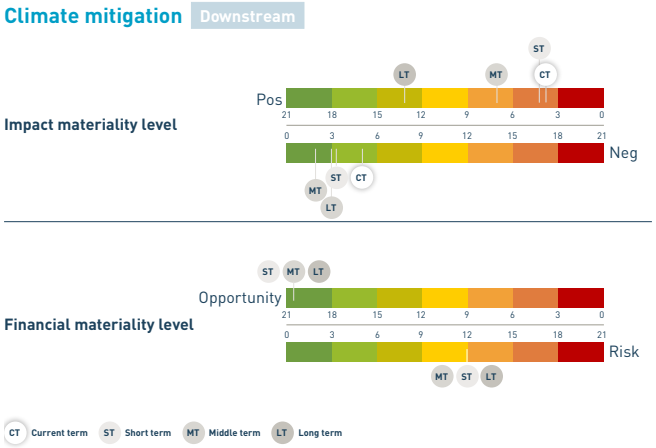
In 2024, we conducted the long-term scenario analysis based on the KNMI'23 climate scenarios, which are based on the IPCC's high and low emissions scenarios,

APPROACH TO IMPACTS, OPPORTUNITIES AND RISKS

				Achieved		Targets			
Topic	Risks/opportunities	Impact	KPIs	2024	2023	2028	2030	2035	2050
Climate mitigation (E1)	- Greenhouse gases	+ - Emission(reduction) greenhouse gases	Financed emissions (tCO2e)	1,511,197	1,458,388				0.0%
			Emission reduction scopes 1 and 2 (% - 2018)	27.7%	26.9%		65.5%		
			Emission intensity reduction financed housing associations (% - 2018)	24.1%	10.3%		62.3%		
			SBTi targets liquidity portfolio	-	-	45,6%			
			Purchased renewable electricity (%)	100%	100%		100.0%		
			Project financing renewable electricity (%)	100%	-		100.0%		
Climate adaptation (E1)	- Extreme weather, drought, heat stress and flooding + Investments in flood defences	+ - (Limitation) flooding	Percentage primary and regional water defences (km) reviewed/compliant	69.69%	67.97%				100.0%
			Number of hectares that do not meet flooding standards	0.36%	0.31%				
Energy (E1)	+ Energy transition	+ Financed renewable energy production	Audacious goal	78.2%	35.8%			100%	
	- High Energy consumption	+ - Financed energy consumption							
	- Fossil Energy consumption								

combined with a wetter and drier climate in the Netherlands as a result of low- and high-pressure areas. We conducted this resilience analysis together with the Managing Board, the Supervisory Board and client representatives to get the broadest possible picture of how the scenarios could affect our organisation and our clients in the long term, i.e. over at least the next 10 years. It showed the extent to which the problems associated with climate change are linked to the degradation of nature and both shortages and surpluses of water, with a changing political climate and social consequences potentially also playing a role. At the same time, we looked at how we and our clients can respond to these issues to ensure that our strategy remains viable. Cooperation within the Dutch public sector seems essential, and our role as a unique financier within the public and water sectors will only increase.

Climate mitigation



Climate mitigation is a material issue for us because our lending has a significant impact on greenhouse gas emissions. All the sectors we serve, with the exception of renewable energy projects, are significant net emitters. In the medium to long term, we expect this negative impact to decrease, while our positive impact in the form of mitigation will actually increase. We see potential positive financial impacts as a result of increased demand for loans. Failure to mitigate can worsen a client's financial position and therefore the bank's.

Policy

In 2019, together with almost the entire Dutch financial sector, we committed to the government's climate targets. As a leading bank for the public sector, we support the principles of the Paris Agreement and therefore consider it important that our business operations contribute to limiting global warming and achieving climate neutrality by 2050. We first outlined these goals and the path to achieve them in 2022.

Last year, we expanded our Climate action plan into an ESG transition plan. It details our contributions and targets to limit global warming to 1.5°C. The 'decarbonisation levers', a technical term for the measures and strategies we use to contribute to climate change mitigation, are described below under the heading 'Measures'. One of our key steps has been joining the Science Based Targets initiative (SBTi). Based on publicly available policy documents and reports, we analysed nearly 269 clients to assess whether their climate impact reduction targets align with the SBTi. Our goal is for all relevant clients to have good policies and clear targets for reducing their climate impacts by 2030. To interpret and assess this, we used four criteria based on the SBTi methodology:

- a target that aligns with the Paris Agreement;
- a clear delineation of the processes that influence the target;
- quantification and monitoring of climate impacts;

- the use of interim targets to demonstrate commitment in the short or medium term.

These analyses give us a better idea of how well our clients are doing in consistently reducing their climate impact and the approaches they are taking. We use the results to engage more intensively with specific clients or sectors where necessary. This also allows us to better support our goals through knowledge sharing, engagement, and (financial) products.

The ESG transition plan is available on our website and was actively communicated to our stakeholders at the time of publication. Various departments play a role in its implementation, in line with our overall ESG governance. The plan covers climate mitigation, climate adaptation, energy efficiency and renewable energy, as well as non-climate-related issues.

Loan portfolio and office building approach

Our climate target is to have a loan portfolio that generates zero net CO_2e emissions by 2050. The loan portfolio also includes our investments in pass-through NHG RMBS, which are designed to help make homes more sustainable. As a milestone on the way, we aim to make our loan portfolio energy positive by 2035: an audacious goal. To ensure that our targets remain ambitious and align with the Paris Climate Agreement, we follow the guidelines and criteria of the SBTi wherever possible. Last year, the SBTi validated our climate targets for housing, renewables and the liquidity portfolio (financial institutions), confirming that they are as science-based as possible. To reduce emissions in our portfolio, we seek to influence decarbonisation processes in the value chain through engagement, pricing, exclusion and (active) financing. We also report on these efforts.

In line with our strategy and transition plan, we have already set ourselves the goal of making our own office building future-proof and more sustainable. With measures such as wall insulation, triple glazing, insulated window frames, convector heaters to replace radiators, a decentralised and CO_2-controlled ventilation system and LED lighting, we now have a sustainable building with an energy efficiency label 'A'. Our vehicle fleet is completely zero-emission, and we encourage employees to avoid car and air travel and to use public transport as much as possible instead. There are also many smaller initiatives, such as separating waste for recycling. We aim for the lowest possible emissions in our business operations. We offset the remaining CO_2 emissions so that our operations are carbon neutral. To involve employees in this, we organise regular brown-bag lunches where internal and external experts explain environmental issues.

NWB Bank must comply with the EU's Paris-Aligned Benchmarks (EU-PAB). We meet the criteria for inclusion in these EU standards because we have set science-based targets for Scope 1, 2 and 3 emissions that cover our operations and value chain. Some of our targets have been validated by SBTi and are consistent with the World Resources Institute's (WRI) GHG Protocol to meet the ambitious 1.5°C emissions scenario.

Measures

To decarbonise our value chain, we focus on engagement, pricing, exclusion and (active) financing.

Engagement

Last year, we analysed the carbon reduction targets of 269 clients. This is about a third of the total number of clients in our portfolio. We prioritised clients with the highest emissions and the largest outstanding loans. We looked at whether the clients' targets aligned with the Paris Agreement and whether the clients had committed to appropriate sectoral targets. We also looked at whether the boundaries of the processes affecting the target were well defined, whether the impacts were clearly reported and whether there were interim targets. Of the 269 clients, 13 scored high in all categories, 14 scored low in all categories and 242 scored moderate in one or more categories.

In 2024, we held around 50 one-on-one client meetings, contributed to several external events such as symposia and roundtable discussions, and organised several client and stakeholder events ourselves. The importance of reducing climate impact was raised in almost all cases.

We encourage our clients to remain ambitious and discuss in detail the key challenges for specific clients and sectors. This keeps us well informed and enables us to drive progress through engagement.

Positive pricing

Climate change mitigation targets have been included in six sustainability-related loans.

Active financing

We are a highly active financier of the energy transition, which indirectly mitigates our climate impact. See also our audacious target in the **'Energy'** material topic.

Exclusion

Last year, we decided not to offer financing to one client due to its high exposure to fossil fuel companies.

It is difficult to translate our actions and measures into concrete figures. This is particularly the case for customer engagement in reducing scope 3 emissions. Often, the reduction of emissions in the value chain is not directly attributable to specific actions, making further distinctions difficult. In the coming years, we will continue to refine our understanding of the relationship between our actions and their impact. We do not expect to apply new technologies to our own organisational objectives in the short to medium term. We have not conducted additional scenario analyses in setting our targets; instead, we are using the SBTi principles for a 1.5°C pathway.

Targets

We have set the following absolute reduction targets (in CO_2e) for our emissions and emissions in our chain. The reduction targets have been set for scopes 1, 2 and 3 on a gross basis, excluding removals, avoided emissions and carbon credits to be purchased. The reporting boundary for scopes 1 and 2 is the company itself, and for scope 3 it is our liquidity and credit portfolio. This corresponds to the Scope 1 gross emissions, scope 2 gross emissions and financed emissions categories shown in Table E1-6.

The targets for housing associations, healthcare institutions and municipalities have been developed using CO_2e reduction pathways based on International Energy Agency scenarios. In these cases, we have not agreed targets with stakeholders. In the case of the water authorities, the targets are aligned with the sector targets where possible, so they have influenced our targets in this way. We have not discussed the CO_2e reduction targets with the drinking water companies. No reduction scenarios are available for the other client sectors, and in these cases, we follow a linear reduction path. For the record, in this report we only report targets at an overall level, not at a sector level.

A change in the methodology used to calculate financed emissions has led to an adjustment of the 2018 baseline. Previously, emissions from the municipal client group were estimated higher than was actually the case. We corrected this in 2024. The new value for scope 3 emissions leads to an adjustment of the 2030 target to maintain the originally calculated relative reduction.

The percentage of the liquidity portfolio that meets the SBTi targets will be determined in 2025.

EMISSION TARGETS

Category	Standard	Baseline	Baseline value	Reference year	Reference value	Target 2030	Scenario / transition pathway	Method target
Scopes 1 and 2	tCO2e	2018	133	2024	29.8	-65.5%	IEA NZE	SBTi validated
Purchase renewable electricity	% purchased 'green' electricity	2018	100%	2024	100%	100%	SBTi pathway	SBTi validated
Scope 3	tCO2e	2018	1,590,234	2024	1,511,277			
Liquidiy portfolio	% liquidiy portfolio SBTi certified	2023	0%	2024		45,6% (2028)	SBTi pathway	SBTi validated
Project financing electricity generation	% sustainable projects	2018	0%	2024	100%	100%	SBTi pathway	SBTi validated
Financed emissions total loan portfolio								
Absolute target	tCO2e	2018	1,590,101	2024	1,511,197	843,120		Cosolidation of sector targets
Relative financial target	tCO2e / EUR M	2018	26.1	2024	19.2	16.9		Consolidation of sector targets
Sectoral - relative financial targets (tCO2e / EUR M)								
Housing associations	tCO2e / EUR M	2018	16.5	2024	9.6	7.8	IEA NZE	SBTi validated
Water authorities	tCO2e / EUR M	2018	120.4	2024	60.7	82.0	Sectoral	Own
Municipalities	tCO2e / EUR M	2018	35.1	2024	33.0	15.7	IEA NZE	Based on SBTi
Healthcare institutions	tCO2e / EUR M	2018	49.1	2024	32.5	17.6	IEA NZE	Based on SBTi
Drinking water companies	tCO2e / EUR M	2018	44.8	2024	30.9	29.9	Linear	Own
Sectoral - relative physical targets scopes 1 + 2 (tCO2e / m2 real estate)								
Housing associations	tCO2e / m2	2018	29.9	2024	21.7	16.6	IEA NZE	SBTi validated
Municipalities	tCO2e / m2	2018	45.7	2024	34.2	12.1	IEA NZE	Based on SBTi
Healthcare institutions	tCO2e / m2	2018	98.4	2024	73.9	26.2	IEA NZE	Based on SBTi

Outcomes KPIs

In the table, we take into account the emissions associated with our operations. Since 2019, we have been calculating the climate impact of our loan portfolio according to the methodology of the Partnership for Carbon Accounting Financials (PCAF). As a financial institution, we are required by the CSRD to use this methodology to calculate financed emissions. The current calculation is available in the **2023 PCAF report**, which documents the methodology and relevant assumptions. In accordance with the PCAF methodology, we present the data quality per sector here.

For the 2018 reference year, we use the same definitions and boundaries, with data recalculated if the method changes in later years. In 2024, the methodology for the 'financed emissions' category changed, as explained in the PCAF report. In addition, for the first time this year we are publishing scope 2 emissions by location.

In addition to sector-specific emission factors, we make extensive use of actual energy consumption data and reported emissions from parties in the value chain. Most of the data used for the value chain comes from indirect sources. The level of accuracy varies by sector and source and is explained in the PCAF report. This report also includes assumptions, approaches and choices made.

Scopes 1, 2 and 3

Scope 1 emissions cover heating our own buildings and fuel for our vehicles. Scope 2 includes the purchase of electricity for our own building. Scope 3 covers a range of company-related items for employees and the primary process, as well as the most important item for us: financed emissions. We adhere to the principle of 'operational control' without deviation, except for financed emissions, which are allocated to outstanding financing according to the PCAF method. The boundaries of these categories align with those used for 'target emissions'.

The bank's electricity consumption is fully covered by a sustainable contract based on 100% Dutch wind energy, for which we have received certificates. To calculate on-site scope 2 emissions, we use the relevant emission factor from CO_2emissiefactoren.nl at the national level.

The following categories are relevant for scope 3: purchased goods and services, business travel, commuting and financed emissions. Other categories are not relevant to our business model, for example, because they are related to physical production or a large presence of capital goods.

GHG removal & mitigation

Many significant business processes that we finance in the public domain result in greenhouse gas emissions. These financed emissions are offset by financed removals. For example, the water purification process used by drinking water companies absorbs CO_2 from the atmosphere and permanently (biogenically) binds

GHG EMISSIONS IN TCO_2E

	2024	2023	% Nt / Nt -1	2018
Total emissions (location-based)	**1,511,395**	**1,458,548**	**3.6%**	**1,590,354**
Total emissions (market-based)	**1,511,307**	**1,458,453**	**3.6%**	**1,590,354**
Gross scope 1 emissions	**30**	**30**	**0.6%**	**133**
Gas consumption	30	29	3.7%	47
Total number of petrol-powered company cars	-	1	-100.0%	86
Total number of diesel-powered company cars	-	-		
Gross scope 2 emissions	**88**	**96**	**-7.9%**	
Location-based	88	96	-7.9%	
Market-based	-	-		
Gross scope 3 emissions	**1,511,277**	**1,458,423**	**3.6%**	**1,590,221**
Purchased goods/amount of paper	2	1		6
Business travel	34	33		114
Employee transport	44			
Financed emissions	1,511,197	1,458,389	3.6%	1,590,101

it by adding calcium to the water. Removed emissions are calculated using the PCAF methodology in our PCAF report.

We also buy carbon credits. These are used to offset Scope 1 and 2 emissions from our own operations. The credits are certified by Syntraal B.V. and registered by Stichting Nationale Koolstofmarkt (SNK) and relate to (technical) emission reduction projects in the Dutch public sector. SNK guarantees additionality and independent verification of the certified projects.

Although we offset our own Scope 1 and 2 emissions with carbon credits, we do not claim climate neutrality. We remain committed to further improving the sustainability of our operations. The purchase of carbon credits does not alter the targets or pathways we have set to achieve net-zero climate impact by 2050.

For this standard, we have exclusively used directly reported information from the value chain. There is no reason to assume a high degree of measurement uncertainty.

GHG REMOVAL AND MITIGATION

	2024	2023	% Nt / Nt -1	2018
Total removed GHG in the upstream and downstream value chain (tCO2e)	**855**	**-**	**-**	**-**
Water purification processes drinking water companies	855	-	-	**-**
Total GHG mitigation of projects financed through carbon credits (tCO2e)	**80**	**33**	**142%**	**-**
Shares issued for EU projects	80	33	142%	**-**
Share qualifying as 'corresponding adjustment' under A6 of the Paris Agreement	-	-	-	**-**

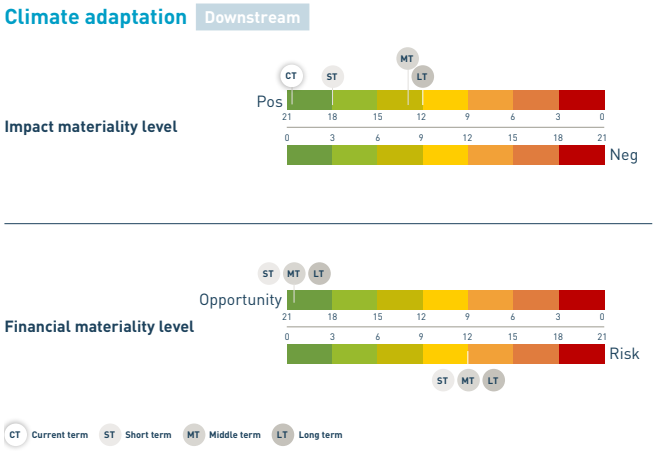
FINANCED EMISSIONS IN TCO_2E 2023

			Scopes 1, 2					Scope 3			
Sector / Client group	NACE	Outstanding or gross carrying amount (EUR M/year)	Absolute financed emissions (tonnes CO2e)	Economic emission intensity (tonnes CO2e/EUR M)	Physical emission intensity (kg CO2e / m2)	Coverage ratio (%)	Data quality	Absolute financed emissions (tonnes CO2e)	Economic emission intensity (tonnes CO2e/EUR M)	Coverage ratio (%)	Data quality
Total		**56,891.94**	**1,108,162**	**19.5**	**25.5**	**98.3%**	**2.6**	**350,227**	**6.2**	**36.8%**	**1.3**
Social housing		**32,591.49**	**318,850**	**9.8**	**22.1**	**99.7%**	**2.2**	**-**	**-**	**0.0%**	
Housing associations	6820	32,591.49	318,850	9.8	22.1	99.7%	2.2	-	-	0.0%	
Government		**14,631.28**	**506,442**	**34.6**	**35.5**	**99.9%**	**3.0**	**211,517**	**14.5**	**99.9%**	**3.0**
Water authorities	8410	8,369.91	453,858	54.2	-	100.0%	3.0	54,605	6.5	100.0%	2.2
Municipalities	8410	5,901.33	52,020	8.8	35.5	100.0%	3.0	148,663	25.2	100.0%	4.0
Provinces	8410	340.48	564	1.7	-	100.0%	4.0	8,249	24.2	100.0%	4.0
Other government clients	8410	19.57	-	-	-	0.0%		-	-	0.0%	
Healthcare		**1,925.21**	**52,190**	**27.1**	**75.5**	**99.3%**	**2.9**	**10,329**	**5.4**	**99.3%**	**5.0**
Healthcare institutions	8600	1,925.21	52,190	27.1	75.5	99.3%	2.9	10,329	5.4	99.3%	5.0
Grid operators and utility companies		**2,208.67**	**22,082**	**10.0**	-	**93.5%**	**2.4**	**28,007**	**12.7**	**93.5%**	**3.2**
Drinking water companies	3600	1,214.49	22,082	18.2	-	97.5%	2.4	12,846	10.6	97.5%	3.3
Renewable energy	3500	994.17	0	0.0	-	100.0%		15,160	15.2	88.6%	3.0
Education		**78.62**	**1,087**	**13.8**	**22.9**	**100.0%**	**3.0**	**-**	**-**	**0.0%**	
Educational institutions	8500	78.62	1,087	13.8	22.9	100.0%	3.0	-	-	0.0%	
Financial		**2,954.33**	**51,618**	**17.5**	-	**82.0%**	**3.2**	**-**	**-**	**0.0%**	
Credit and other financial institutions	6400	316.10	-	-	-	0.0%		-	-	0.0%	
NHG pass-through RMBS	6400	2,638.24	51,618	19.6	-	91.8%	3.2	-	-	0.0%	
Other		**2,502.34**	**155,892**	**62.3**	-	**92.8%**	**4.5**	**100,374**	**40.1**	**92.8%**	**4.5**
Other clients		2,502.34	155,892	62.3	-	92.8%	4.5	100,374	40.1	92.8%	4.5

FINANCED EMISSIONS IN TCO_2E 2024

			Scope 1, 2					Scope 3			
Sector / Client group	NACE	Outstanding or gross carrying amount (EUR M/year)	Absolute financed emissions (tonnes CO2e)	Economic emission intensity (tonnes CO2e/EUR M)	Physical emission intensity (kg CO2e / m2)	Coverage ratio (%)	Data quality	Absolute financed emissions (tonnes CO2e)	Economic emission intensity (tonnes CO2e/EUR M)	Coverage ratio (%)	Data quality
Total		**59,854.52**	**1,168,063**	**19.5**	**24.7**	**98.3%**	**2.9**	**343,134**	**5.7**	**36.1%**	**4.0**
Social housing		**34,521.53**	**329,502**	**9.5**	**21.7**	**100.0%**	**2.3**	**-**	**-**	**0.0%**	
Housing associations	6820	34,521.53	329,502	9.5	21.7	100.0%	2.3	-	-	0.0%	
Government		**15,045.37**	**535,101**	**35.6**	**34.2**	**99.9%**	**3.1**	**206,573**	**13.7**	**99.9%**	**3.5**
Water authorities	8410	8,944.79	485,031	54.2	-	100.0%	3.1	58,355	-	100.0%	2.4
Municipalities	8410	5,763.59	49,572	8.6	34.2	100.0%	3.0	140,791	-	100.0%	4.0
Provinces	8410	316.66	497	1.6	-	100.0%	4.0	7,427	-	100.0%	4.0
Other government clients	8410	20.33	-	-	-	0.0%		-	-	0.0%	
Healthcare		**1,985.23**	**48,998**	**24.7**	**73.9**	**96.3%**	**2.9**	**10,495**	**5.3**	**96.3%**	**5.0**
Healthcare institutions	8600	1,985.23	48,998	24.7	73.9	96.3%	2.9	10,495	-	96.3%	5.0
Grid operators and utility companies		**2,533.36**	**27,935**	**11.0**	**0.0**	**90.9%**	**2.8**	**30,626**	**12.1**	**90.9%**	**3.3**
Drinking water companies	3600	1,445.37	27,935	19.3	-	96.3%	2.8	15,090	-	96.3%	3.6
Renewable energy	3500	1,088.00	-	0.0	-	100.0%		15,537	-	83.7%	3.0
Education		**69.73**	**932**	**13.4**	**22.1**	**100.0%**	**3.0**	**-**	**-**	**0.0%**	
Educational institutions	8500	69.73	932	13.4	22.1	100.0%	3.0	-	-	0.0%	
Financial		**3,165.17**	**56,027**	**17.7**	**0.0**	**83.1%**	**3.3**	**-**	**-**	**0.0%**	
Credit and other financial institutions	6400	301.59	-	-	-	-		-	-	0.0%	
NHG pass-through RMBS	6400	2,863.58	56,027	19.6	-	91.8%	3.3	-	-	0.0%	
Other		**2,534.13**	**169,567**	**66.9**	**0.0**	**93.4%**	**3.2**	**95,439**	**37.7**	**93.4%**	**5.0**
Other clients		2,534.13	169,567	66.9	-	93.4%	3.2	95,439	37.7	93.4%	5.0

Climate adaptation



Climate adaptation is a material topic for us due to our financing activities for water authorities and our large loan portfolios for social housing. The water authorities are working on measures to support water management and make the country less vulnerable to flooding. This applies to both the short term and the long term. There are also opportunities on the financial side, as it requires large investments. Clients in our loan portfolio may experience more physical climate impacts in the future; this is a risk.

Policy

We aim to reduce our emissions as much as possible and contribute to the fight against global warming. At the same time, both we and our clients must prepare for and adapt to a changing climate. The process by which societies reduce their vulnerability to climate change or take advantage of the opportunities a changing climate offers, is called climate adaptation. As a major financier of water authorities, we play a leading role in financing solutions to flood risks and other water management challenges brought on by climate change. As a bank dedicated to the public water sector, climate adaptation is at the heart of our mission. NWB Bank was founded in 1954 following the devastating North Sea floods of 1953, to finance critical water management investments. For 70 years, financing water management has been our core business.

Climate-resilient water system

For the Netherlands, global climate change means higher temperatures, a greater chance of longer periods of drought or, conversely, longer periods with more rainfall, rising sea levels, higher water levels in rivers and other waterways, but also more periods of lower (ground) water levels. After the dry years of 2018, 2019, 2020 and 2022, 2023 and 2024 were extremely wet. In 2024, a record 986 millimetres of rain fell, compared to the normal 795 millimetres. Such extreme weather conditions are expected to become more frequent. Measures must be taken to adapt the water system to climate change. Only then can we ensure the safety of people and do our best to prevent damage. The water authorities play an important role in making the flood defences and water systems they manage climate resilient.

Our climate adaptation policy provides for the lowest possible financing costs for our clients, appropriate financing, continuous availability of financing and the highest possible market share (i.e. >90%) in financing water authorities, thus contributing to the goal of 100% adequate flood protection by 2050. Our loans to water authorities allows them to do what they do best. Approximately 43% of our financing goes to flood defences based on the financing agenda of the water authorities.

Measures

In climate adaptation, we focus on engagement and active financing.

Engagement

Our commitment to climate adaptation is broad. The financial sector is paying increasing attention to climate adaptation, and in 2022 a special working group was established as part of the Dutch Central Bank's Sustainable Finance Platform, of which we are a member. Together with other banks, insurers, investors and governments, we are exploring how the financial sector can help build a climate-resilient Netherlands. At the end of 2023, the working group submitted

the report 'Klimaatadaptatie in een stroomversnelling' (Climate adaptation on the fast track) to the Minister of Infrastructure and Water Management. In it, we call for clarity on how to build climate adaptively and where we should and should not build. We also believe that the government should indicate where there is room for agriculture and other economic functions in the Netherlands.

We are working with Deltares, a research institute for water and soil, along with a housing association, a water authority and a drinking water company on the 'Values of water' initiative, which advocates for the importance of water and climate adaptation. We also organised a seminar on climate adaptation to mark our 70th anniversary. On this occasion, we invited a diverse group of stakeholders to engage in a dialogue on climate adaptation and its financing, with the aim of raising awareness among our clients and beyond.

Active financing

We aim for the largest possible market share in financing water authorities. By doing so, we actively finance climate adaptation, benefiting not only our other client groups but also helping to partially mitigate climate risks in our lending portfolio.

Standards

We apply the following climate adaptation standards:

KPIs	2024	2023
Percentage primary and regional flood defences (km) reviewed/compliant	65.28%	67.97%
Number of hectares that do not meet flooding standards	0.36%	0.31%

Percentage of primary and regional flood defences (km) reviewed/compliant

Good water management includes building and maintaining infrastructure to reduce the risk of flooding from rising sea levels and extreme rainfall. Primary flood defences are an important part of this. In 2017, a new safety standard for flood risk was introduced. This safety standard states that every Dutch citizen may have a 1 in 100,000 chance per year of drowning in a flood. All flood defences must meet this standard by 2050, and in 2022, 68% (8,972 km) already met the standard. We are a major funder of water authorities and therefore of flood defences.

Number of hectares not meeting flood standards

If water is not drained sufficiently or quickly enough, flooding can occur, leading to significant damage. The vulnerability of an area to flooding is measured by the number of hectares that do not yet meet the standards set in the national water agreement. Water authorities are responsible for ensuring adequate drainage across large areas.

Indicators for flood protection and flooding are derived from the water authorities' Climate Monitor. These indicators are based on data measured by the water authorities and are highly accurate.

Energy

Energy Downstream



Energy is a material topic for us because our financing has an impact on both sides of the energy balance. On the one hand, we provide loans to large energy consumers, and on the other hand, we are an increasingly important financier of sustainable energy projects in the Netherlands. We see this as having an increasingly positive impact in the medium and long term. We see the growing demand for loans as an opportunity, but we also

recognise the transition risks. These are reflected in the cost and availability of energy for intensive processes, such as water purification, which can increase credit risk.

Policy

We aim to make our loan portfolio energy positive by 2035, on the way to being climate neutral by 2050. This is what we term our 'audacious goal.' Energy positive means that the sustainable energy projects we finance generate more renewable energy than our clients use in fossil fuels. We compare fossil heat with sustainable heat and fossil electricity with renewable electricity. On the one hand, we want to encourage our clients to reduce their energy consumption and use renewable energy wherever possible. On the other hand, we want to provide more funding for renewable energy projects so that as much renewable energy as possible becomes available.

Where relevant, we apply the Equator Principles to the financing of renewable energy projects. These principles were developed by financial institutions and provide a risk management framework for identifying, assessing and managing social and environmental risks in financing projects. Recurring themes are the complex supply chains of sustainable energy and the impact on human rights in the extraction of raw materials for sustainable energy projects.

Our own energy consumption is not significant, given our compact organisation. We have not identified any material impacts, risks or opportunities.

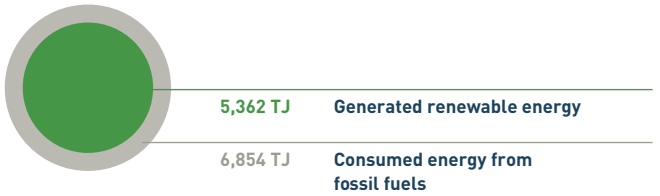
Standards and objectives

We apply the following standards and targets to energy.

Audacious goal loan portfolio

The definition of energy positive is set in such a way that the production of renewable (climate neutral) energy from our financed clients and projects from 2035 onwards is greater than the fossil energy consumption by our other clients and projects. Compared to last year, we can show great progress towards our audacious goal, end of 2024: 78.2%. This means that 78.2% of the fossil use of the portfolio is compensated by the generation of sustainable energy from our portfolio, mainly from the financing of wind and solar parks. For the calculation of the consumed energy from fossil fuels, the climate footprint data, calculated by Het PON & Telos, is used, as also described in the section**Progress audacious goal**
Despite the nice increase, we still have a major challenge to make our credit portfolio energy positive in 2035, 100%. For the audacious goal, energy production was determined based on reported historical customer data or determined using the theoretical energy of the project in question.

AUDACIOUS GOAL: ENERGY POSITIVE BY 2035



Our own energy consumption

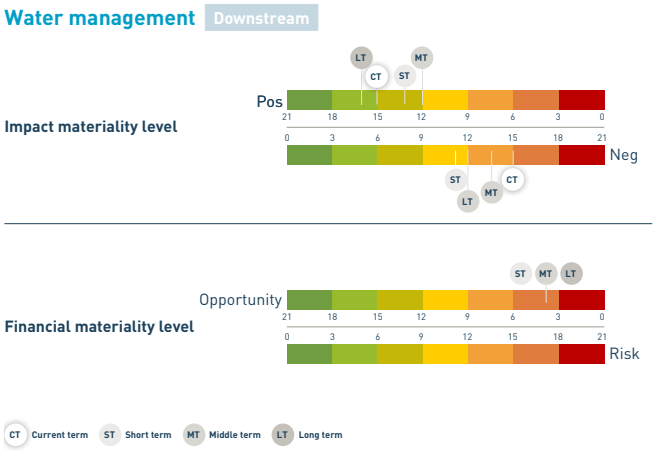
Our own energy consumption (electricity) is sustainable. Below is an overview of the emissions (equivalents) for 2024, which total approximately 88 tonnes (2023: 96 tonnes). The electricity consumed during this period came from renewable sources with no direct carbon emissions. Gas was supplied by the utility company, including CO_2 offsetting.

ENERGY CONSUMPTION

	2024	2023	% Nt / Nt -1
Total energy consumption (MWh)	**503.8**	**500.7**	**0.6%**
Of which fossil fuels	176.5	169.9	3.9%
Of which renewable energy	-	-	-
Of which consumption of renewable energy	327.3	330.8	-1.1%

The information about our energy consumption comes directly from the energy supplier. There is no reason to assume a high degree of measurement uncertainty.

WATER MANAGEMENT (COMPANY-SPECIFIC)



Water management is a material topic arising from our loans to water authorities and drinking water companies. The Dutch water sector faces significant challenges that require investment, in which our lending plays an important role. The current situation reflects the negative impact. In the short term, our financing has a mainly positive impact on the good quality of drinking water.
In the medium to long term, we also expect to have a greater positive impact on the quality of surface water.

Impacts, risks and opportunities

We create impact and manage risk by providing favourable and appropriate financing. The extent of our lending to the water sector is detailed in the **annual results**.

We monitor the quality of drinking water based on measurements taken by the Netherlands Environment and Transport Inspectorate, which determines whether the safe limits have been exceeded by assessing the presence of certain harmful substances. For surface water, we look at the Water Framework Directive (WFD) objectives, which ensure the quality of biological and chemical conditions at the European level. This allows us to indicate how our value chain contributes to maintaining water quality.

Our impact can also be seen as a financial risk, due to the pressure quality problems can have on the sector, and as an opportunity, by stimulating capital-intensive investment. At present, we do not anticipate any significant financial impact. The aim is to achieve a market share of at least 90% in the financing of water authorities and at least 33% in the financing of drinking water companies.

Policy, measures and targets

We are fully committed to sustainable water management. Our policies, measures, targets and standards are outlined below.

Policy

Water authorities and drinking water companies play a key role in providing clean water and sanitation.

				Achieved		Targets		
Topic	Risks/ opportunities	Impact	KPIs	2024	2023	2027	2030	2050
Water management (E3)		+ Quality of drinking water	Quality of drinking water	99.9%	99.9%			
		+ Lack of drinking water	-					
		+ Quality of surface water	Biological quality of surface water	12.8%	14.1%			
			Chemical quality of surface water	0.7%	4.6%			
			Overall quality of surface water	0.0%	0.0%			

The quality of surface water in the Netherlands leaves much to be desired. None of our rivers, ditches, lakes, canals and streams meet the requirements of the WFD, which stipulates that all our surface waters must be healthy by 2027. To meet the WFD objective, a water body must be 'in the green' for every parameter, i.e. it must fall into the 'good' category. If this is not the case for one or more parameters, the water body is not in good condition (one out, all out). The ecological quality is such that the surface water body does not meet the requirements of the WFD. Where there is a slight improvement in the biological status, the chemical status is even worse than in 2023..

Drinking water companies also face major challenges. Population growth and climate change are some of the factors that will increase demand for drinking water in the coming years, while the availability and quality of sources will decline. The decrease in drinking water sources is due to drought and salinisation caused by climate change, and the decrease in quality is due to increasing levels of pharmaceutical residues, PFAS and other chemicals in drinking water. This has been included in the IRO as a negative impact, which will be reduced in the long term thanks to our financing.

Our policy is to provide competitive financing to enable water authorities and drinking water companies to invest in sufficient, good quality water. We also contribute to a water-conscious society by supporting national and international water quality initiatives through the Water Innovation Fund (WIF). Our policy applies to the downstream value chain and specifically to water authorities and drinking water companies.

By keeping the financing costs for water authorities as low as possible, with a target market share of at least 90%, we facilitate the transition to improved water quality. In addition, the water authorities share in the bank's profits when dividends are paid out. Approximately 16% of our lending is for water quality, based on the water authorities' financing agenda. By keeping the cost of finance low for drinking water companies and providing appropriate financing, we help to ensure that drinking water is of high quality and available in sufficient quantities. We aim for a market share of at least 33%. The CCO is responsible for implementing the policy.

Measures

We will briefly discuss our measures for drinking water and surface water here, in the context of the **'Our influence'** framework discussed earlier. Our current measures are a combination of active funding and engagement with drinking water companies and water authorities, with the possibility of (some form of) pricing in the longer term. These measures and action plans for water quality and availability are more general than specific. Therefore, we have not attached specific time frames to the measures we are implementing.

We want to use the general measures to encourage clients. As part of our commitment, we will be talking to them in particular. We will evaluate the impact of these measures over the next few years.

Active financing

We are actively trying to increase the scope of financing at attractive rates. We expect this to increase the positive impact on the quality and availability of drinking water. To secure the supply of drinking water for the future, the drinking water companies expect a sharp increase in the necessary investments in drinking water infrastructure and nature management in the coming years. They will finance these investments with income from the supply of drinking water but will also seek external funding, including from NWB Bank.

Engagement and pricing

We work with water authorities and drinking water companies, as well as relevant stakeholders in their immediate environment, to improve the quality and availability of drinking water and surface water. The scope and approach is different for the two sectors. Pricing is not yet an issue, but may be a logical next step in the engagement strategy in the future.

Surface water, and in particular its poor quality, is an important issue for water authorities. In our discussions with water authorities, we emphasise the need to proactively improve water quality as we are currently

not meeting the requirements of the Water Framework Directive (WFD). Although a number of sub-targets for chemical and ecological water quality are being met, this is not happening in the same places. As a result, the overall objective remains out of reach. The reasons why the WFD objectives are not being met are many and complex. It may be that hard work is being done on ecological recovery, but that exotic species such as the American crayfish are undermining this work.

We have more leeway in our approach to **drinking water**. We consider the security of drinking water supplies in our client assessments. These client assessments determine credit terms and discussions with our client. We use the Vewin drinking water security map. In 2021, the Ministry of Infrastructure and Water Management slightly increased the regulated weighted average cost of capital (WACC) for the period 2022-2024 in order to make it more financially viable for drinking water companies. As one of the main financiers of the drinking water sector, we were consulted by the ministry.

Targets and standards

The WFD is particularly important for water authorities. It aims to ensure that all waters covered by the directive achieve good quality by 2027. This target is not yet in sight and is unlikely to be achieved. Next year, we will work with water authorities to explore alternative targets. For now, we are measuring progress against the criteria below, with 2023 as the baseline year.

We have not yet included a drinking water target in our ESG transition plan. We will work on this next year together with the drinking water companies. For now, we will measure progress against the criteria below, using 2023 as a baseline.

In the **Appendix**, we describe the data quality and source data for the reported criteria. For more information about the applied methodology and further interpretation, the comprehensive **ESG impact report** is also available.

Standards for drinking water and surface water

KPIs	2024	2023
Quality of drinking water	99.9%	99.9%
Biological quality of surface water	12.8%	14.1%
Chemical quality of surface water	0.7%	4.6%
Overall quality of surface water	0.0%	0.0%

Drinking water quality

This standard assesses the quality of drinking water at the national level and therefore applies to all publicly funded drinking water companies. Drinking water in the Netherlands meets the standards of the ILT in 99.9% of cases. In 2023, only 601out of nearly 565,000 measurements were classified as insufficient, with 89% of the exceedances involving substances that pose no immediate risk to public health.

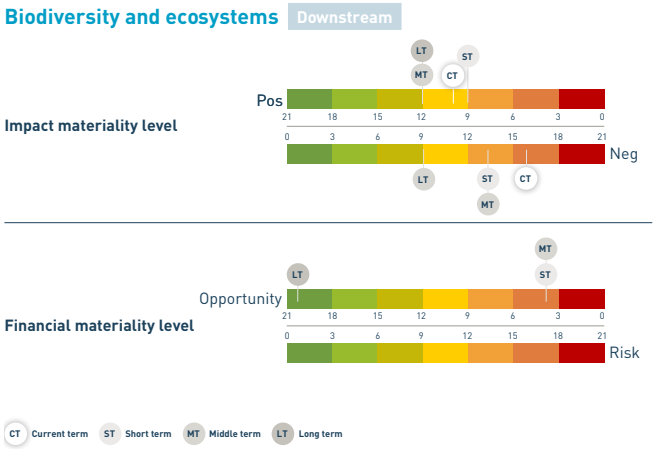
For drinking water quality, we use information that comes directly from the drinking water companies. This is not a source of high measurement uncertainty.

Biological, chemical and overall quality of surface water

Surface water quality is assessed in both ecological and non-ecological (biological and chemical) terms, based on the proportion of water that meets the WFD standards. The water authorities play a key role in ensuring clean water.In the context of the surface water quality theme, we look at the overall quality and in particular the non-ecological factors. The WFD is concerned with the amount of pollutants in the water, whether there are good conditions for diverse plant and animal life, and the amount of groundwater suitable for drinking water. The overall quality is a combination of both. If one of the indicators is unsatisfactory, the overall quality is unsatisfactory. New substances are added to the water test each year, so the results are not directly comparable.

For the degree of compliance with WFD targets and surface water quality, we use information provided directly by the water authorities. This is not a source of high measurement uncertainty.

BIODIVERSITY AND ECOSYSTEMS (COMPANY-SPECIFIC)



Biodiversity and ecosystems are a material topic linked to our loans to drinking water companies and governments that play a role in nature management in rural areas. The state of biodiversity and many ecosystems in the Netherlands is not yet satisfactory. The negative impacts in the managed area are expected to decrease, while the positive impacts will increase, for example because the size of the managed nature reserves will increase. We also expect the ecosystem impact of the WFD standards to have a positive effect in the medium to long term. We also expect long-term financial opportunities from increased investment in nature and biodiversity.

Impacts, risks and opportunities

We create impact and manage risks by providing financing. The scope of this is detailed in the chapter in this annual report entitled **The sustainable water bank: results in 2024**The CCO is responsible for lending.

To monitor our impact on ecosystems, we are currently developing a set of standards that focus on the natural areas managed by our clients, the ecological component of the WFD and the green-blue network. By the green-blue network we mean the green strips and small waterways in rural areas that animals can use to move around safely.

In addition to the ecosystem aspect, we also consider the diversity of animals and plants in the managed area to be very important. At a national level, we have identified potential negative impacts and future positive impacts. Together with PON & Telos, we are looking at ways to quantify and monitor biodiversity in the nature reserve on which our value chain is focused. We expect to report a benchmark for this next year.

Policies, measures and targets

Keeping an eye on biodiversity and ecosystems is important. Here we explain our policies, our measures and our targets and benchmarks in more detail.

Policy

For us, sustainability is about more than just the climate. Preventing the loss of biodiversity and promoting its recovery are important spearheads of our policy. The decline of nature is happening at a rapid pace, with species facing extinction at an accelerating rate, bringing severe consequences. Biodiversity covers all species of plants, animals and micro-organisms, but also the enormous genetic variation within those species and the variation in the ecosystems of which they are part. If we do not act quickly, up to a million species could

				Achieved		Targets		
Topic	Risks/opportunities	Impact	KPIs	2024	2023	2027	2030	2050
Biodiversity (E4)	+ Investments in biodiversity	+ - Ecosystem water	KRW (ecological)	0.2%	0.0%			
		+ - Ecosystem land	Managed nature area	33.3%	33.3%			
			Green-blue network	5.6%	5.6%		5%	10%

disappear. Many sectors of our economy depend on the diversity of the world's plants, animals and insects. It is therefore vital for future generations that we invest heavily in conserving and restoring biodiversity.

Our biodiversity policy describes how we will work towards our goals in our dealings with local authorities, water authorities, healthcare institutions and drinking water companies. These are also the clients to whom our measures apply. We see the client's impact as the bank's indirect impact. We reduce or increase this impact by talking to and motivating clients. Through engagement with relevant clients and industry stakeholders, we put biodiversity on the agenda and encourage clients to develop concrete policy documents that address biodiversity in the area they manage or impact. Our CEO has ultimate responsibility for our biodiversity policy.

Drinking water companies and local authorities

Drinking water companies benefit greatly from the conservation and restoration of biodiversity. Several of these companies manage nature reserves themselves because they depend on natural ecosystems that need to be protected for water abstraction. We believe it is important that drinking water companies have a nature and biodiversity policy in place by 2030, with measures including a green-blue network. We are also monitoring whether, by 2030, they will have taken action to restore 30% of plant and animal species in poor condition in the areas they manage, in line with the European Habitats Directive. Once we have a full picture of progress in the drinking water companies' policy documents, we will include this as a target and report on it.

By keeping financing costs low for drinking water companies and local authorities (market share >30%; condition included in SLL with local authorities), we facilitate the transition of the green-blue network. Green-blue networks connect natural areas through landscape features such as hedges, ditches, ponds, roadsides, small woods and parks. Linking nature areas is important for the conservation and restoration of biodiversity, as it increases the number of habitats for plants and animals.

Surface water

The quality of surface water is poor. None of the surface waters meet the standards of the WFD, which requires them to be clean and healthy by 2027. The WFD covers all aspects of water: chemistry (pollutants in the water), ecology (good conditions for diverse plant and animal life) and, for groundwater, quantity and suitability for drinking water. Water authorities receive the lowest possible financing costs from all our client groups. NWB Bank's market share among water authorities is over 90%. By providing loans to the water authorities, we facilitate the transition to improved water quality. In addition, the water authorities share in our profits when dividends are paid out.

Measures

With regard to biodiversity, we focus on discussing sound biodiversity policies with clients and supporting and activating industry initiatives. In line with our objectives, we commit to timelines, for example for the adoption of biodiversity action plans by our clients (see also the section on 'tartgets and standards'). Broader initiatives, such as our activities in the financial sector, are general in nature and not tied to specific timelines. We aim to encourage our clients through these general measures. Our dialogue with them is mainly in the context of engagement. We will evaluate the impact of these measures in the coming years.

Sector engagement

As part of our commitment to a sustainable future, in 2020 we signed the Finance for Biodiversity Pledge, an initiative by financial institutions to support biodiversity and combat the loss of nature. We have joined over 190 other financial institutions in making this commitment. Specifically, we pledge to measure our impact on biodiversity, link targets to this impact and then report publicly. In this context, we have also joined the Partnership for Biodiversity Accounting Financials (PBAF). PBAF provides a methodology that enables us to calculate our clients' biodiversity footprint. We are also involved in the Nature Inclusive Agenda, an initiative launched by the Ministry of Agriculture, Nature and Food Quality (now the Ministry of Agriculture, Fisheries, Food

Security and Nature) to achieve a nature-inclusive Dutch society by 2050.

To address the importance of biodiversity more broadly in the financial sector, we were asked in 2018 to set up a biodiversity working group as part of the Dutch Central Bank's Sustainable Finance Platform. We sponsor this working group, which consists of representatives from insurers, asset managers, pension administrators and other banks. The working group is sponsored by the Chair of our Managing Board and chaired by our sustainability officer.

Client engagement

As part of our ESG transition plan, we are holding discussions with our clients, including on biodiversity. As part of these discussions, we are aiming for relevant clients to have a nature and biodiversity policy in place by 2030. Between 2025 and 2028, we will progressively analyse their biodiversity and nature targets to determine whether they are in line with the Kunming-Montreal Agreement.

Targets and standards

In 2023, together with the engineering firm Arcadis, we conducted a study to identify appropriate targets and data sources for monitoring the impact of our loan portfolio on nature. One of the key goals that emerged is to halt the loss of nature and biodiversity by 2030 and work towards restoration. By 2050, we aim for our lending portfolio to be in balance with nature, in line with the Kunming-Montreal Protocol target, though the exact definition of 'in balance with nature' still needs to be refined. We are closely monitoring international developments. The current global targets are to stop biodiversity loss by 2030 and restore ecosystems worldwide by 2050.

Our target for the green-blue network is 5% in the areas managed by our clients in 2030 and 10% in 2050. We apply this target to municipalities. The percentages are derived from the 'Landscape action plan' target of the Delta Plan for Biodiversity, with the current status exceeding the first target. As it concerns a new indicator, the base value is set at 2023. We note here that this improvement is under pressure, partly due to the discontinuation of the National Rural Area Programme. Exceeding the first target is therefore no guarantee for the future. The 2050 target is also a long way off. This target has not yet been agreed with stakeholders. Improving the green-blue network forms a solid base for maintaining and improving biodiversity in the Netherlands. In doing so, the target contributes to balancing the loan portfolio with nature (policy).

We have not yet formulated concrete targets for the WFD objective (ecological) and managed nature reserves. We are currently reviewing the effectiveness of our measures based on the results of the KPIs.

In the **Appendix**, we describe the data quality and source data. For more information on the methodology used and further interpretation, please refer to the full **ESG impact report**.

Clients' development of biodiversity and nature policies

We are asking relevant clients to develop a nature and biodiversity policy by 2030, if they have not already done so. This policy will address targets, measures – including the green-blue network – and key drivers of nature and biodiversity loss. The monitoring of this target is still under development.

WFD target (ecological)

As described in our water theme, the WFD objective relates to the quality of surface water managed by water authorities in a number of sub-categories. For the 'biodiversity and ecosystems' theme, we look specifically at the extent to which ecological requirements are being met. This is about ensuring good conditions for diverse plant and animal life. By 2027, all water bodies must meet this objective, although this does not yet appear feasible.

Managed protected nature reserve

We report the proportion of the managed nature reserve that has protected status. To determine the size of the managed protected area, we use indirect information from publicly available maps. As these are high-quality maps and the size of the managed nature reserve varies

little from year to year, this is not a source of high measurement uncertainty.

Green-blue network

To determine the green-blue network, we use indirect information on the value chain. The cartographic material for the calculations lags behind the actual situation. This is a source of uncertainty. We expect to have more recent maps by 2025, which will limit the uncertainty.

EU TAXONOMY

Explanation

Most of our exposures are excluded from the numerator but included in the denominator. This applies to clients who are not subject to the Non-Financial Reporting Directive. This is inherent to our business model. As a result, our ratio is very low. The EU Taxonomy rules are currently under review in Europe. THe EU Taxonomy templates are incorporated in the **Appendix**.

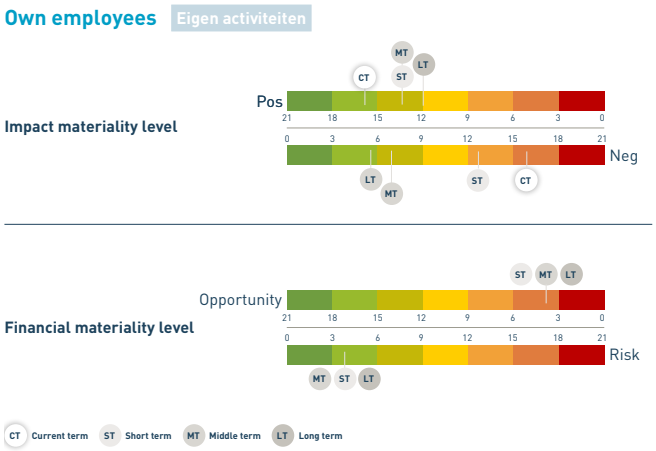
Template 1: Overview KPIs

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)
Main KPI	Green asset ratio (GAR) stock	**158,909,912**	**-**	**0.22%**	**91.59%**

SOCIAL INFORMATION

In terms of social information, we will address the material topics 'Our own employees' and 'Social housing'.

OUR OWN EMPLOYEES



Our own employees play an important role in underpinning our strategy to deliver high-quality services and products to our clients and in delivering our strategy. By offering good terms and conditions of employment, we have a significant positive impact on our employees. Sickness-related absenteeism can have a negative impact, for which a number of preventive measures and programmes have been put in place. Financial risks are linked to the continuity of operations and the satisfaction of employees (complaints). Key person risk is inventoried and mitigated. We do not have a specific policy for external employees.

Impacts, risks and opportunities

We can only fulfil our role in financing the Dutch public sector if we are well equipped as an organisation. This is the basis of our strategy. Our employees are motivated and qualified to serve the public interest in their own way. As an organisation, we set a good example in terms of sustainability and social commitment. Human Resources is responsible for the bank's human resources policy and reports to the CEO. The HR department is responsible for evaluating the effectiveness of HR policies, setting objectives and monitoring performance.

The strength of our organisation lies largely in its compact and well-organised structure. Although we have grown considerably over the past year, from 131 own employees at the end of 2023 to 145 at the end of 2024, we are maintaining our compact organisational structure and open culture as much as possible. The growth in staff is the result of our sustainability ambitions, the

				Achieved		Targets
Topic	Risks/ opportunities	Impact	KPIs	2023	2024	2024
S1 Own operations		- Absenteeism/ welfare	Percentage absenteeism	7.0%	3.5%	<4.0%
		+ Performance and development	Hours of training per employee		41	
	- Complaints		Number of complaints	0	0	
		+ Gender equality	Gender pay gap			
			Percentage women managing board		50%	30%
			Percentage women management team		54%	30%
		+ Terms of employment	CLA employees		100%	
		+ Performance and development	Employees with performance management		99%	
	- Business continuity		Key person risk identified		100%	

further diversification of our lending, and investment in a professional and decisive organisation, including in IT.

In our recruitment process, we welcome everyone, regardless of gender, age, religion, cultural background, disability or sexual orientation. We strive to provide equal opportunities for all and therefore apply a consistent recruitment and selection process. Our inclusive organisation is emphasised in the selection process and the job description, and we invite people who do not meet all the requirements to apply anyway.

We adjust our policy as necessary based on the impact, risks and opportunities related to our own employees. Performance management, key person risk assessment and the policy on inappropriate behaviour have been adjusted in 2024. Other policies remain unchanged. A specific target has been set for absenteeism and the percentage of women. We do not have a specific target for the other KPIs and the effectiveness of the measures will be evaluated based on the results of the KPIs.

Policies, measures and targets

We are committed to the welfare of our employees and the development of their knowledge and skills. Our policies, measures, targets and standards are outlined below. The policy focuses mainlyl on our own employees and not external employees.

Policy

Our policy focuses on welfare, development, and a healthy and social working environment.

Absenteeism

We are committed to promoting the mental and physical health of our employees, providing a safe work environment, and encouraging healthy behaviour. This helps to proactively mitigate absenteeism to limit the negative impact on employees and the bank. Due to the relative small staff size, individual cases have a major effect. Health and safety are addressed in multiple programs, covering topics such as inappropriate behaviour and absenteeism. The bank's occupational health and safety (arbo) policy consolidates all measures aimed at ensuring a healthy and safe workplace. We receive support on health and safety matters from an external occupational health service (arbodienst), enabling us to provide well-founded absenteeism advice and reintegration support. The Eligibility for Permanent Incapacity Benefit (Restrictions) Act (Wet verbetering poortwachter, Wvp) serves as our guiding framework. All employees can make use of the company doctor's consultation hours for preventive and anonymous advice. We also offer regular voluntary medical check-ups. Although accidents at work are less likely in an office environment, we do of course have a company emergency response team. The effectiveness of the policy is periodically reviewed by the prevention officer.

We also focus on mental wellbeing, and managers engage in regular dialogue with their employees. When it comes to development or personal situations, we offer the opportunity to participate in a development and/or coaching programme. National Vitality Week 2024 included a humour workshop and chair massages. In 2024, there was also internal training on resilience to change and brain-friendly working. We have a prevention officer who is constantly working on creating a healthy working environment to promote well-being and reduce stress. Through these activities, we are proactively contributing to the health of our employees.

Performance management and training

We encourage our employees to develop their knowledge and skills so that they can contribute effectively to achieving our strategic goals. We have a training budget available for this purpose but no formal policy. Personal development ensures a positive impact. Managers and employees regularly discuss their objectives together, taking into account the bank's core competencies and skills required for their roles. The revised performance management cycle that was launched in 2024 (which includes a kick-off meeting, at least two follow-up meetings and an end-of-year review) puts the employee at the centre and focuses on soliciting and receiving feedback from direct colleagues.

We use HR tools such as strategic people planning (SPP) and talent management (9-box grid). These tools provide

insight into the long-term needs of the organisation and the development potential of employees, helping to manage and develop talent within the organisation.

Complaints management

In the unlikely event that employees feel they are being mistreated, they have access to an external confidential advisor. An employee can make a formal complaint about inappropriate behaviour to our external complaints committee. We also have a whistle-blower policy that allows employees to report suspected abuse without jeopardising their legal position. Once again, the whistle-blower policy was not used in 2024, nor were there any complaints of inappropriate behaviour. The Supervisory Board monitors the functioning of the whistle-blower policy. Handling a potential complaint properly can teach you a lot about undesirable events and how to prevent them.

Our policy, which was rewritten in 2024, states that we will not tolerate inappropriate behaviour. An employee who is the victim of any form of inappropriate behaviour can report it internally to their manager or to Human Resources, make a complaint to an independent external committee or contact our external confidential advisor, who will deal with the complaint. This includes issues such as discrimination and racism. Complaints carry the risk of reputational damage. The Managing Board monitors the rules on inappropriate behaviour.

The whistle-blower policy and the rules on inappropriate behaviour are available to employees on the intranet, together with a careful explanation of the process. The compliance department handles reports under the whistle-blower policy. The results and the complaint handling process are discussed in the Works Council. There is currently no assessment of whether employees trust and are familiar with the complaints procedure.

Gender equality

Our remuneration policy is designed to support our ability to attract and retain skilled professionals and reflects our societal role as a bank by and for the public sector. This requires a moderate and clear remuneration policy that is in line with our strategy, risk profile and risk appetite. We adhere to the collective labour agreement (CLA) for the banking sector and comply with national and international laws and regulations. The policy applies in full to all employees, regardless of position, gender or level. We provide equal pay to employees in comparable positions. Attention to equal pay for employees in comparable positions remains important. In 2025, we will introduce a job classification system to promote transparency and equal pay.

CLA

The CLA for the Dutch banking sector includes additional provision to protect employees, as well as agreements on illness, unemployment, disability, parental leave and pensions. Employees can purchase additional leave, and there is a special arrangement for unpaid leave. Through the CLA and compliance with Dutch laws and regulations, the bank complies with human rights legislation. The CLA has a positive impact on working conditions.

We aim to be a modern employer that supports hybrid working, except for roles involved in operational transaction processes. Our hybrid work policy enables employees to perform optimally by combining office and remote work. We also structure the work week efficiently, aligning activities and consultation processes. Employees can access (special) leave arrangements tailored to their personal situations, such as statutory parental leave. Our premises are easily accessible to people with disabilities.

Key person risk

As a significant bank, we have a great responsibility towards our clients and the financial system. At the same time, the size of our workforce is somewhat on the small side, with only 145 employees at the end of 2024. A small group of employees with relatively important (operational) responsibilities can lead to key person risk, where the absence of certain employees can have significant operational consequences. To mitigate this risk, we identify key person risk and implement measures.

Key person risk can lead to increased operational risk, increased costs or losses, or reputational damage. Our key person risk policy helps manage and monitor this

risk, with the aim of mitigating it. Each department has identified its key person risks, which are assessed using a four-tier rating system.

- Low: no cause for concern, no mitigation required.
- Medium: some cause for concern, mitigation required within six months.
- High: cause for concern, mitigation required within three months.
- Critical: serious cause for concern, immediate mitigation required.

To mitigate key person risk, we establish processes in job descriptions and manuals and recruit personnel to limit critical dependencies. Key person risk has been included as a company-specific issue.

Stakeholder management

We keep a close watch on developments through various studies and consultations.

Employee feedback

We conduct employee satisfaction and job satisfaction surveys to obtain feedback from our employees. These surveys focus on how they perceive their job and the organisation. Employees complete a questionnaire on a range of topics including satisfaction, involvement, influence, workload and safety. We discuss the results of the survey internally and, where necessary, develop an action plan to improve the situation. No survey was conducted in 2024, and a new survey is planned for 2025.

Works Council

The Works Council is the official consultative body between the Managing Board and employees. Last year, the Managing Board formally consulted the Works Council five times on topics such as the appointment of an external consultant, data protection policy, the pension scheme, organisational changes, the job classification system, and housing. Members of the Supervisory Board attend these meetings twice a year. In addition, there is a quarterly discussion with the Works Council on HR performance, including sickness absence, where the actual figures are compared with the targets. The Works Council can then give advice.

Standards and targets

For the standards relating to our own employees, we have only used information from within our bank. This means that there is not a high degree of measurement uncertainty, as the data comes directly from the bank's systems and is free of assumptions.

COMPOSITION OF THE WORKFORCE

	2024		2023	
	Number	%	Number	%
Employees 50 to 70 years	17	12%	13	10%
Employees 30 to 50 years	85	59%	76	58%
Employees 20 to 30 years	43	30%	42	32%

COMPOSITION OF THE WORKFORCE

Number	2024	2023
Men	85	78
Women	60	53
Other	0	0
Not reported	0	0
Total employees	**145**	**131**

In 2024, we hired 39 new employees, and 25 employees left our organisation (2023:14 employees). We use the number of employees who left as the denominator and the total number of employees in the financial year as the numerator to calculate the turnover. This brings the turnover to 17% based on the number of employees as of 31 December 2024. This is a higher percentage than in previous years due to the large number of new employees and the favourable labour market. The financial statements include a breakdown of **personnel costs**.

The bank's top management consists of the Managing Board and the management team:

	Number	%
Number management team	13	
Of which men	6	46%
Of which women	7	54%
Number Managing Board	4	
Of which men	2	50%
Of which women	2	50%

The above data is taken from the AFAS HR system. They are year-end figures based on the number of our own employees.

One of the key diversity tools is gender. The gender targets for the Managing Board - at least 30% women and 30% men - also apply to the bank's senior management. In 2024, the target for the Managing Board was achieved with 50% and men/50% women, and for management 54% women and 46% men. We achieve balance by giving preference to candidates who contribute to diversity and inclusion when filling vacancies of equal merit.

External employees

We engage external employees for both line activities and projects. At the end of 2024, we had 47 external employees, 15 of whom were involved in line activities. Of these, 36 were contracted through a service provider, while 11 were self-employed. This data comes from the supplier management system. With the exception of employment conditions, the bank's rules generally apply to all staff, including external employees. In principle, they do not have a significant impact on business activities.

CLA

By the end of 2024, all employees were covered by the CLA for the banking sector. The four members of the Managing Board are not covered by the banking CLA, although most of the terms and conditions of employment arising from the CLA apply to them. The main principles of the employment conditions for the Managing Board are set out in the **remuneration policy** Managing Board.
All employees have a statutory right to social protection in case of income loss due to disability or illness (WIA), unemployment (WW) and old age (AOW). The collective labour agreement (CLA) for the banking sector includes additional provisions, such as continued wage payments during the first two years of illness and participation in the PAWW scheme for the third year. We also offer a pension scheme and disability insurance for all employees.

All employees are entitled to (special) leave, such as maternity leave, parental leave and carer's leave. The CLA for the banking sector provides additional benefits, such as a supplement to paid parental leave and extended paternity leave. Employees also have the option to purchase extra leave, and a special arrangement is available for unpaid leave. In total, eight employees (five men and three women) took maternity and/or parental leave, representing 6% of the workforce.

The above data are taken from the AFAS HR system. They are year-end data based on the number of employees.

	Men	Women	Other	Not reported	Total
Number of employees	85	60	0	0	**145**
Employees with a permanent contract	65	45	0	0	**110**
Employees with a temporary contract	20	15	0	0	**35**
Employees with non-guaranteed hours	0	0	0	0	**0**
Full-time employees	77	46	0	0	**123**
Part-time employees	8	14	0	0	**22**

Performance and development

In 2024, an average of €4,057 was spent on training per employee (including in-company training), with an overspend of €1,057. A total of €409,000 was allocated to the management development programme for managers. Learning on the job plays a key role in our organisation's approach to learning and development. Alongside individual development, we organised corporate training on risk awareness last year. We also support internal career growth by prioritising internal candidates for open positions. The number of training hours is calculated based on €100 per training hour, therefore this is an estimate. The number of training hours is not registered, therefore no distinction can be made between men and women.. All employees participate in the performance programme, and 99% completed the kick-off form for the performance cycle based on the number of employees at the beginning of the year.

	2024
Number kick-off forms men (in %)	58%
Number kick-off forms women (in %)	41%
Average number of training hours per employee (men and women)	41

Absenteeism

Absenteeism is 3.5%, below the target of <4% a year, based on the bank's occupational health and safety report. The subject of absenteeism due to illness has been included as a company-specific item.

	2024	2023	Target 2024	Target 2023
Absenteeism	3.5%	7.0%	<4%	<4%

Key person risk

We have carried out a key person risk inventory in all departments.

Gender equality

We analysed the gender pay gap in accordance with EBA guidelines. However, this unweighted gap only reflects the difference between the average salaries of men and women. This differs from the approach under the CSRD, which is why we are using the phase-in provision for this annual report. The current analysis does not take into account factors that may influence remuneration, such as age and position. As a result, it does not measure equal pay for equal work and does not provide a complete picture of the actual gap. To address this, we are developing a job classification system that will enable the calculation of a weighted pay gap, ensuring a more accurate assessment of equal pay for equal work.

Pay ratio

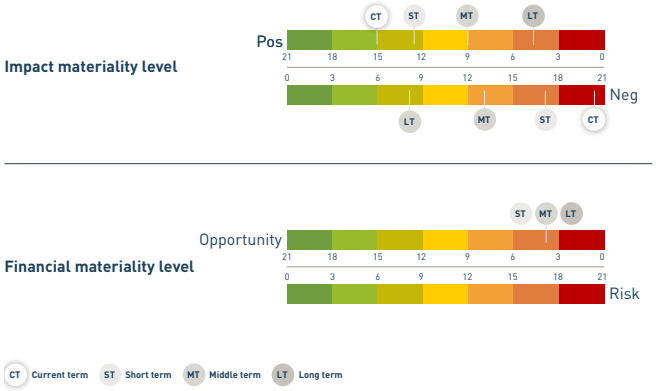
The pay ratio between the CEO, as the highest paid employee, to the median of all other employees was 4.1 in 2024, as it was in 2023. Total remuneration consists ofall relevant elements from the ESRS (salary, pension and other secondary terms of employment, and is based on the AFAS HR system. For S1-16, we use the phase-in provision, but as an exception we are reporting the pay ratio in accordance with the ESRS.

Complaints

Once again, the whistle-blower policy was not used in 2024, nor were there any complaints about inappropriate behaviour.

SOCIAL HOUSING (COMPANY-SPECIFIC)

Social housing Downstream



Social housing is a material topic arising from our lending to housing associations. In terms of size, this is the largest client group in the loan portfolio. We have the greatest impact in the areas of sustainability and quality measures and the availability of social housing. In this respect, we see that the sector is not meeting its construction (negative impact) and improvement targets in the short term, or only to a limited extent, and that there is room for improvement and more positive impact in the long term. Although the challenges facing the sector are significant, we do not see any significant financial impact other than an increase in lending.

Impact, risks and opportunities

We create impact and manage risk by providing affordable and appropriate financing to housing associations, enabling them to invest in the quantity and quality of homes. The scope of this investment is detailed in the **Report of the Managing Board**. Our goal is to maintain a market share of at least 33% in lending to housing associations. The CCO is responsible for lending.

We monitor housing associations' effectiveness in providing affordable, high-quality rental housing by assessing their construction, investment, expenditure and allocation within income limits. In the short term, the lack of housing stock and quality issues will have a negative impact, but in the long term this will be mitigated and potentially positive. In this context, we will monitor the impact of housing associations on the housing stock, based on construction and demolition. Energy performance is also a key focus, particularly the number of homes with an E, F, or G energy label.

This helps us to understand how our value chain affects tenants across the Netherlands.

The social housing association sector is a financially stable part of our loan portfolio and NWB Bank only grants loans to this client group if they are guaranteed by the Social Housing Guarantee Fund (Waarborgfonds Sociale Woningbouw, WSW). In 2024, we did not identify any potential financial risks or opportunities related to the social impact of our lending.

Policy, measures and targets

Here we outline our policies, measures and targets for social housing.

Policy

Housing associations ensure the availability and affordability of sufficient social housing for people who need it. Together, they manage more than 2.3 million rental apartments in which four million people live.

				Achieved		Targets		
Topic	Risks/opportunities	Impact	KPIs	2024	2023	2028	2035	2050
Social housing		+ - Availability of housing	Increase of social housing	5,832	7,300		180,000	
		+ - Quality of housing	Housing association expenditures on maintenance, quality of life and energy	7.9 mld	7.3 mld			
			Allocations to social housing	67.0%	70.4%			
			EFG labels	7.0%	9.3%	3.0%		

This is 28% of the Dutch housing stock. Because of the size of their housing stock and their social mission, housing associations are expected to play a pioneering role in sustainability.

The abolition of the landlord tax on 1 January 2023 has given housing associations with an additional €1.7 billion in annual investment capacity. This is balanced by binding National Performance Agreements between the sector, municipalities, the Woonbond and the government. In addition to doubling social housing construction, these agreements include making more than 675,000 social housing units more sustainable. This will require significant investment. Housing associations are expected to borrow more in the coming years because of the sustainability challenge, the country's housing shortage and the associated investments. By keeping financing costs low for housing associations and aiming for a market share of at least 33%, we are enabling the construction of 30,000 new homes per year from 2029 to 2035. In addition, we are financing the development of district heating networks, with the aim of achieving year-on-year nominal growth in the outstanding district heating loan portfolio. This supports our goal of reducing the share of EGF-labelled social housing to no more than 3% by the end of 2028. Based on the investment agenda, housing associations will allocate approximately 19% on renovations and 58% on new construction.

Our aim is to provide financing at favourable terms to help social housing associations provide good quality housing to the core target group. We do not have a formal policy on the impact of this financing on end-users. We do not have a formal policy as it is part of our statutory duty to provide financing to housing associations. Although not formalised as a policy, we set targets and implement measures to increase and ensure our positive impact and to mitigate existing negative impacts. We monitor this through our impact KPIs and through close contact with the sector.

Measures

Our measures consist of commitments and financing choices. For example, we finance or do not finance certain activities, and we have recently started using positive pricing. Our IROs only focus on SGEI actitivites. This means that we give a discount for achieving certain targets. All measures relate to the financing of the social housing association sector and affect their (potential) tenants. The measures will continue indefinitely. In the case of individual sustainability-linked loans, the discounts are of course linked to specific time frames, adapted to the circumstances of the housing association and the target to be achieved.

In the **'Our influence'** section, we discuss how our measures contribute to the material topics. We want to encourage our clients to contribute to the targets, but we have no direct influence. We will evaluate the impact of our measures in the coming years.

Engagement

We regularly speak with Aedes, the trade association for social housing, and social housing associations financed by us about their climate goals, the energy transition and social impact.

Active financing

We only finance the portion of the social housing associations' debt that is guaranteed by WSW (Waarborgfonds Sociale Woningbouw). The fact that these financed activities qualify as Services of General Economic Interest (SGEI) ensures that all our lending to this sector helps create added value for society. Social housing associations provide good and affordable housing for people who need it. In many cases, these are households with modest incomes. Moreover, they pay special attention to people who are unable to find a place to live for social, medical or psychological reasons, as well as to 'status holders' (refugees granted residence permits).

Targets and standards

Everyone will be familiar with the shocking shortage of affordable housing. To address the housing shortage, housing associations have set a target in their performance agreements to build at least 30,000 new homes a year from 2029 to 2035. We will review

annually whether this target has been met. The pace of construction will need to increase significantly in the coming years in order to meet the target.

In addition to the provision of sufficient housing, the quality of housing is of great importance to (potential) tenants. Overdue maintenance is a challenge, but there are also major sustainability challenges. In our climate policy we discuss the problem of consumption and emissions. Sustainability is also a social issue. Energy poverty is on the rise, and even more sustainable housing must remain affordable for people with limited financial means. In their performance agreements, the companies have set a target of limiting the use of EGF energy labels to a maximum of 3% by 2028. We are in line with this target and do not have a specific target for corporate expenditure. As such, the target contributes to making qualitatively suitable housing available to the core audience (policy).

We apply these targets to all housing associations that are our clients, with 2023 as the base year. We have not consulted stakeholders on these targets, as we comply with existing agreements or legal frameworks. In 2024, 2 years after the signing of the National Performance Agreements 2022, the agreements were reviewed and adjusted where necessary. There is no policy, so we do not link policy to the targets.

We have not yet formulated concrete objectives for the allocation of social housing and spending by housing associations on maintenance, quality of life and energy. We are currently assessing the effectiveness of our measures based on the results of the KPIs.

Social housing standards

KPIs	2024	2023
Built social housing	5,832	7,300
Allocated social housing	67.0%	70.4%
Housing association expenditures on maintenance, quality of life and energy	7.9 mld	7.3 mld
EFG labels	7.0%	9.3%

For our social impact standards, we rely on data provided directly by housing associations. Currently, this data is reported with a one-year delay relative to the most recent financial year. In the **Appendix**, we describe the data quality and source data for each indicator. We are in discussions with Aedes to speed up the information delivery. We expect to resolve this measurement uncertainty within a few years. For more information on the methodology used and further interpretation of the results, the full **ESG impact report** is available.

Increase in social housing units

We use the indicator 'Increase in social rented dwellings' for the availability of social rented dwellings. Long waiting lists for social housing have become commonplace in the Netherlands. While demand is growing, the huge construction task is only being realised in fits and starts. Lengthy zoning procedures, a shortage of available building land and higher construction costs all play a role. In 2023, the number of dwellings owned by social housing associations we finance increased by 5,832 dwellings. Given the good results in the first half of 2024, when construction was 30% higher than in the same period last year, we expect the increase to be even greater in 2024. However, this data was not available at the time of publication of this annual report.

Housing association expenditures on maintenance, quality of life and energy

We use the indicator 'Housing associations expenditure on maintenance, quality of life and energy' to measure the quality of social housing. Housing associations are investing more and more in maintenance, quality of life and energy. The increase in expenditure on quality of life and energy efficiency or even energy production is certainly a good indicator of quality improvement. Quality of life mainly includes housing and environmental improvements. Energy includes investment in solar panels. Overall, investments increase by 7.3% in 2022-2023. This increase is mainly due to rising construction costs, but nonethelss also includes spending on maintenance, quality of life and energy. Based on the three-year average growth rate, inflation, and necessary investments, we expect a further increase in 2024.

Social housing allocation

We use the 'Social housing allocation' indicator for the availability of social rented dwellings. To determine our impact, we examine the annual number of rental housing allocations within the income limits of the housing associations we finance. The primary target group for housing associations consists of households with an income below the SGEI threshold. For single-person households, this limit is set at €47,699 per year (price level 2024). For multi-person households, it is €52,671 per year (price level 2024) for a period of three years (until 2025). With a percentage of 70.1%, there is still a long way to go to meet the target of at least 85%.

EFG labels

We use the 'EFG labels' indicator for the quality of social rented dwellings.The presence of an E, F or G label is a good indicator of a dwelling's energy efficiency, with a major impact on potential fuel poverty and tenants' comfort. After 2028, housing associations will have to offer rent reductions for homes with these labels. Between 2022 and 2023, there was a sharp drop of more than 24% in the number of EFG labels in the housing association stock, much of this due to a change in methodology that partly corrects for an earlier tightening of the standard. We expect the improvement in energy labels to continue until 2024, although the reduction will be less than in 2023.

APPENDIX SUSTAINABILITY STATEMENTS

Here we explain the reporting guidelines we use for non-financial information.

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION

UN Global Compact

We support and have signed the principles of the UN Global Compact. This means that we are committed to addressing key themes such as human rights, labour rights, the environment and anti-corruption in our business processes. It also means that, when possible and relevant, we will engage with our stakeholders on the content of these principles.

Impact of lending on climate

To calculate the impact of our lending on the climate, we use the methodology of the Partnership for Carbon Accounting Financials (PCAF). PCAF provides a framework and harmonised methodology that increases transparency and awareness of greenhouse gas emissions equivalents. Only Part A is relevant for us. The knowledge institute Pon & Telos, affiliated to Tilburg University, helped us to apply the PCAF methodology. The application has been included in the report ***GHG Emissions of NWB Bank's Loan Portfolio: The GHG footprint of 2023***. The methodology in this document serves as the basis for the calculation.

Data quality

The quality of the data is an important element for calculating the emissions of our loan portfolio. See the methodology document for further details. The following scores apply for the calculation.

PCAF distinguishes five levels of quality for emissions.

- Class 1 concerns individual emissions data or actual energy consumption data that has been audited.
- Class 2 concerns unaudited emissions data or other primary consumption data.
- Class 3 concerns average data specific to the sector or similar institutions.
- Class 4 concerns approximate data based on a region or country.
- Class 5 concerns rough estimates.

Methodology used

We have calculated our share of a client's or project's emissions by determining what percentage of the client's or project's balance sheet is attributable to our financing and multiplying this percentage by the client's total greenhouse gas emissions (equivalents). The emissions data are derived or calculated from, among other sources, publicly available data from Statistics Netherlands, the Netherlands Environment and Transport Inspectorate, the water authorities' Climate Monitor and the sustainability reports of the financed institutions. The calculations for the end of 2024 based on the emissions from 2023 with the most recent emission factors, plus the increase in the loan portfolio at sector level in 2024.

If adjustments are made to the methodology, the previously reported figures will be recalculated. The baseline measurement (2019, for the 2018 portfolio) is recalculated as well as the current year and the previous year.

Limitations

There is still insufficient data available on the extent of the emissions avoided or negated as a result of projects we have financed. It was not yet possible to calculate scope 3 emissions for housing associations, such as emissions resulting from the construction and major maintenance

of housing association properties. This also applies to NHG pass-through RMBS, joint schemes and healthcare institutions. There are no calculations or data available yet to make a reasonable estimate of these emissions.

Impact reporting on lending

Tracking the performance of our clients is important to us for several reasons. First, it allows us to track trends over time and engage in discussions with our clients to increase the impact of our lending. It also helps us identify potential risks. A further explanation of this is included in the **Methodology document**.

Methodology used

The impact data is derived from or calculated using public data from Statistics Netherlands, Netherlands Environment and Transport Inspectorate, the WAVES database of the water authorities and the dVi reports of the housing associations, among others.

To ensure accurate reporting, data points must reliably reflect our performance in the most recent financial year. To this end, Het PON & Telos has provided an explanation for each indicator, detailing the choice of sources and the methodology used to determine the impact. In addition, a qualitative review is conducted to identify any significant developments that may render the latest source data an unreliable representation of our performance in the current financial year.

If the review suggests a significant difference between the latest source data and the current results, the data point should be extrapolated. This involves a quantitative estimate of the change, conducted in consultation with Het PON & Telos, along with an explanation of the underlying driver, its relation to the source data date, and its impact on the indicator.

In addition to the use of outdated information, the use of different data years for parts of the calculation of an indicator is a possible source of measurement uncertainty. We are transparent about this and explain the extent to which this applies to the reported indicators in the data information table at the end of this chapter.

In the event of methodological changes, previously reported figures will be recalculated. The baseline measurement (2020) is recalculated, as well as the current year and the previous year. If no new measurement is available, the most recently reported year will be used as the baseline measurement.

Data quality

The quality of the data is an important element for calculating the impact. See the methodology document for further details. The following five classes of quality apply for the calculation.

- Class 1 concerns individual emissions data or actual energy consumption data that has been verified.
- Class 2 concerns unverified data or other primary consumption data.
- Class 3 concerns average data specific to the sector or similar institutions.
- Class 4 concerns approximate data based on a region or country.
- Class 5 concerns rough estimates.

IMPACT OUTCOMES OF LENDING

ESG impact/Impact KPI	Description	data quality	2023 data year	2024 data year	Source
Safety flood defences	Length of flood defences tested (and found to be compliant to standard of 2050) (km)	3	2022	2023	Association of Dutch Water Authorities
Flood standards	Number of hectares of land not meeting flood standards	2	2022	2023	Association of Dutch Water Authorities
Surface water quality (biological, chemical, ecological and overall)	% of surface water meeting the WFD standard	2	2023	2024	Informatiehuis water
Drinking water quality	% of measurements meeting the standard	4	2022	2023	Human Environment and Transport Inspectorate
Managed protected areas	Number of hectares managed protected areas	3		2024	PDOK / Ministry of Agriculture, Fisheries, Food Security and Nature / Het Waterschapshuis
Green-blue network	% green-blue network in protected areas managed by our clients	4		2023	Cobra Groeninzicht
Social housing allocation	% of allocations per year within income thresholds	2	2023	2024	Aedes
Social housing units built	Number of homes built by housing associations	2	2021	2022	Aedes
EFG labels	% EFG labels in portfolio	2	2023	2024	Republiq
Housing associations' investments in maintenance and renovations	Amount spent by housing associations on maintenance, quality of life and energy	2	2021	2022	Human Environment and Transport Inspectorate

ESRS-INDEX

ESRS	DR	Reference
ESRS 2	BP-1	**Principles**
	BP-2	**Data in the report**
	GOV-1	**Corporate governance**
	GOV-2	**Corporate governance**
	GOV-4	**Due diligence statement and ESG reporting risk**
	GOV-5	**Due diligence statement and ESG reporting risk**
	SBM-1	**Strategy and value creation**
	SBM-2	**Our stakeholders**
	SBM-3	**Materiality and value chain**
	IRO-1	**Materiality and value chain**
	IRO-2	**ESRS-index**
ESRS E1	E1.GOV-3	**Remuneration report**
	E1-1	**Climate mitigation**
	E1.SBM-3	**Climate mitigation**; **Climate adaptation**; **Energy**; **Climate resilience analysis**
	E1.IRO-1	**Climate mitigation**; **Climate adaptation**; **Energy**; **Impacts, risks and opportunities**
	E1-2	**Climate mitigation**; **Climate adaptation**; **Energy**
	E1-3	**Climate mitigation**; **Climate adaptation**; **Energy**
	E1-4	**Climate mitigation**; **Climate adaptation**; **Energy**
	E1-5	**Energy**
	E1-6	**Climate mitigation**
	E1-7	**Climate mitigation**
ESRS S1	S1.SBM-3	**Own employees: Impacts, risks and opportunities**
	S1-1	**Own employees: Policies, measures and targets**
	S1-2	**Own employees: Policies, measures and targets**
	S1-3	**Own employees: Policies, measures and targets**
	S1-4	**Own employees: Policies, measures and targets**
	S1-5	**Own employees: Policies, measures and targets**
	S1-6	**Own employees: Policies, measures and targets**
	S1-7	**Own employees: Policies, measures and targets**
	S1-8	**Own employees: Policies, measures and targets**
	S1-9	**Own employees: Policies, measures and targets**
	S1-11	**Own employees: Policies, measures and targets**
	S1-13	**Own employees: Policies, measures and targets**
	S1-14	**Own employees: Policies, measures and targets**
	S1-15	**Own employees: Policies, measures and targets**
	S1-16	**Own employees: Policies, measures and targets**
	S1-17	**Own employees: Policies, measures and targets**
Entity-specific		
Water	MDR-P	**Water management (company-specific)**
	MDR-A	**Water management (company-specific)**
	MDR-M	**Water management (company-specific)**
	MDR-T	**Water management (company-specific)**
Biodiversiteit	MDR-P	**Biodiversity and ecosystems (company-specific)**
	MDR-A	**Biodiversity and ecosystems (company-specific)**
	MDR-M	**Biodiversity and ecosystems (company-specific)**
	MDR-T	**Biodiversity and ecosystems (company-specific)**
Sociale huisvesting	MDR-P	**Social housing (company-specific)**
	MDR-A	**Social housing (company-specific)**
	MDR-M	**Social housing (company-specific)**
	MDR-T	**Social housing (company-specific)**
G1		Governance theme is not material

EU TAXONOMY TEMPLATE 2: ASSETS FOR CALCULATING GAR

31 DECEMBER 2024

Dec-24

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total (gross) carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**	72,145,590,443	5,246,904,444	158,896,560	97,681,642	566,445	311,365	80,147	13,352	11	2,635	-	5,246,984,591	158,909,912	97,681,654	569,080	311,365
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	9,543,726,361	5,246,904,444	158,896,560	97,681,642	566,445	311,365	80,147	13,352	11	2,635	-	5,246,984,591	158,909,912	97,681,654	569,080	311,365
3	**Financial corporations**	7,613,359,290	3,316,537,373	64,511,047	3,296,129	566,445	311,365	80,147	13,352	11	2,635	-	3,316,617,520	64,524,399	3,296,141	569,080	311,365
4	Credit institutions	2,366,970,987	529,158,267	64,511,047	3,296,129	566,445	311,365	80,147	13,352	11	2,635	-	529,238,414	64,524,399	3,296,141	569,080	311,365
5	Loans and advances	1,808,798,643	202,315,819	16,694,458	1,831,846	499,900	276,907	76,408	11,944	11	2,445	-	202,392,228	16,706,402	1,831,858	502,345	276,907
6	Debt securities, including UoP	558,172,344	326,842,447	47,816,589	1,464,283	66,545	34,458	3,739	1,409	-	190	-	326,846,186	47,817,997	1,464,283	66,734	34,458
7	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Other financial corporations	5,246,388,303	2,787,379,106	-	-	-	-	-	-	-	-	-	2,787,379,106	-	-	-	-
9	of which investment firms	5,246,388,303	2,787,379,106	-	-	-	-	-	-	-	-	-	2,787,379,106	-	-	-	-
10	Loans and advances	220,973,956	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Debt securities, including UoP	5,025,414,347	2,787,379,106	-	-	-	-	-	-	-	-	-	2,787,379,106	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	**Non-financial corporations**	1,930,367,071	1,930,367,071	94,385,513	94,385,513	-	-	-	-	-	-	-	1,930,367,071	94,385,513	94,385,513	-	-
22	Non-financial corporations (subject to NFRD disclosure obligations)	1,930,367,071	1,930,367,071	94,385,513	94,385,513	-	-	-	-	-	-	-	1,930,367,071	94,385,513	94,385,513	-	-
23	Loans and advances	1,930,367,071	1,930,367,071	94,385,513	94,385,513	-	-	-	-	-	-	-	1,930,367,071	94,385,513	94,385,513	-	-
24	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	**Households**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	62,601,864,082	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		Dec-24																
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
34	**Financial and Non-financial undertakings**	57,033,045,836															
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	57,033,045,836															
36	Loans and advances	57,033,045,836															
37	of which loans collateralised by commercial immovable property	-															
38	of which building renovation loans	-															
39	Debt securities	-															
40	Equity instruments	-															
41	Non-EU country counterparties not subject to NFRD disclosure obligations	-															
42	Loans and advances	-															
43	Debt securities	-															
44	Equity instruments	-															
45	Derivatives	4,740,245,530															
46	On demand interbank loans	786,698,189															
47	Cash and cash-related assets	-															
48	Other categories of assets (e.g. Goodwill, commodities etc.)	41,874,528															
49	**Total GAR assets**	72,145,590,443	5,246,904,444	158,896,560	97,681,642	566,445	311,365	80,147	13,352	11	2,635	-	5,246,984,591	158,909,912	97,681,654	569,080	311,365
50	Other assets excluded from both the numerator and denominator for GAR calculation	6,622,982,062															
51	Sovereigns	-															
52	Central banks exposure	6,622,982,062															
53	Trading book	-															
54	**Total assets**	78,768,572,505	5,246,904,444	158,896,560	97,681,642	566,445	311,365	80,147	13,352	11	2,635	-	5,246,984,591	158,909,912	97,681,654	569,080	311,365
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
55	Financial guarantees	-															
56	Assets under management	-															
57	Of which debt securities	-															
58	Of which equity instruments	-															

31 DECEMBER 2023

Dec-23

		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total (gross) carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**	68,433,239,037	3,422,656,430	105,820,908	105,774,964	48,029	19,676	772	397	-	-	-	3,422,657,202	105,821,305	105,774,964	48,029	19,676
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,477,609,625	3,422,656,430	105,820,908	105,774,964	48,029	19,676	772	397	-	-	-	3,422,657,202	105,821,305	105,774,964	48,029	19,676
3	**Financial corporations**	6,120,419,148	3,065,465,954	280,043	234,099	48,029	19,676	772	397	-	-	-	3,065,466,726	280,440	234,099	48,029	19,676
4	Credit institutions	3,099,023,721	549,637,214	280,043	234,099	48,029	19,676	772	397	-	-	-	549,637,987	280,440	234,099	48,029	19,676
5	Loans and advances	2,517,072,856	549,637,214	280,043	234,099	48,029	19,676	772	397	-	-	-	549,637,987	280,440	234,099	48,029	19,676
6	Debt securities, including UoP	581,950,865	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Other financial corporations	3,021,395,427	2,515,828,739	-	-	-	-	-	-	-	-	-	2,515,828,739	-	-	-	-
9	of which investment firms	3,021,395,427	2,515,828,739	-	-	-	-	-	-	-	-	-	2,515,828,739	-	-	-	-
10	Loans and advances	300,578,385	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Debt securities, including UoP	2,720,817,041	2,515,828,739	-	-	-	-	-	-	-	-	-	2,515,828,739	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	**Non-financial corporations**	357,190,477	357,190,477	105,540,865	105,540,865	-	-	-	-	-	-	-	357,190,477	105,540,865	105,540,865	-	-
22	Non-financial corporations (subject to NFRD disclosure obligations)	357,190,477	357,190,477	105,540,865	105,540,865	-	-	-	-	-	-	-	357,190,477	105,540,865	105,540,865	-	-
23	Loans and advances	357,190,477	357,190,477	105,540,865	105,540,865	-	-	-	-	-	-	-	357,190,477	105,540,865	105,540,865	-	-
24	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	**Households**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	61,955,629,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	**Financial and Non-financial undertakings**	56,449,932,888															
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	56,449,932,888															

		Dec-23																
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
36	Loans and advances	56,449,932,888															
37	of which loans collateralised by commercial immovable property																
38	of which building renovation loans																
39	Debt securities																
40	Equity instruments																
41	Non-EU country counterparties not subject to NFRD disclosure obligations	-															
42	Loans and advances																
43	Debt securities																
44	Equity instruments																
45	Derivatives	4,363,303,643															
46	On demand interbank loans	1,055,525,909															
47	Cash and cash-related assets																
48	Other categories of assets (e.g. Goodwill, commodities etc.)	86,866,972															
49	**Total GAR assets**	68,433,239,037	3,422,656,430	105,820,908	105,774,964	48,029	19,676	772	397	-	-	-	3,422,657,202	105,821,305	105,774,964	48,029	19,676
50	Other assets excluded from both the numerator and denominator for GAR calculation	7,476,222,294															
51	Sovereigns																
52	Central banks exposure	7,476,222,294															
53	Trading book																
54	**Total assets**	75,909,461,331	3,422,656,430	105,820,908	105,774,964	48,029	19,676	772	397	-	-	-	3,422,657,202	105,821,305	105,774,964	48,029	19,676
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
55	Financial guarantees	-															
56	Assets under management	-															
57	Of which debt securities	-															
58	Of which equity instruments	-															

EU TAXONOMY TEMPLATE 3: SECTOR INFORMATION GAR

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR	Of which environmentally sustainable (CCM)	EUR	Of which environmentally sustainable (CCM)	EUR	Of which environmentally sustainable (CCM)	EUR	Of which environmentally sustainable (CCM)	EUR	Of which environmentally sustainable (CCM)	EUR	Of which environmentally sustainable (CCM)
1	Production of electricity (3511)	94,377,743	94,377,743			94,377,743	0			94,377,743	94,377,743		
2	Transmission of electricity (3512)	114,919,194	0			114,919,194	0			114,919,194	0		
3	Water collection, treatment and supply (3600)	1,239,325,981	0			1,239,325,981	0			1,239,325,981	0		
4	Waste processing (3720)	253,321,410	0			253,321,410	0			253,321,410	0		
5	Urban and suburban passenger land transport (4931)	128,446,123	0			128,446,123	0			128,446,123	0		
6	Port activities (6310)	99,138,885	0			99,138,885	0			99,138,885	0		
7	Hospital activities (8610)	837,735	0			837,735				837,735			
...													

EU TAXONOMY TEMPLATE 4: STATUS GAR-KPI

31 DECEMBER 2024

Dec-24

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Total (CCM + CCA)					
		Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	Proportion of total new assets covered
1	**GAR - Covered assets in both numerator and denominator**	7.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	0.2%	0.1%	0.0%	0.0%	6.7%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	0.2%	0.1%	0.0%	0.0%	6.7%
3	**Financial corporations**	4.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.6%	0.1%	0.0%	0.0%	0.0%	4.2%
4	Credit institutions	0.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.1%	0.0%	0.0%	0.0%	0.7%
5	Loans and advances	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.3%
6	Debt securities, including UoP	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.1%	0.0%	0.0%	0.0%	0.4%
7	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Other financial corporations	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	0.0%	3.5%
9	of which investment firms	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	0.0%	3.5%
10	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Debt securities, including UoP	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	0.0%	3.5%
12	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	**Non financial corporations**	2.7%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	0.1%	0.1%	0.0%	0.0%	2.5%
22	Non-financial corporations subject to NFRD disclosure obligations	2.7%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	0.1%	0.1%	0.0%	0.0%	2.5%
23	Loans and advances	2.7%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	0.1%	0.1%	0.0%	0.0%	2.5%
24	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
26	**Households**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	**Local government financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Other local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

31 DECEMBER 2023

Dec-23

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Total (CCM + CCA)					
		Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	Proportion of total new assets covered
1	**GAR - Covered assets in both numerator and denominator**	6.7%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.2%	0.2%	0.0%	0.0%	4.3%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6.7%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.2%	0.2%	0.0%	0.0%	4.3%
3	**Financial corporations**	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%	3.9%
4	Credit institutions	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	0.7%
5	Loans and advances	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	0.7%
6	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	Other financial corporations	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	0.0%	0.0%	0.0%	0.0%	3.2%
9	of which investment firms	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	0.0%	0.0%	0.0%	0.0%	3.2%
10	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Debt securities, including UoP	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	0.0%	0.0%	0.0%	0.0%	3.2%
12	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	**Non financial corporations**	0.7%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.2%	0.2%	0.0%	0.0%	0.5%
22	Non-financial corporations subject to NFRD disclosure obligations	0.7%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.2%	0.2%	0.0%	0.0%	0.5%
23	Loans and advances	0.7%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.2%	0.2%	0.0%	0.0%	0.5%
24	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
26	**Households**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	**Local government financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Other local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

EU TAXONOMY TEMPLATE 5: ELECTRICITY GAR-KPI

31 DECEMBER 2024

Dec-24

% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Total (CCM + CCA)					
	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	Proportion of total new assets covered
GAR - Covered assets in both numerator and denominator	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%
Financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non financial corporations	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%
Non-financial corporations subject to NFRD disclosure obligations	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%
Loans and advances	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%
Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Households	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Material / Non-material	Page and Paragraph Reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		not material	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1					
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation(EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	material	
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		material	
ESRS E1-4 GHG emissions-reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation(EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				not material	

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Material / Non-material	Page and Paragraph Reference
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				not material	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				not material	
ESRS E1-6 Gross scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)			
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation(EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)			
ESRS E1-7 GHG removals and carboncredits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)		
ESRS E1-9 Exposure of the benchmark portfolio to climate- related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II			
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Bankiong book - Climate change physical risk: Exposures subject to physical risk				
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)						
SRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral				
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II			

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Material / Non-material	Page and Paragraph Reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1					
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1					
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1					
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1					
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1					
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1					
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1					
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1					
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1					
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1					
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1					
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1					
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1					
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1					
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I					
RS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I					
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I					

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Material / Non-material	Page and Paragraph Reference
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I					
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I					
RS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I					
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I					
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I					
ESRS S1-17Incidents of discrimination paragraph 103(a)	Indicator number 7 Table #3 of Annex I					
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)			
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I					
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1					
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1					
ESRS S2-1 Non-respect of UNGPs on Businessand Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)			
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1					

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Material / Non-material	Page and Paragraph Reference
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1					
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)			
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1					
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1					
ESRS S4-1 Non-respect of UNGPs on Businessand Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)			
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1					
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1					
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1					
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)			
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1					

FINANCIAL STATEMENTS

4



CONTENTS

STATEMENT OF INCOME 170

BALANCE SHEET 171

STATEMENT OF COMPREHENSIVE INCOME 172

STATEMENT OF CHANGES IN EQUITY 173

STATEMENT OF CASH FLOWS 174

GENERAL NOTES TO THE FINANCIAL STATEMENTS 176

- Company information 176
- Basis of preparation of the financial statements 176

NOTES ON THE STATEMENT OF INCOME 184

1 Net interest income 184
2 Results from financial transactions 184
3 Employee benefit expenses 185
4 Other administrative expenses 187
5 Depreciation 188
6 Bank tax and resolution levy 188
7 Depreciation of receivables and provisions for liabilities included in the balance sheet 189
8 Income tax expense 189

NOTES ON THE BALANCE SHEET 190

9 Cash, cash equivalents and deposits at the Central Bank 190
10 Receivables from credit institutions 190
11 Loans and receivables 190
12 Interest-bearing securities 191
13 Intangible assets 192
14 Tangible assets 193
15 Other assets 193
16 Derivative assets 194
17 Prepayments and accrued income 194
18 Debts to credit institutions 194
19 Funds entrusted 195
20 Debt securities 196
21 Other liabilities 196
22 Derivative liabilities 196
23 Income tax 197
24 Accruals and deferred income 197
25 Provisions 197
26 Subordinated debt 199
27 Paid-up and called-up share capital 199
28 Revaluation reserves 200
29 Other reserves 200
30 Unappropriated profit for the year 200
31 Irrevocable commitments 201

OTHER NOTES TO THE FINANCIAL STATEMENTS 202

32 Expected credit loss (ECL) 202
33 Fair value of financial instruments 211
34 Information on related parties 213
35 Risk management 213
36 Events after balance sheet date 226
37 Proposed profit appropriation 226
38 Managing Board and Supervisory Board 227

STATEMENT OF INCOME

for the year ending on 31 December 2024

(x EUR 1,000,000)	Note	2024	2023
Interest and similar income		7,698	7,071
Interest and similar expenses		7,450	6,810
Net interest income	1	**248**	**261**
Results from financial transactions	2	-37	-16
Other operating income		-	-
Total operating income		**211**	**245**
Employee benefits expense	3	28	23
Other administrative expenses	4	27	26
Employee benefits and other expenses		55	49
Depreciation, amortisation and value adjustments of tangible and intangible assets	5	5	4
Bank tax and resolution levy	6	18	18
Depreciation of receivables and provisions for liabilities included in the balance sheet	7	-	-
Total operating expenses		**78**	**71**
Profit from ordinary operations before tax		**133**	**174**
Tax on profit from ordinary operations	8	39	48
Net profit		**94**	**126**

BALANCE SHEET

as at 31 December 2024 before profit appropriation

(x EUR 1,000,000)	Note	2024	2023
ASSETS			
Cash, cash equivalents and deposits at the Central Bank	9	6,623	7,476
Loans and advances to credit institutions	10	2,622	3,687
Loans and receivables	11	59,158	55,264
Interest-bearing securities	12	5,584	5,032
Intangible assets	13	11	10
Tangible assets	14	5	5
Other assets	15	14	57
Derivative assets	16	4,740	4,363
Income tax	23	-	-
Prepayments	17	11	15
Total assets		**78,768**	**75,909**

(x EUR 1,000,000)	Note	2024	2023
LIABILITIES			
Debts to credit institutions	18	2,658	1,789
Funds entrusted	19	7,174	7,080
Debt securities	20	62,769	60,556
Other liabilities	21	20	34
Derivative liabilities	22	3,710	4,035
Income tax	23	-	7
Accruals	24	6	10
Provisions	25	10	12
		76,347	73,523
Subordinated debt	26	**327**	**326**
Paid-up and called-up share capital	27	7	7
Revaluation reserves	28	-	-
Other reserves	29	1,993	1,927
Unappropriated profit for the year	30	94	126
Equity		**2,094**	**2,060**
Total liabilities		**78,768**	**75,909**
Irrevocable commitments	31	5,037	4,726

STATEMENT OF COMPREHENSIVE INCOME

for the year ending on 31 December 2024

(x EUR 1,000,000)	Note	2024	2023
Net changes in the revaluation reserves	28	-	-
Net changes in other reserves (changes in value as part of the pension provision before income tax)	29	-	-1
Income tax on income and expenses recognised directly in equity		-	-
Income and expenses recognised directly in equity		**-**	**-1**
Net profit		94	126
Comprehensive income		**94**	**125**

STATEMENT OF CHANGES IN EQUITY

for the year ending on 31 December 2024

(x EUR 1,000,000)	Paid-up share capital	Revaluation reserves	Other reserves	Unappropriated profit for the year	Total
As at 1 January 2023	**7**	**-**	**1,845**	**143**	**1,995**
Profit appropriation of previous year	-	-	143	-143	-
Dividend	-	-	-60	-	-60
Direct change in the value of equity	-	-	-1	-	-1
Profit for the year	-	-	-	126	126
As at 31 December 2023	**7**	**-**	**1,927**	**126**	**2,060**
As at 1 January 2024	**7**	**-**	**1,927**	**126**	**2,060**
Profit appropriation of previous year	-	-	126	-126	-
Dividend	-	-	-60	-	-60
Direct change in the value of equity	-	-	-	-	-
Profit for the year	-	-	-	94	94
As at 31 December 2024	**7**	**-**	**1,993**	**94**	**2,094**

STATEMENT OF CASH FLOWS

for the year ending on 31 December 2024

(x EUR 1,000,000)	Note	2024	2023
Profit before income tax		133	174
Adjusted for:			
Depreciation, amortisation and value adjustments of tangible and intangible assets		5	4
Unrealised change in the value of assets and liabilities for fair value hedge accounting		12	-28
Change in loans to credit institutions and receivables not available on demand	10, 18	1,444	103
Change in public sector loans and receivables	11	-2,485	-1,839
Change in Funds entrusted	19	367	348
Change in other assets and liabilities		-140	-354
Net cash flow from operating/banking activities		**-664**	**-1,592**
Expenses related to additions to interest-bearing securities	12	-1,239	-1,458
Income related to sale and redemptions of interest-bearing securities	12	795	1,018
		-444	**-440**
Expenses related to additions to tangible assets	14	-1	-1
Income related to disposals of tangible assets	14	-	-
		-1	**-1**
Expenses related to additions to intangible assets	13	-4	-5
Net cash flow from investing activities		**-449**	**-446**

(x EUR 1,000,000)	Note	2024	2023
Income related to long-term debt securities issued	20	9,510	8,679
Expenses related to redemption of long-term debt securities	20	-9,476	-8,301
Income related to short-term debt securities issued	20	223,629	141,955
Expenses related to redemption of short-term debt securities	20	-223,549	-141,549
Income related to borrowed long-term loans Funds entrusted	19	135	233
Expenses related to redemption long-term loans Funds entrusted	19	-285	-21
Income related to borrowed long-term loans from credit institutions	18	397	-
Expenses related to redemption long-term loans from credit institutions	18	-41	-41
		320	**955**
Expenses related to dividend paid	29	-60	-60
Net cash flow from financing activities		**260**	**895**
Cash flow		**-853**	**-1,143**

(x EUR 1,000,000)	2024	2023
Cash and cash equivalents as at 1 January	7,476	8,619
Cash flow	-853	-1,143
Cash and cash equivalents as at 31 December	**6,623**	**7,476**

The cash and cash equivalents include deposits at the Central Bank and the current account balance at credit institutions. In 2024, the interest paid amounted to €7,677 million (2023: €7,033 million) and the interest received amounted to €7,880 million (2023: €7,252 million). These amounts are included under 'Other assets and liabilities' in the statement of cash flows. In 2024, the income tax paid amounted to €47.7 million (2023: €49.8 million) and the bank tax paid amounted to €18.3 million (2023: €13.1 million).

GENERAL NOTES TO THE FINANCIAL STATEMENTS

COMPANY INFORMATION

The 2024 financial statements of Nederlandse Waterschapsbank N.V. (hereinafter: **NWB Bank,** Chamber of Commerce no. 27049562) were prepared by the Managing Board and authorised for issue by the Supervisory Board on 18 March 2025 and will be submitted for approval to the Annual General Meeting of Shareholders on 17 April 2025.

NWB Bank is a public limited liability company under Dutch law located at Rooseveltplantsoen 3, 2517 KR in The Hague, the shares of which are owned by public authorities. The bank is an essential financial service provider in the Dutch public sector and the go-to financing partner for enhancing sustainability in the Netherlands. In addition to financing water authorities, municipalities and provincial authorities, it finances other public sector bodies such as housing associations, healthcare institutions, educational institutions, drinking water companies, Public-Private Partnership (PPP) projects and renewable energy projects.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

STATEMENT OF COMPLIANCE

The financial statements of NWB Bank have been prepared in accordance with the statutory requirements contained in Part 9, Book 2 of the Dutch Civil Code and the generally accepted accounting principles in the Netherlands (NL GAAP). NWB Bank has no participating interests and prepares company financial statements.

SUMMARY OF KEY ACCOUNTING POLICIES

General

The financial statements have been prepared on the basis of historical cost, with the exception of certain interest-bearing securities and derivatives. The specific interest-bearing securities and derivatives are stated at fair value. The costs and revenue are allocated to the period in which they were incurred or earned. The financial statements are presented in millions of euros, and all amounts in the 'General notes to the financial statements' are rounded to the nearest thousand (€ 000), unless stated otherwise.

The names of a number of items used in the Financial Statements Formats Decree have been replaced by names that better reflect the content, according to NWB Bank.

Continuity

The financial statements have been prepared on the basis of the going-concern assumption.

Recognition

An asset is recognised in the balance sheet if its future economic benefits are likely to flow to the company and the asset can be measured reliably. A debt is recognised in the balance sheet if it is likely that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Financial assets and liabilities (except for the principal of loans) are recognised at the transaction date. This means a financial asset or financial liability is recognised in the balance sheet from the time the company is respectively entitled to the benefits or bound by the obligations arising from the contractual terms of the financial instrument. The principal of a loan is recognised at the settlement date.

Income is recognised in the statement of income when an increase in future economic benefit, which is related to an increase in an asset or a decrease in a debt, has arisen that can be measured reliably. Expenses are recognised in the statement of income when a decrease in future economic benefits related to a decrease in an asset or an increase in a debt has arisen that can be measured reliably.

Derecognition of financial assets and liabilities

An asset or debt presented in the balance sheet continues to be recognised when a transaction does not result in a significant change in the economic reality with respect to such an asset or debt. Likewise, such transactions should not be used to justify results.

A financial asset or debt (or, where applicable, part of a financial asset or part of a group of similar financial assets or liabilities) is derecognised when the transaction results in transferring to a third party all or almost all rights to receive economic rewards and all or almost all risks of the asset or debt.

Measurement

Upon initial recognition, financial assets and liabilities are stated at fair value, including or excluding, respectively, transaction costs directly attributable to the financial asset's or financial liability's acquisition or issue, except for transactions recorded at fair value and recognised through profit or loss. The transaction costs directly attributable to these balance sheet items are taken directly to profit or loss.

The fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, independent parties who are willing to enter into a transaction. If a relevant middle rate is available, it is used as the best indication of fair value. The fair value of most of NWB Bank's financial instruments cannot be established on the basis of a relevant middle rate because there is no listing or active market. NWB Bank calculates the fair value of these other financial instruments using models.

The models use various assumptions relating to the discount rate and the timing and the size of the projected future cash flows. Option pricing models have been used to calculate the fair value of options.

After initial recognition, financial assets are classified as loans and receivables, receivables from credit institutions, interest-bearing securities or derivative assets. The loans and receivables, interest-bearing securities held to maturity, other unlisted interest-bearing securities as well as receivables from credit institutions are stated at amortised cost. Along with loans and receivables, receivables from credit institutions, other interest-bearing securities that are publicly unlisted are subsequently stated at amortised cost. Other interest-bearing securities and derivatives that are publicly listed are stated at fair value.

After initial recognition, financial liabilities are classified as debts to credit institutions, derivative liabilities, funds entrusted or debt securities. Debts to credit institutions, funds entrusted and debt securities are subsequently stated at amortised cost, and derivative liabilities are stated at fair value.

Provision for uncollectible receivables

NWB Bank makes use of the option to apply the 'expected loss impairment methodology' of IFRS 9. This impairment model applies to all exposures held under financial assets at amortised cost, interest-bearing securities with value changes stated at fair value recorded directly in equity, and irrevocable commitments and contracts concerning financial guarantees.

Under IFRS 9, these exposures are classified into three groups based on the different stages of credit risk.

Stage 1 includes exposures that show no significant change in credit risk since their initial recognition. A 12-month expected credit loss is recognised for this group, i.e. the expected credit loss based on the probability of default within 12 months of the reporting date.

Stage 2 includes exposures that show a significant increase in credit risk since initial recognition but have not yet defaulted. A lifetime expected credit loss is recognised for these exposures, taking into account any guarantees and received collateral. This concerns the expected shortfalls on the contractual cash flows for the remaining duration of the exposure, discounted at the effective interest rate.

Stage 3 includes exposures that are credit-impaired. A lifetime expected credit loss is recognised for these exposures, taking into account any guarantees and received collateral.

Due to exposures included in interest-bearing securities, the bank applies low credit risk exemption available under IFRS 9 to instruments that fall in the category of investment grade.

Hedge accounting

The bank uses financial instruments to hedge most interest rate and foreign exchange risks related to financial assets and liabilities. In terms of market value, value changes due to interest rate and foreign exchange fluctuations are offset. Under hedge accounting, the recognition of a hedging instrument and the accompanying hedged position can be synchronised insofar as the hedging is effective. Hedge accounting is only permitted if adequate documentation is in place and the requisite hedge effectiveness has been demonstrated. NWB Bank only uses derivatives as hedging instruments, and these are stated at fair value in the balance sheet. Together with the value changes in the hedged position related to the covered risk, value changes in the derivatives that are part of the fair value hedge are recorded in profit or loss as results from financial transactions.

NWB Bank applies two types of fair value hedge accounting: micro-hedging and macro-hedging. Micro-hedging relates to individual transactions that are included in an economic hedge relationship covering interest rate and foreign exchange risks. It involves a one-on-one relationship between the hedged instrument and the hedged item. Macro-hedging relates to a group of transactions that is hedged, for interest rate risk purposes, by using a group of derivative financial instruments. While there is not always a one-on-one relationship between the hedged item and the hedging instrument at an individual level, it is demonstrated at a portfolio level that the derivative financial instruments in question offset the fair value changes of the assets in question, respectively, caused by interest rate fluctuations.

Foreign currencies

Monetary assets and liabilities in foreign currencies are stated as euros at the middle rates at the balance sheet date (published by the ECB). The use of middle rates is connected to NWB Bank's policy, which states that all foreign currency positions are hedged individually, and which effectively causes the day-to-day flows of foreign currency funds to be virtually nil.

The balance of gains or losses arising from transactions in foreign currencies are translated at the rates prevailing on the transaction date. All currency translation differences of monetary assets and liabilities are recognised in profit or loss.

Currency swaps are used to hedge foreign exchange exposures on loans receivable and payable. These currency swaps are stated at the fair value of the instrument prevailing on the balance sheet date. The changes in value are recorded under 'Results from financial transactions'.

Cash, cash equivalents and deposits at the Central Bank

Cash, cash equivalents and deposits at the Central Bank are stated at amortised cost based on the effective interest method less a potential provision for uncollectibility.

Loans and receivables, and receivables from credit institutions

Loans and receivables, and receivables from credit institutions are stated at amortised cost using the effective interest method, less a potential provision for uncollectible receivables.

Interest-bearing securities

Interest-bearing securities are primarily intended to be held for an indefinite period and may be sold to meet liquidity requirements or in response to changes in the issuer's risk profile. The interest-bearing securities are initially stated at fair value. For subsequent measurement, interest-bearing securities can be divided into the following two categories:

Interest-bearing securities held to maturity

Interest-bearing securities purchased with fixed or determinable payments, of which NWB Bank firmly intends to hold to maturity, and in respect of which it has the contractual and economic ability to do so, are stated at amortised cost using the effective interest method reduced by a potential provision for uncollectibility.

Other interest-bearing securities

Other unlisted interest-bearing securities are stated in line with the securities 'held to maturity'.

Other listed interest-bearing securities are stated at fair value. As long as the value change of an individual interest-bearing security is positive, it is recorded directly in equity until the time of realisation. Once the interest-bearing security in question is derecognised, the cumulative unrealised gain or loss on an individual asset that was recorded directly in equity is taken to profit or loss. Any cumulative decrease in value below cost is immediately taken to profit or loss. Any subsequent unrealised increase in value of the relevant interest-bearing security is taken to profit or loss if it is below amortised cost. Any increase in value above amortised cost is recorded in equity.

If interest-bearing securities are included in a fair value hedge relationship, the effective part of the hedge is recognised in profit and loss rather than equity.

Intangible assets

This item includes costs and expenditure related to computer software. After initial recognition, the intangible asset is recognised at cost less any accumulated amortisation and impairments. The useful life is considered to be five years and amortisation is straight line over the useful life. The amortisation period and amortisation method will be reviewed if there is cause to do so.

Tangible assets

Tangible fixed assets consist of property and equipment. Property and equipment are stated at acquisition price net of straight line depreciation. Depreciation of these assets is recognised in profit or loss over a given period, which corresponds with the expected useful lives of the assets concerned.

The annual depreciation rates are as follows:

Building	2.5%
Fixtures and installations	10%
Equipment, furniture and fittings, etc.	
• furniture and fittings	10%
• office equipment	20%
Computer equipment	20%
Cars	20%

Land is not depreciated.

An asset's residual value, useful life and measurement methods are reviewed and adjusted, if appropriate, on an annual basis.

Derivatives

A derivative is a financial instrument with the following three characteristics.

- The value changes as a result of changes in market factors, such as a certain interest rate, the price of a financial instrument, exchange rates, creditworthiness or other variables (the underlying value).
- No net initial investment or only a minor net initial investment is required in comparison with other types of contracts that respond in a similar way to changes in the market factors mentioned.
- It is settled at a future date.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into. Any discrepancies between a financial instrument's fair value and the value under the bank's measurement models are amortised over the instrument's term. Derivatives are subsequently remeasured at fair value including accrued interest. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair value on derivatives are recognised in profit or loss under the item results from financial transactions. Generally accepted measurement models are applied, based on the most appropriate valuation curves, including the €STR-curve. A credit valuation adjustment and a debt valuation adjustment are also included in the measurement.

Embedded derivatives are measured separately if they meet the following characteristics.

- There is no close relationship between the economic characteristics and risks of the embedded derivative and those of the host contract.
- The host contract is not carried at fair value through profit or loss.
- A separate instrument having the same characteristics would be classified as a derivative.

Derivatives meeting these conditions are included in the balance sheet under the host contracts to which they belong and carried at fair value, with changes in value being taken to profit or loss. Contracts are assessed only when the transaction is effected, unless the terms of a contract change such that expected cash flows are significantly impacted.

Debts to credit institutions, funds entrusted, debt securities and subordinated debt

All loans under debts to credit institutions, funds entrusted, debt securities and subordinated debt are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently stated at amortised cost using the effective interest method. Gains and losses are recognised in net interest income when the liabilities are derecognised.

Employee benefits and defined benefit plan obligations

Pursuant to Dutch Accounting Standard 271 on Employee Benefits, NWB Bank applies the IFRS-EU standard on pensions and other post-retirement benefits (IAS 19) in full. From 1 January 2020, active employees became part of a defined contribution plan. The pension plan for inactive employees concerns a defined benefit plan funded by premiums paid to an insurance company based on regular actuarial calculations.

A defined contribution pension plan is a scheme in which the employee's pension contribution (rather than the payment) is defined. The provision for defined benefit plans is the present value of the pension liabilities at the balance sheet date less the fair value of the plan assets. The defined benefit plan obligations are calculated annually by an independent actuary using the 'projected unit credit method'.

Netting of financial assets and financial liabilities

A financial asset and a financial liability are offset and reported on a net basis if there is a legally enforceable right to offset the recognised amounts and if there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Revenue recognition

Revenue is recognised if it is probable that the economic benefits will flow to NWB Bank and the revenue can be reliably measured.

Net interest income

Interest income and expenses are recognised in the income statement using the effective interest method. The application of this method includes the amortisation of any discount or premium or other differences (including transaction costs and applicable commissions) between the initial carrying amount of an interest-bearing instrument and the amount at maturity, based on the effective interest method.

Income tax

Income tax is recognised as an expense at the same time as profit. Deferred tax assets and deferred tax liabilities are stated on an undiscounted basis.

Current tax assets and liabilities

Current tax assets and liabilities for the current and prior periods are stated at the amount expected to be recovered from or paid to the Dutch Tax and Customs Administration. The tax payable is calculated on the basis of current tax rates and tax laws.

Deferred tax assets and liabilities

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, if it is probable that taxable profit is available against which the deductible temporary differences can be offset, and the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on current tax rates and tax laws.

Deferred tax assets and liabilities are netted if a right to offset them exists.

Basis for preparation of the statement of cash flows

The statement of cash flows is presented in accordance with the indirect method, distinguishing between the cash flows from operating/banking, investing and financing activities.

Cash and cash equivalents represent assets that can be converted into cash without restriction, including the cash available as well as balances payable on demand at banks and central banks.

The changes in loans and receivables, funds entrusted and those based on receivables from credit institutions and Debts to credit institutions are stated under cash flows from operating/banking activities, given the nature of the operations.

Investing activities include the purchase and sale and settlement of interest-bearing securities, as well as the purchase and sale of property and equipment. Long-term loans (terms > 1 year) and short-term loans (terms < 1 year) taken out and repaid are classified as a financing activity.

Segmented information

As the bank's organisation is not geared towards operations in different sectors, NWB Bank does not distinguish between operating segments in its assessment and decision-making about returns and the allocation of resources. Accordingly, no segment information is disclosed in these financial statements.

Significant assumptions and estimation uncertainties

The preparation of the financial statements requires that the Managing Board forms opinions and makes estimates and assumptions that have an impact on the application of accounting policies and the reported value of assets and liabilities and of income and expenses. The estimates and associated assumptions are based on past experience, market information and various other factors considered to be reasonable given the circumstances. The outcomes form the basis for the opinion on most of the carrying amounts of NWB Bank's assets and liabilities that cannot be easily established from other sources. The actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions of estimates are recognised in the period in which the estimate was revised if the revision only has consequences for that period, or in both the reporting period and future periods if the revision also has consequences for future periods.

Opinions formed by the Managing Board that could have a significant impact on the financial statements, and estimates containing a substantial risk of a material adjustment in a subsequent financial year, relate primarily to the measurement of financial assets and financial liabilities stated at fair value, especially to the measurement of derivatives, as well as impairments when applying the expected loss impairment methodology of IFRS 9.

NOTES ON THE STATEMENT OF INCOME

1 NET INTEREST INCOME

(x EUR 1,000)	2024	2023
Interest income on cash, cash equivalents and deposits at the Central Bank, credit institutions and on loans and receivables at amortised cost	2,725,753	2,620,551
Interest income on interest-bearing securities	97,849	67,880
Derivatives	4,872,621	4,379,348
Commission	2,202	2,936
Negative interest expense	-	-
Interest income	**7,698,425**	**7,070,715**
Interest expense on credit institutions, funds entrusted, hybrid capital and debt securities at amortised cost	2,209,248	2,010,031
Derivatives	5,238,027	4,792,324
Negative interest income	3,070	6,403
Interest expense	**7,450,345**	**6,808,758**
Net interest income	**248,080**	**261,957**

Interest income consists of interest income on loans and receivables, interest-bearing securities, cash, cash equivalents and deposits at the Central Bank, as well as interest-like commission, fees received for the early redemption of financial instruments to which no hedge accounting is applied, premiums and discounts. Premiums and discounts on loans and receivables not stated at fair value are recognised using the effective interest method, together with the relevant interest income.

Interest expense consists of interest expenses on liabilities, whether or not embodied in debt securities, and derivatives, as well as interest-like commission, fees paid for early redemption, premiums and discounts. Premiums and discounts on debts, whether or not embodied in debt securities, not stated at fair value are recognised using the effective interest method, together with the relevant interest expense.

Both interest income and interest expense in 2024 are higher than in 2023 due to an increase in the loan portfolio. However, the total balance of interest income and interest expense is lower in 2024 compared to 2023 due to an increase in financing costs.

Negative interest income concerns the negative interest on financial assets: cash and cash equivalents and deposits at the Central Bank, receivable from credit institutions, and loans and receivables. Negative interest expense concerns the negative interest on financial liabilities debts to credit institutions, funds entrusted and debt securities.

2 RESULTS FROM FINANCIAL TRANSACTIONS

NWB Bank applies two types of fair value hedge accounting: micro-hedging and macro-hedging. Micro-hedging relates to individual transactions that are included in an economic hedge relationship covering interest rate and foreign exchange risks. It involves a one-on-one relationship between the hedged instrument and the hedged item. Macro-hedging relates to a group of transactions that is hedged, for interest rate risk purposes, by using a group of derivative financial instruments. While there is not always a one-on-one relationship between the hedged item and the hedging instrument at an individual level, it is demonstrated at a portfolio level that the derivative financial instruments in question offset the fair value changes caused by interest rate fluctuations.

The results from financial transactions can be broken down as follows:

(x EUR 1,000)	2024	2023
Changes in the fair value of derivatives included in macro-hedge accounting	-1,382,364	-1,858,745
Revaluation of financial assets and liabilities included in macro-hedge accounting	1,382,361	1,859,313
Macro hedge accounting ineffectiveness	**-3**	**568**
Micro-hedge accounting ineffectiveness	-2,935	-664
Total hedge accounting ineffectiveness	**-2,938**	**-96**
Other changes in the fair value of restructured derivatives included in hedge accounting	-33,021	-35,581
Changes in the fair value of derivatives not included in hedge accounting	175	-1,633
Change in counterparty credit risk (CVA/DVA)	2,944	19,125
Results from maturity extensions and early redemptions	98	-1,589
Other fair value changes	-3,906	3,421
Total	**-36,648**	**-16,353**

The bank invests in pass-through NHG RMBS (Residential Mortgage-Backed Securities). The investments are hedged by interest rate derivatives. The bank uses fair value hedge accounting for this purpose. The result of this is included under the item 'Macro-hedge accounting ineffectiveness'.

The other changes in the fair value of restructured derivatives included in hedge accounting were due to the restructuring of the derivatives portfolio on several occasions in the past with a view on managing the interest rate risk position. As a result, the restructuring of the derivatives portfolio had a favourable effect on net interest income (due to lower interest expenses).

The change in counterparty credit risk (CVA/DVA) mainly relates to an uncollateralised exposure of €120 million arising from derivative contracts entered into and the related collateral agreement. The volatility of the financial result for this item is particularly sensitive to movements in the credit default swap (CDS) spread for this specific counterparty, with which no new transactions have been entered into for a long time.

The result on maturity extensions and prepayments relates to adjustments to loans at the request of clients.

The other fair value changes include changes in the fair value of financial instruments after the moment of purchase or sale, and entering into or terminating the hedge relationship, changes in the fair value of derivatives entered into as part of asset and liability management, premiums and fees received and paid upon the settlement of derivative contracts, realised revaluation gains on the sale of interest-bearing securities and commission.

NWB Bank borrows significant amounts in foreign currencies. The associated currency risks are immediately and fully hedged by currency swaps. As a result, the currency risk incurred by NWB Bank is nil.

3 EMPLOYEE BENEFIT EXPENSES

The number of employees expressed in full-time equivalents (FTEs), including the Managing Board, totalled 141.7 in 2024 (2023: 127.1) at the end of the financial year. Four FTEs are statutory members of the Managing Board, 13 are managers and 124.7 are staff members (2023: 3 statutory members of the Managing Board, 14 members of the management team and 110.1 employees). The average number of FTEs (including the Managing Board) was 134.4 (2023: 117.4), and all staff members work in the Netherlands.

(x EUR 1,000)	2024	2023
Wages and salaries	15,519	12,264
Pension costs	2,765	2,123
Other social security costs	1,689	1,496
Other staff costs	8,141	7,200
Total	**28,114**	**23,083**

Salary costs rose as a result of an increase in headcount during the year and index-linked negotiated wages plus annual increments. Other staff costs increased due to the higher cost of temporary staff.

The remuneration of the Managing Board, including regular pension costs and other specific components as shown in the table below, amounted to €1,416 thousand in 2024 (2023: €1,516 thousand). Wilma Schouten joined as a mamber of the Managing Board on 1 June 2024.

(x EUR 1,000)	Fixed remuneration	Pension contribution	Other
2024			
Lidwin van Velden	320	52	84
Frenk van der Vliet	286	48	61
Ard van Eijl	272	45	50
Wilma Schouten	159	22	17
Total	**1,037**	**167**	**212**
2023			
Lidwin van Velden	306	45	68
Frenk van der Vliet	274	45	61
Melchior de Bruijne	151	22	197
Ard van Eijl	260	40	47
Total	**991**	**152**	**373**

The fixed remuneration comprises the fixed salary for 13 months as well as an 8% holiday allowance and an extra allowance of 11.1%.

The remaining benefits recorded under 'other' are specified as follows (in €):

In 2023, Melchior de Bruijne received compensation of €175,000 upon his retirement as CFO.

An expense allowance: In 2024 Lidwin van Velden, Frenk van der Vliet and Ard van Eijl received a taxed expense allowance of €3,000 and Wilma Schouten €2,000 (2023: €3,000 for Lidwin van Velden, Frenk van der Vliet and Ard van Eijl, €1,000 for Melchior de Bruijne).

A staff mortgage loan discount plan: in 2024, this taxed allowance amounted to €3,000 for Lidwin van Velden, nil for Frenk van der Vliet, €3,000 for Wilma Schouten and €4,000

for Ard van Eijl (2023: €3,000 for Lidwin van Velden, nil for Frenk van der Vliet, €3,000 for Melchior de Bruijne and €4,000 for Ard van Eijl).

A contribution for the pensionable income ceiling: in 2024, this taxed allowance amounted to €34,000 for Lidwin van Velden, €27,000 for Frenk van der Vliet, €12,000 for Wilma Schouten and €20,000 for Ard van Eijl (2023: €33,000 for Lidwin van Velden, €26,000 for Frenk van der Vliet, €10,000 for Melchior de Bruijne and €17,000 for Ard van Eijl). This employer contribution above the €137,800 cap (2023: €128,810) is based on an age-dependent, graduated scale for pensionable earnings. A 3% employee contribution is deducted from this.

Compensation for the harmonisation of the net pensions scheme as of 2015: in 2024, this taxed allowance amounted to €10,000 for Lidwin van Velden, €12,000 for Frenk van der Vliet, nil for Wilma Schouten and €3,000 for Ard van Eijl (2023: €10,000 for Lidwin van Velden, €11,000 for Frenk van der Vliet, nil for Melchior de Bruijne and €3,000 for Ard van Eijl).

Compensation has been allocated for non-contributory entitlements determined as at 31 December 2019. In 2024, this amounted to €15,000 for Lidwin van Velden, €9,000 for Frenk van der Vliet, nil for Wilma Schouten and €7,000 for Ard van Eijl (2023: €14,000 for Lidwin van Velden, €9,000 for Frenk van der Vliet, €6,000 for Melchior de Bruijne and €7,000 for Ard van Eijl).

The flat-rate contribution for the car provided by the bank is based on the additional tax liability and amounts to €18,000 for Lidwin van Velden, €11,000 for Frenk van der Vliet and nil for Wilma Schouten (2023: €3,000 for Lidwin van Velden, €11,000 for Frenk van der Vliet and €1,000 for Melchior de Bruijne). Ard van Eijl received a monetary contribution from the car scheme of €12,000 (2023: €12,000).

4 OTHER ADMINISTRATIVE EXPENSES

Other administrative expenses includes regulation and consultancy, accommodation, and office and general expenses. The administrative expenses can be broken down as follows:

(x EUR 1,000)	2024	2023
Consultancy and regulatory fees	12,827	13,207
Information and communication	8,345	7,443
Other costs	6,342	5,549
Total	**27,514**	**26,199**

The increase in other administrative expenses is partly due to the necessary growth of the organisation. Among other things, the capacity for strengthening IT management, the further embedding of ESG in operational processes, and data analysis and data management increased. We also continue to make ongoing investments in further digitalisation and process improvements, and the cost of maintenance contracts and licenses increased. We also regularly called on external consultants in connection with various projects. In addition, this item includes a contribution to the NWB Water Innovation Fund of €1.7 million in 2024 (2023: €0.1 million).

The remuneration of seven Supervisory Board members (2023: seven) included in other expenses amounted to €237,000 (2023: €211,000).

Remuneration of the Supervisory Board members

(x EUR 1,000)	2024	2023
Joanne Kellermann	48	46
André ten Damme	32	3
Geert Embrechts	20	-
Petra van Hoeken	-	9
Toon van der Klugt	32	31
Frida van den Maagdenberg	32	31
Caroline Oosterloo	32	21
Annette Ottolini	32	31
Lex van Overmeire	-	8
Manfred Schepers	9	31
Total	**237**	**211**

The above amounts include expense allowances but not travel reimbursement.

Auditor's fees

In the financial year, the following fees were recognised, as covered in Section 382a of Book 2 of the Dutch Civil Code. The costs of auditing the financial statements relate to the relevant financial year. The amounts stated include VAT.

(x EUR 1,000)	2024	2023
Audit and regulatory fees	437	690
Other costs	881	294
Total	**1,318**	**984**

The auditor's costs relate to the relevant financial year regardless of whether the procedures were performed by the external auditor and the audit firm during the financial year. In addition to the statutory audit, the auditor performs several other assurance services. Those services comprise a review of interim financial information, a review of non-financial information as set out in this annual report and the procedures involved in reporting to the supervisory authority. Moreover, additional activities were included in the other audit engagements for the audit of specific projects. The increase of costs in 2024 compared to 2023 is mainly due to assurance activities in relation to CSRD.

5 DEPRECIATION

Depreciation consists of depreciation of the office building, fixtures and installations, installation costs, furniture and fittings, computer equipment and cars as disclosed in the note to the item tangible assets. The amortisation of intangible assets is also included in this item.

6 BANK TAX AND RESOLUTION LEVY

NWB Bank is liable for bank tax. The amounts for 2024 and 2023 are based on the balance sheet at year-end 2023 and 2022, respectively, and are charged to the profit for 2024 and 2023, respectively. Bank tax is based on the ratio of current liabilities at the end of the previous financial year amounting to €18,865 million (2023: €17,650 million) and long-term liabilities for the previous financial year amounting to €54,984 million (2023: €53,640 million). In 2024, €18.3 million was paid in bank tax (2023: €13.1 million). This amount was mainly higher than in 2023 as a higher general rate was applied in 2024.

Under the Bank Recovery and Resolution Directive (BRRD), the bank is required to pay a resolution levy. On 15 February 2024, the Single Resolution Board announced that no levy is expected for 2024, as the target level of the Single Resolution Fund has been reached.

The levy for the year 2023 amounted to €6.5 million. Of this amount, €1.5 million was paid in the form of irrevocable payment commitments, and €5.0 million was charged to the profit.

7 DEPRECIATION OF RECEIVABLES AND PROVISIONS FOR LIABILITIES INCLUDED IN THE BALANCE SHEET

NWB Bank uses the option to apply the expected loss impairment methodology of IFRS 9. This item can be summarised as follows:

(x EUR 1,000)	2024	2023
Loans and receivables	-142	104
Interest-bearing securities	6	5
Total	**-136**	**109**

A detailed explanation of the Expected Credit Loss can be found in **note 32**.

8 INCOME TAX EXPENSE

(x EUR 1,000)	2024	2023
Profit before income tax (incl. extraordinary income)	132,625	174,025
Income tax at 25.8% resp. 25.8%	34,217	44,898
Non-deductible expenses relating to bank tax	4,713	3,373
Adjustments for previous financial years	-1	-
Other non-deductible expenses and adjustments	2	-1
Income tax expense	**38,931**	**48,270**
Effective tax burden (%)	29.4%	27.7%

The income tax burden can be broken down into current tax and deferred tax as follows:

(x EUR 1,000)	2024	2023
Current tax	**40,436**	**49,905**
Changes previous years	-1	-
Change in provision for pensions	22	95
Results from 'basisrentelening' loans deferred for tax purposes	-811	-811
Results from maturity extensions deferred for tax purposes previous years	-715	-919
Deferred tax	**-1,504**	**-1,635**
Income tax expense	**38,931**	**48,270**

There is a minimum capital requirement for banks ('thin cap rule'). This thin cap rule limits the interest deduction for corporate income tax if the leverage ratio is lower than 10.6% (2023: 9.0%). For both the 2024 and 2023 financial years, the leverage ratio for the calculation of the thin cap rule exceeded 10.6% (9.0% respectively) and therefore the charge on account of this is nil.

Mainly due to the non-deductibility of the bank tax, the effective tax rate is higher than the nominal rate of 25.8%.

.

NOTES ON THE BALANCE SHEET

9 CASH, CASH EQUIVALENTS AND DEPOSITS AT THE CENTRAL BANK

Cash, cash equivalents and deposits at the Central Bank consists of legal tender and on-demand and other balances at the Dutch Central Bank (De Nederlandsche Bank – DNB) and the European Central Bank (ECB).

10 RECEIVABLES FROM CREDIT INSTITUTIONS

Receivables from credit institutions mainly comprises collateral held under collateral arrangements related to derivative contracts, which is not at the bank's disposal.

This item can be broken down as follows:

	2024	2023
(x EUR 1,000)		
Balances payable on demand	426	334
Receivables under collateral arrangements	2,517,429	3,560,264
Receivables guaranteed by the Dutch government	104,486	126,722
Total	**2,622,341**	**3,687,320**

11 LOANS AND RECEIVABLES

This item consists of loans and receivables, other than interest-bearing securities, from clients other than credit institutions. The receivables, almost all of which relate to the Dutch public sector, are mostly long-term. Public sector loans and receivables are understood to include those to or guaranteed by Dutch public authorities, and to government-controlled public limited liability companies and other businesses or institutions with delegated government duties.

The movements in loans and receivables are shown below:

	2024	2023
(x EUR 1,000)		
As at 1 January	**55,263,557**	**51,436,704**
Newly granted long-term loans	10,218,714	7,702,394
Newly granted short-term loans	2,221,579	1,868,767
Redemptions	-9,984,460	-7,712,166
Value adjustment for fair value hedge accounting	1,438,722	1,967,754
Expected credit loss	-142	104
As at 31 December	**59,157,970**	**55,263,557**

Breakdown of loans and receivables according to the nature of the receivable:

	2024	2023
(x EUR 1,000)		
Receivables from or under guarantee by the Dutch government	54,692,729	52,791,912
Non-guaranteed receivables to the public sector and others	3,875,351	3,320,335
Receivables under collateral arrangements	-	-
Value adjustment for fair value hedge accounting	590,473	-848,249
Expected credit loss	-583	-441
Total	**59,157,970**	**55,263,557**

Non-guaranteed receivables to the public sector concern receivables from the drinking water companies, Public-Private Partnership projects and renewable energy projects.

Receivables from or guaranteed by the Dutch government can be broken down as follows:

(x EUR 1,000)	2024	2023
Water authorities	9,207,136	8,769,418
Municipalities	4,513,997	4,779,806
Social housing	37,001,061	35,063,696
Other	3,970,535	4,178,992
Total	**54,692,729**	**52,791,912**

A provision for uncollectibility is determined based on the Expected Credit Loss method of IFRS 9. This is explained in more detail in the 'Expected Credit Loss' section.

The collateral value of the portion of the loans and receivables portfolio contributed as collateral to DNB amounted to €13.4 billion at the end of 2024 (€13.8 billion at the end of 2023).

Of the loans and receivables, a nominal €1.1 billion has a remaining term to maturity of fewer than 12 months (2023: €1.5 billion).

In 2022, the bank started to issue sustainability-linked loans. The interest rate on these sustainability-linked loans partly depends on achieving sustainability indicators. At the balance sheet date, an assessment was made of the expected achievement of these indicators and the related financial impact. The carrying amount of these loans is € 113.0 million (2023: € 16.4 million).

12 INTEREST-BEARING SECURITIES

Interest-bearing securities can be broken down as follows:

(x EUR 1,000)	2024	2023
Interest-bearing securities held to maturity	-	-
Other listed interest-bearing securities	862,327	786,939
Other unlisted interest-bearing securities	4,721,260	4,245,137
Total	**5,583,587**	**5,032,076**

The movements in interest-bearing securities in 2024 and 2023 were as follows:

(x EUR 1,000)	Public sector bodies	Other	Total
As at 1 January 2024	**1,729,317**	**3,302,759**	**5,032,076**
Purchases	425,000	813,801	1,238,801
Sales and redemptions	-222,284	-572,559	-794,843
Value adjustments in Other interest-bearing securities	52,383	55,164	107,547
Expected credit loss	-	6	6
As at 31 December 2024	**1,984,416**	**3,599,171**	**5,583,587**
As at 1 January 2023	**1,646,476**	**2,665,926**	**4,312,402**
Purchases	242,500	1,215,193	1,457,693
Sales and redemptions	-247,481	-770,300	-1,017,781
Value adjustments in Other interest-bearing securities	87,822	191,935	279,757
Expected credit loss	-	5	5
As at 31 December 2023	**1,729,317**	**3,302,759**	**5,032,076**

Part of the interest-bearing securities is the investment in senior notes of a pass-through NHG RMBS (Residential Mortgage-Backed Securities), in line with the second pillar of its strategy as a 'Financing partner to enhance sustainability in the Netherlands'. In 2024, the portfolio was further expanded through a new investment in the senior notes of a similar NHG RMBS. The underlying mortgages are designed to finance sustainable housing at significantly reduced rates. The bank thus aims to help reduce mortgage costs for for owners of homes with a National Mortgage Guarantee who want to make their homes more sustainable. The nominal €2,864 million (31 December 2023: €2,638 million) in total investment is included in the item 'Other unlisted interest-bearing securities'.

A provision for uncollectibility has been implemented based on the Expected Credit Loss methodology of IFRS 9. A further explanation is given in the 'Expected Credit Loss' section.

At the end of 2024, an amount of €30.8 million (2023: € nil) in interest-bearing securities was pledged to DNB as collateral.

Of the interest-bearing securities, a nominal €263 million (2023: €160 million) has a remaining term to maturity of less than 12 months.

13 INTANGIBLE ASSETS

Intangible assets comprises capitalised expenses related to software. The breakdown of this item in 2024 and 2023 is as follows:

	2024	2023
(x EUR 1,000)		
Carrying amount as at 1 January	**10,055**	**8,354**
Additions	4,381	4,907
Amortisation	-3,700	-3,206
Carrying amount as at 31 December	**10,736**	**10,055**

The cumulative amounts as of 31 December were as follows:

	2024	2023
(x EUR 1,000)		
Additions	34,770	30,388
Amortisation	-24,034	-20,333
Carrying amount as at 31 December	**10,736**	**10,055**

14 TANGIBLE ASSETS

Tangible assets comprises capitalised expenses related to the office building and other equipment. Other equipment consists mainly of furniture and fittings, computer equipment and company cars.

The specification of this item's movements in 2024 and 2023 is as follows:

(x EUR 1,000)	Property in use by the bank	Other equipment	Total
Carrying amount as at 1 January 2024	**3,839**	**1,325**	**5,164**
Additions 2024	11	704	715
Disposals 2024	-	-90	-90
Depreciation in 2024	-423	-654	-1,077
Carrying amount as at 31 December 2024	**3,427**	**1,285**	**4,712**
Carrying amount as at 1 January 2023	**3,843**	**1,813**	**5,656**
Additions 2023	425	188	613
Disposals 2023	-	-6	-6
Depreciation in 2023	-429	-670	-1,099
Carrying amount as at 31 December 2023	**3,839**	**1,325**	**5,164**

The cumulative amounts at the end of 2024 were as follows:

(x EUR 1,000)	Property in use by the bank	Other equipment	Total
Additions	12,739	12,548	25,287
Depreciation	-9,312	-11,263	-20,575
Carrying amount as at 31 December 2024	**3,427**	**1,285**	**4,712**

The cumulative amounts at the end of 2023 were:

(x EUR 1,000)	Property in use by the bank	Other equipment	Total
Additions	12,728	11,934	24,662
Depreciation	-8,889	-10,609	-19,498
Carrying amount as at 31 December 2023	**3,839**	**1,325**	**5,164**

15 OTHER ASSETS

Other assets mainly relates to amounts receivable and amounts to be settled, respectively, in connection with interest and repayments and payment transactions around the balance sheet date.

16 DERIVATIVE ASSETS

Derivative assets consists of interest rate swaps and currency swaps, caps, floors and swaptions. These products are carried at fair value, including accrued interest. Generally accepted valuation models are applied, based on the most appropriate valuation curves, including the OIS and €STR curves, which at year-end 2024 were at a lower level compared to year-end 2023. In the 2024 breakdown of derivatives below, derivatives totalling €243,671 (2023: €295,935) were not included in hedge accounting.

Breakdown by remaining term to maturity of fair values as at 31 December 2024 and 2023, respectively:

(x EUR 1,000)	<3 months	3-12 months	1-5 years	>5 years	Total
2024					
Interest rate swaps	106	1,100	39,656	3,219,077	3,259,939
Currency swaps	269,881	274,514	575,263	141,200	1,260,858
Caps, floors and swaptions	-	-	579	218,870	219,449
Total 2024	**269,987**	**275,614**	**615,498**	**3,579,147**	**4,740,246**
2023					
Interest rate swaps	1,135	4,571	31,335	3,642,618	3,679,659
Currency swaps	6,234	24,827	74,966	377,739	483,766
Caps, floors and swaptions	-	-	1,237	198,641	199,878
Total 2023	**7,369**	**29,398**	**107,538**	**4,218,998**	**4,363,303**

17 PREPAYMENTS AND ACCRUED INCOME

Prepayments and accrued income comprises prepaid amounts for costs related to the next accounting period(s). This item also comprises the unbilled amounts to be received regarding income recognised in the current or previous accounting period(s). Finally, this item includes collateral deposited with the Single Resolution Board (SRB) in the form of irrevocable payment commitments (IPCs) in the amount of €9.2 million (2023: €9.2 million).

18 DEBTS TO CREDIT INSTITUTIONS

Debts to credit institutions comprises liabilities, other than embedded debt securities, due to credit institutions. This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Debts to credit institutions short term	600,000	600,000
Liabilities under collateral arrangements	914,190	419,832
Exposure central clearing	11,369	-
Accrued interest	5,168	4,679
Carrying amount Debts to credit institutions short term	**1,530,727**	**1,024,511**
Debts to credit institutions long term	1,190,243	834,431
Value adjustment for fair value hedge accounting	-68,057	-74,062
Accrued interest and premium/discount	5,434	4,126
Carrying amount Debts to credit institutions long term	**1,127,620**	**764,495**
Carrying amount as at 31 December	**2,658,347**	**1,789,006**
Movement in Debts to credit institutions long term		
As at 1 January	834,431	875,792
Loans taken out at credit institutions	475,626	-
Redemptions and currency revaluations	-119,814	-41,361
As at 31 December	**1,190,243**	**834,431**

The collateral included in this item concerns collateral held under collateral arrangements related to derivative contracts. Of the long-term debt to credit institutions, a nominal amount of €0.5 million (2023: €0.1 million) has a remaining maturity of less than 12 months.

The Exposure Central Clearing item comprises the balance of the daily offset of the derivatives against the collateral received or paid with central counterparties.

19 FUNDS ENTRUSTED

Funds entrusted consists of liabilities due to parties other than credit institutions, including 'Namensschuldverschreibungen' and 'Schuldscheine'.

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Funds entrusted short term	788,107	540,948
Liabilities under collateral arrangements	1,658,407	1,775,797
Accrued interest	5,545	9,936
Carrying amount Funds entrusted short term	**2,452,059**	**2,326,681**
Funds entrusted long term	4,942,376	5,092,009
Value adjustment for fair value hedge accounting	-293,173	-413,510
Accrued interest and premium/discount	72,573	75,238
Carrying amount Funds entrusted long term	**4,721,776**	**4,753,737**
Carrying amount as at 31 December	**7,173,835**	**7,080,418**
Movement in long-term Funds entrusted		
As at 1 January	5,092,009	4,879,431
Funds entrusted long term	134,395	233,120
Redemptions, accruals and currency revaluations	-284,028	-20,542
As at 31 December	**4,942,376**	**5,092,009**

Of the contractual long-term funds entrusted, a nominal amount of €120.0 million (2023: €125.0 million) has a remaining maturity of less than 12 months.

20 DEBT SECURITIES

The Debt securities item consists of negotiable interest-bearing debt instruments and can be broken down as follows:

	2024	2023
(x EUR 1,000)		
Bond loans	61,437,156	60,684,098
Value adjustment for fair value hedge accounting	-4,904,948	-6,047,664
Accrued interest and premium/discount	474,805	429,042
Carrying amount Bond loans	**57,007,013**	**55,065,476**
Short-term debt securities	5,721,636	5,456,674
Value adjustment for fair value hedge accounting	-2,790	1,829
Accrued interest	42,963	31,604
Carrying amount Short-term debt securities	**5,761,809**	**5,490,107**
Carrying amount as at 31 December	**62,768,822**	**60,555,583**
Movement in bond loans		
As at 1 January	60,684,098	61,006,014
Bond loans	9,510,086	8,678,742
Redemptions and currency revaluations	-8,757,028	-9,000,658
As at 31 December	**61,437,156**	**60,684,098**

Of the total amount in long-term debt securities issued, a nominal €0.5 billion (2023: €0.5 billion) carries a variable interest rate. Of the long-term debt securities, a nominal €9.6 billion (2023: €9.1 billion) has a remaining term to maturity of less than 12 months.

As part of NWB Bank's sustainability strategy, NWB Bank funds itself (partly) with Environmental, Social and Governance (ESG) bonds. The ESG bonds consist of SDG Housing Bonds to finance social housing in the Netherlands and Water Bonds to finance water authorities. These ESG bonds amounted to €25.3 billion at year-end 2024 in nominal terms (2023: €23.2 billion).

21 OTHER LIABILITIES

The Other liabilities item can be broken down as follows:

	2024	2023
(x EUR 1,000)		
Prepaid interest and redemptions	5,004	31,574
Other liabilities	15,034	1,989
Total	**20,038**	**33,563**

The other liabilities for 2024 and 2023 relate to accrued payment transactions.

22 DERIVATIVE LIABILITIES

The Derivative liabilities item consists of interest rate swaps and currency swaps, caps, floors and swaptions. These products are carried at fair value, including accrued interest. Generally accepted valuation models are applied, based on the most appropriate valuation curves, which at year-end 2024 were at a higher level compared to year-end 2023. In the 2024 breakdown of derivatives below, derivatives totalling €260.293 (2023: €119,579) were not included in hedge accounting.

Breakdown by remaining term to maturity of negative fair values as at 31 December 2024 and 2023 respectively:

(x EUR 1,000)	<3 months	3-12 months	1-5 years	>5 years	Total
2024					
Interest rate swaps	744	451	41,169	2,746,080	2,788,444
Currency swaps	-	103,316	256,945	343,212	703,473
Caps, floors and swaptions	-	-	493	217,836	218,329
Total 2024	**744**	**103,767**	**298,607**	**3,307,128**	**3,710,246**
2023					
Interest rate swaps	1,674	67	36,551	2,639,797	2,678,089
Currency swaps	50,442	156,942	553,033	398,094	1,158,511
Caps, floors and swaptions	-	-	1,052	197,224	198,276
Total 2023	**52,116**	**157,009**	**590,636**	**3,235,115**	**4,034,876**

23 INCOME TAX

Income tax payable in 2024 and 2023 can be broken down as follows:

(x EUR 1,000)	2024	2023
2022	-	-212
2023	-5	6,910
2024	-263	-
Total income tax payable	**-268**	**6,698**

Income tax payable for the current year can be broken down as follows:

(x EUR 1,000)	2024	2023
Current tax expense	40,436	49,905
Advances paid	-40,699	-42,995
Total income tax payable current year	**-263**	**6,910**

24 ACCRUALS AND DEFERRED INCOME

The Accruals and deferred income item comprises advance receipts for income attributable to the next accounting period(s) as well as uninvoiced amounts payable regarding expenses attributable to the past accounting period(s).

25 PROVISIONS

The Provisions item comprises a provision for deferred taxes and a pension provision.

Deferred taxes provision

The movements in deferred tax liabilities are as follows:

(x EUR 1.000)	2024	2023
As at 1 January	8,900	10,753
Change in provision for pensions	34	-119
Change as a result of (unrealised) gains and losses of interest-bearing securities at fair value through OCI	-	-4
Change in valuation of property in use by the bank	-285	-
Results from 'basisrentelening' loans deferred for tax purposes	-811	-811
Results from maturity extensions deferred for tax purposes previous years	-715	-919
Adjustment to income tax rate in coming years	-	-
As at 31 December	**7,123**	**8,900**

Pension provision

The movements in the pension provision are as follows:

(x EUR 1.000)	2024	2023
Interest cost	770	786
Expected return on plan assets	-682	-702
Administrative and other costs	9	5
Employee benefits expenses	**97**	**89**

(x EUR 1.000)	2024	2023
Expected return on plan assets	25,058	26,113
Administrative and other costs	-22,040	-22,964
Employee benefits expenses	**3,018**	**3,149**

(x EUR 1,000)	2024	2023
Opening balance defined benefit obligation	**26,113**	**25,019**
Interest cost	770	786
Benefits paid	-925	-916
Gain (loss) caused by demographic changes (in assumptions)	12	340
Gain (loss) caused by financial changes (in assumptions)	-912	884
Closing balance defined benefit obligation	**25,058**	**26,113**

(x EUR 1,000)	2024	2023
Opening balance fair value of plan assets	**22,964**	**22,331**
Employer contributions	187	456
Benefits paid	-925	-916
Interest income	682	702
Return excluding interest income	-868	391
Fair value of plan assets as at 31 December	**22,040**	**22,964**

The provision respects the accrued entitlements of all participants up to and including 2019 (in 2019, the benefit pension plan for active employees changed from a defined benefit plan to a defined contribution plan) and the indexation of pension benefits for non-active employees.

The projected employer contributions for 2025 to the defined benefit plans at the end of 2024 amount to €200,000 for non-active employees (2023: €200,000).

The key assumptions used in determining the provision for pension plan obligations are as follows:

(x EUR 1,000)	2024	2023
Discount rate	3.30%	3.00%
Future indexation inactives	1.00%	1.00%

26 SUBORDINATED DEBT

Given the leverage ratio requirements implemented by the regulatory authority at the time, the bank began raising hybrid capital (in the form of subordinated loans) in 2015. The initial tranche of €200 million was issued in September 2015. The loans are intended to boost NWB Bank's Tier 1 capital. The second tranche of €120.5 million was issued in 2016. No new hybrid capital was raised since then.

The hybrid capital was provided by Dutch public sector parties and is subordinated to receivables from creditors with a higher order of priority than ordinary shares. In addition, the hybrid capital is perpetual and does not have a fixed repayment date. Early redemption is subject to the consent of the regulatory authority on dates agreed in advance or in specific situations. The interest rate is between 2.34% and 4.025% for the period until the next early redemption date and will be subsequently reset provided no early redemptions have been made. Interest payments by the bank are entirely discretionary. If the Tier 1 core capital ratio falls below a specified minimum (11.25% for the €50 million tranche and 5.125% for the other tranches), the notional principal amount of these and all similar loans will be reduced to bring the Tier 1 core capital ratio back above the specified minimum.

The movements in subordinated debt are set out below:

(x EUR 1,000)	2024	2023
As at 1 January	**325,703**	**325,845**
Subordinated debt issued	-	-
Change in accrued interest and premium	1,481	-142
As at 31 December	**327,184**	**325,703**

27 PAID-UP AND CALLED-UP SHARE CAPITAL

Paid-up and called-up share capital consists of:

A shares

These shares have a nominal value of €115, of which 100% was required to be paid up. Each A share carries one vote at a shareholders meeting.

B shares

These shares have a nominal value of €460, of which 25% was required to be paid up. Under the Articles of Association, the Supervisory Board may call for further payments to be made. Each B share carries four votes at a shareholders meeting.

BREAKDOWN AT YEAR-END 2024:

(x EUR 1,000)	Issued	Paid up
A SHARES		
As at 31 December 2024 (50,478 shares)	5,805	5,805
B SHARES		
As at 31 December 2024 (8,511 shares)	3,915	1,019
Of which unpaid (8,510 shares)	-2,896	
Total paid up as at 31 December 2024		**6,824**
Total paid up as at 31 December 2023		6,824

28 REVALUATION RESERVES

The movements in Interest-bearing securities in 2024 and 2023 are as follows:

(x EUR 1,000)	Revaluation reserve interest-bearing securities	Other revaluation reserves	Total
Movements 2024:			
As at 1 January 2024	**23**	**2**	**25**
Changes in the (unrealised) value of interest-bearing securities	-	-	-
As at 31 December 2024	**23**	**2**	**25**
Movements 2023:			
As at 1 January 2023	**34**	**2**	**36**
Changes in the (unrealised) value of interest-bearing securities	-11	-	-11
As at 31 December 2023	**23**	**2**	**25**

29 OTHER RESERVES

The movements in Other reserves are as follows:

(x EUR 1,000)	Total
Movements 2024:	
As at 1 January 2024	**1,927,501**
Appropriation of 2023 profit	125,755
Distribution for 2023	-60,000
Changes in value as part of the pension provision	31
As at 31 December 2024	**1,993,287**
Movements 2023:	
As at 1 January 2023	**1,844,886**
Appropriation of 2022 profit	143,230
Distribution for 2022	-60,000
Changes in value as part of the pension provision	-615
As at 31 December 2023	**1,927,501**

30 UNAPPROPRIATED PROFIT FOR THE YEAR

The balance sheet is presented before profit distribution. The proposed profit distribution is as follows:

		2024		2023
(x EUR 1,000)				
Profit for the year		**93,694**		**125,755**
The proposed profit appropriation is as follows:				
Cash dividends on A shares	733%	42,535	879%	51,042
Cash dividends on B shares	733%	7,465	879%	8,958
		50,000		**60,000**
Added to the reserves on the approval of the Supervisory Board		43,694		65,755
		93,694		**125,755**

31 IRREVOCABLE COMMITMENTS

The Irrevocable commitments relate to:

(x EUR 1,000)	2024	2023
Loans granted but not yet paid	743,974	1,142,532
Committed purchase of interest-bearing securities	636,600	-
Unused current account overdraft facilities	901,203	801,550
Unused financing facilities	2,745,650	2,770,186
Guarantees issued	3	2,461
Irrevocable Payment Commitments (IPCs) to the SRB	9,193	9,193
	5,036,623	**4,725,922**

The unused current account overdraft facilities have a short maturity (less than or equal to one year). The other items have a long maturity (more than one year).

NWB Bank entered into back-stop liquidity facilities (*WSW obligo loans*) for in total €1,138 million (2023: €995 million) with 142 housing associations under a Social Housing Guarantee Fund (WSW) guarantee and are included under Unused financing facilities. Under these facilities, drawdowns are only permitted under specific circumstances.

NWB Bank has exercised its option to pay a portion of the contribution to the SRB in the form of IPCs. This amount is subject to a contingent liability, which is included in this item. The Bank has deposited cash collateral in the same amount as the liability, which is included in the item accrued income.

OTHER NOTES TO THE FINANCIAL STATEMENTS

32 EXPECTED CREDIT LOSS (ECL)

NWB Bank uses the option to apply the 'expected loss impairment methodology' of IFRS 9. Under IFRS 9, NWB Bank recognises a provision for expected credit loss (ECL) for each client with a credit facility. A provision is also taken for expected losses on loan commitments and financial guarantee contracts, so-called off-balance sheet positions. It should be noted that the majority of the bank's exposures are guaranteed by the government. As a result, there is limited credit risk.

The ECL methodology used by the bank consists of a scoring and rating model, a macro-economic model, models for Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), and scenarios (macro-economic forecasts). Each of these components is used to calculate the final ECL provision.

Influence of ESG factors

In credit proposals, we state as standard what the sustainability impacts and risks are. Examples include the pace at which climate impact is reduced and any exposure to physical climate risks. These are specifically included in the scorecards that we use for our client sectors.

With the annual analyses of new and existing clients, consisting of quantitative scorecards and qualitative revisions, we monitor the credit risk of the clients in our portfolio. We translate material ESG risks from the RMA into ESG risk variables based on ESG data, which are included in the scorecards and thus integrally weigh in the client's credit risk score.

The table below depicts the course of the ECL in 2024 and 2023:

(x EUR 1,000)	As per 31 December 2023	2024	As per 31 December 2024
Loans and receivables	-441	-142	-583
Interest-bearing securities	-9	6	-3
Total	**-450**	**-136**	**-586**

(x EUR 1,000)	As per 31 December 2022	2023	As per 31 December 2023
Loans and receivables	-545	104	-441
Interest-bearing securities	-14	5	-9
Total	**-559**	**109**	**-450**

Broken down by cause, the summary of movements is as follows:

(x EUR 1,000)	2024	2023
Total as at 1 January	**-450**	**-559**
Update macro-economic projections	129	43
Change in LGD	56	-
Adjustments credit risk scores	-321	66
Total as at 31 December	**-586**	**-450**

The breakdown of ECL recognised in the statement of income for the financial year is as follows:

	From 01-01-2024 to 31-12-2024			
	Stage 1	Stage 2	Stage 3	Total
(x EUR 1,000)				
Mutation ECL in P&L				
- Increase through new loans and loans taken over	30	-	-	30
- Decrease through redemptions	-17	-	-	-17
- Changes by credit risk (net)	-56	179	-	123
Total	**-43**	**179**	**-**	**136**

	From 01-01-2023 to 31-12-2023			
	Stage 1	Stage 2	Stage 3	Total
(x EUR 1,000)				
Mutation ECL in P&L				
- Increase through new loans and loans taken over	62	-	-	62
- Decrease through redemptions	-2	-	-	-2
- Changes by credit risk (net)	-248	79	-	-169
Total	**-188**	**79**	**-**	**-109**

On balance, the ECL provision increased at the end of 2024 compared to the end of 2023, mainly due to changes in credit risk in Stage 2. In addition, the bank reassessed the macroeconomic parameters in the ECL model and incorporated the latest Netherlands Bureau for Economic Policy Analysis (CPB) figures. Given the improved economic conditions, the higher weighting of the downside scenario, which was introduced in 2022 and extended in 2023, was adjusted in 2024.

In addition, in 2024, the bank further refined its expected loss impairment methodology by introducing a more granular approach to LGD percentages across relevant client groups. Prior to this change, a 0% LGD percentage was applied to government-guaranteed exposures, while a 25% LGD percentage was applied to non-government-guaranteed exposures.

Following the refinement, these percentages apply: 0% for government exposures or government-guaranteed exposures, 10% for exposures guaranteed by non-government institutions, 20% for project financing, 25% for exposures to government-controlled public limited liability companies and 30% for other non-guaranteed exposures. The financial impact of this adjustment is limited, with a reduction of total expected credit loss of approximately €56,000.

Impairment of loans and receivables and interest-bearing securities

The following table provides a breakdown of the loans and receivables and interest-bearing securities to which the ECL model is applied. It concerns both Loans and receivables and Interest-bearing securities that have been or will be entered into. This analysis does not take any potential guarantees into consideration.

Stage 1 concerns the performing exposures without a Significant Increase in Credit Risk (SICR) since the starting date.

Stage 2 concerns the performing exposures with an SICR since the starting date.

Stage 3 concerns the non-performing exposures that are credit-impaired.

(x EUR 1,000)	Gross carrying amount	Performing Stage 1	Performing Stage 2	Non-Performing Stage 3
as of 31 December 2024				
Loans and receivables	63,069,801	59,779,205	3,207,831	82,765
Interest-bearing securities	5,357,860	5,357,860	-	-
Total	**68,427,661**	**65,137,065**	**3,207,831**	**82,765**

(x EUR 1,000)	Gross carrying amount	Performing Stage 1	Performing Stage 2	Non-Performing Stage 3
as of 31 December 2023				
Loans and receivables	59,621,484	55,744,456	3,793,760	83,268
Interest-bearing securities	4,245,137	4,245,137	-	-
Total	**63,866,621**	**59,989,593**	**3,793,760**	**83,268**

At the end of December, an amount of €82.8 million (2023: €83.3 million) was classified as credit impaired. This amount relates to exposures in Stage 3 and concerns exposures from 7 clients (2023: 5). These Stage 3 exposures are covered by a public authority guarantee and do not result in an ECL provision or a write-off

Following is a more detailed explanation of how the stages progress:

Stage 1: 12-month ECL

Stage 1 includes exposures that show no SICR since their initial recognition. A 12-month ECL is recognised for this group, which is the ECL based on the probability that the exposure will default within 12 months of the reporting date. The 12-month ECL is calculated for all individual exposures as a function of the Exposure At Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) and including forward-looking (macro-economic) indicators.

An exposure moves from Stage 1 to Stage 2 if one of the following criteria are met:

1. A substantial loan claim has been outstanding for more than or equal to 30 days (30-day indicator serves as a 'backstop indicator');
2. There is a significant increase in the credit risk. This is the case if an internal rating threshold has been exceeded;
3. There are other qualitative indicators including information from a credit rating agency, the qualification of an exposure as 'forborne performing' or if an exposure is on the internal watch list.

The 12-month ECL is calculated for all individual exposures as a function of the EAD, PD and LGD and including forward-looking (macro-economic) indicators.

Stage 2: lifetime ECL (not credit-impaired)

Stage 2 includes exposures that show an SICR since initial recognition but have not defaulted. A lifetime ECL is recognised for these exposures, taking into account any guarantees and received collateral. This concerns the expected shortfalls on the contractual cash flows for the remaining duration of the exposure, discounted at the effective interest rate. The lifetime ECL is calculated for all individual exposures as a function of the EAD, PD and LGD and including forward-looking (macro-economic) indicators.

To determine whether an exposure moves from Stage 2 to Stage 3, the 90-day arrears period acts as a backstop indicator.

An exposure enters Stage 3 when it is credit-impaired. This is the case when:

1. A substantial loan claim has been outstanding for more than 90 days;
2. The bank considers it unlikely that the client will meet its credit claims ('unlikely-to-pay' (UTP)) without recourse to remedial action such as invoking a guarantee.

Stage 3: lifetime ECL (credit-impaired)

Exposures with payment arrears of 90 days or more fall under Stage 3 and are classified as defaulted. However, Stage 3 also includes exposures that are identified as credit-impaired in line with the internally applied definition of default. Therefore, this also includes exposures that are forborne non-performing. If a client defaults, all exposures to that client are moved to Stage 3 and classified as credit-impaired.

A lifetime ECL is recognised for these exposures, taking into account any guarantees and received collateral. This concerns the expected shortfalls on the contractual cash flows for the remaining duration of the exposure, discounted at the effective interest rate. The lifetime ECL is calculated for all individual exposures as a function of EAD, PD and LGD and including forward-looking (macro-economic) indicators. Subsequently, the lifetime ECL is deducted from the outstanding gross carrying amount on the balance sheet. In other words, an impairment is taken on the exposure.

Migrating back to a higher ECL stage

If the creditworthiness improves and the exposure no longer meets the above criteria, it can migrate from Stage 2 back to Stage 1 (with a probation period of two years) or from Stage 3 to Stage 2. This occurs according to the bank's Credit Risk Management Policy and Non-Performing Loan Policy.

Determining a SICR

An SICR exists when the credit rating at the time of reporting has significantly deteriorated compared with the credit rating at origination date. Whether a SICR occurred, depends on the credit risk classification:

- Exposures with a credit rating of 7 or better (i.e. ≤7): significant credit risk increase occurs when the credit rating shifts to 8 or worse (i.e. ≥8).
- Exposures with a credit rating of 8 or worse (i.e. ≥8): significant credit risk increase when the credit rating shifts a notch. For example, from 8 to 9 is a one-notch shift.

NWB Bank has an internal credit rating scale from 1 to 15. Credit ratings 1 to 7 relate to higher-creditworthy classified exposures (investment grade); ratings 8 to 14 relate to lower-creditworthy classified exposures (non-investment grade); and 15 relates to exposures in default. The internal credit rating scale is calibrated with the help of a reputable external credit rating agency. Internal credit ratings of >7 are non-investment grade and correspond to a rating of BB+ or worse.

Rating classes

The ECL provision is based on rating classes. The following overview presents the ECL by rating class.

The breakdown as at 31 December 2024 and 31 December 2023 is as follows:

31 DECEMBER 2024

(x EUR 1,000)	Stage 1			Stage 2			Stage 3		
Rating class	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL
1	889,290	3,423,976	3	-	-	-	-	-	-
2	5,065,493	19,484	-	-	-	-	-	-	-
3	6,866,849	-	-	-	-	-	-	-	-
4	24,899,638	1,812,855	79	351,522	-	-	-	-	-
5	16,372,444	355,405	37	776,279	-	-	-	-	-
6	3,093,289	490,451	52	1,854,143	-	-	-	-	-
7	798,430	957,831	149	41,739	31,626	75	-	-	-
8	10,596	21,506	8	60,497	24,835	184	-	-	-
9	-	-	-	6,725	-	-	-	-	-
10	-	-	-	60,197	-	-	-	-	-
11	59,528	-	-	268	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	82,765	-	-
Total	**58,055,557**	**7,081,508**	**328**	**3,151,370**	**56,461**	**259**	**82,765**	**-**	**-**

31 DECEMBER 2023

(x EUR 1,000)	Stage 1			Stage 2			Stage 3		
Rating class	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL
1	1,007,546	2,707,011	10	-	-	-	-	-	-
2	4,704,823	10,438	-	-	-	-	-	-	-
3	4,896,156	4,295	-	-	-	-	-	-	-
4	22,483,967	1,460,850	68	79,275	-	-	-	-	-
5	15,091,138	264,991	30	315,645	-	-	-	-	-
6	4,935,602	449,946	64	3,268,420	25,255	79	-	-	-
7	807,387	860,795	152	75,427	-	-	-	-	-
8	42,115	164,319	47	28,295	-	-	-	-	-
9	-	-	-	421	-	-	-	-	-
10	-	-	-	728	-	-	-	-	-
11	98,214	-	-	294	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	83,268	-	-
Total	**54,066,948**	**5,922,645**	**371**	**3,768,505**	**25,255**	**79**	**83,268**	**-**	**-**

Ratings 1 to 7 are classified as 'investment grade', while ratings 8 to 14 are 'non-investment grade'. Finally, rating 15 concerns the classification 'default'.

Analysis of the 'performing exposures' according to maturity date

The following table shows the amounts that have matured but have not been received at reporting date, which have not been included in Stage 3.

(x EUR 1,000)	31 December 2024	31 December 2023
Less than or equal to 30 days	851	503
Greater than 30 days and less than or equal to 60 days	-	-
Total	851	503

Parameters and assumptions used

The ECL of a financial asset is determined on the basis of 12 months or its entire term, depending on whether there has been a significant increase in credit risk. The total ECL is determined based on the product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), discounted to reporting date.

Probability of Default (PD)

The PD is used to determine the ECL and the SICR. The bank has developed PD models for its lending for which no external rating is available, which are largely based on expert judgement combined with accepted mathematical techniques.

Loss Given Default (LGD)

The LGD concerns the loss in case of non-payment. The majority of the bank's portfolio consists of loans guaranteed by the State of the Netherlands.

Exposure at Default (EAD)

The EAD concerns the expected value of the exposure at the moment when the counterparty defaults. This value includes the principal amount, the accrued interest, the premium/discount, the value adjustment resulting from the application of fair value hedge accounting and any amount due but not yet received. The effect of potential early redemptions is minimal and therefore not included in the EAD.

Low credit risk exemption

For exposures included in the item interest-bearing securities, the bank applies a 'low credit risk exemption' (LCRE) in accordance with IFRS 9. IFRS 9 allows the bank to assume, without further analysis, that the credit risk on a financial instrument has not increased significantly since its initial recognition if it is determined that the financial instrument has a low credit risk at the reporting date. A financial instrument with an external rating of investment grade is an example of a financial instrument that can be considered low credit risk.

From credit risk score per client to PD rating per exposure

NWB Bank assigns an (internal) credit rating to each exposure at the time of origination. The credit rating is derived from the Master Scale of the ECL model. Important input for the ECL model is the Credit Risk Score (CRS). The bank assigns a CRS to each client to calculate the ECL per exposure. The CRS is based on three modules: (i) financial metrics, (ii) non-financial metrics and (iii) ESG metrics, with various variables included for the environmental, social and governance (ESG) module. CRSs have a rating classification of best to worst scores ranging from 1 to 21. The internal credit ratings from the Master Scale are used in accordance with IFRS guidelines. The Master Scale links CRSs with default rates and the final credit rating. The Master Scale developed by the bank is calibrated with the help of a reputable external credit rating agency. The CRS is reviewed

periodically in accordance with the credit management cycle to determine whether it is a SICR under ECL IFRS guidelines.

Macro-economic variables

Macro-economic variables are taken into account for the determination of the ECL. This takes into account forward-looking developments that may affect potential credit losses. The macro-economic variables that have been considered are unemployment and inflation. The bank uses its internally developed models to make projections about unemployment and inflation. In December 2024 and December 2023, the bank updated its projections for inflation and unemployment. For this purpose, data on inflation and unemployment from the CPB were used.

Given the improved economic conditions, the higher weighting of the downside scenario, which was introduced in 2022 and extended in 2023, was adjusted in 2024. Whereas in 2023 the downside scenario was weighted at 60%, this was reduced to 30% in 2024. Conversely, the baseline scenario, which was weighted at 30% in 2023, was increased to 60% in 2024.

The following breakdown provides an overview of the macro-economic variables and the weightings assigned to them.

Macro-economic variable	Scenario	Weighting as at 31 December 2024	Weighting as at 31 December 2023
Unemployment	Base scenario	0.60	0.30
	Upward scenario	0.10	0.10
	Downward scenario	0.30	0.60
Inflation	Base scenario	0.60	0.30
	Upward scenario	0.10	0.10
	Downward scenario	0.30	0.60

The following breakdown provides an overview of the macro-economic variables and the percentages used in the base scenario.

	Year	% as at 31 December 2024	% as at 31 December 2023
Unemployment	2024		4.00
	2025	3.80	4.20
	2026	4.10	4.40
	2027	4.30	
Inflation	2024		3.90
	2025	2.80	2.30
	2026	2.90	2.30
	2027	2.30	

Sensitivity analysis

The following analysis was carried out to measure the ECL's sensitivity to the various factors. The calculation of the ECL is partly determined by the assumed macro-economic variables. The following overview shows the impact on the ECL in different scenarios.

Breakdown of the ECL into economic scenarios

		2025	2026	2027	Probability-weighting scenario	Weighted ECL	Total ECL
31 December 2024							
Scenario 1: Down market	Inflation NL	2.76	1.86	1.66	0.30	222	
	Unemployment NL	4.58	4.88	5.08	0.30		
Scenario 2: Stable	Inflation NL	2.80	2.90	2.30	0.60	326	586
	Unemployment NL	3.80	4.10	4.30	0.60		
Scenario 3: Up market	Inflation NL	4.06	3.16	2.96	0.10	38	
	Unemployment NL	2.96	3.26	3.46	0.10		

		2024	2025	2026	Probability-weighting scenario	Weighted ECL	Total ECL
31 December 2023							
Scenario 1: Down market	Inflation NL	3.26	1.66	1.66	0.60	304	
	Unemployment NL	4.78	4.98	5.18	0.60		
Scenario 2: Stable	Inflation NL	3.90	2.30	2.30	0.30	117	450
	Unemployment NL	4.00	4.20	4.40	0.30		
Scenario 3: Up market	Inflation NL	4.56	2.96	2.96	0.10	29	
	Unemployment NL	3.16	3.36	3.56	0.10		

Analysis 1: sensitivity of the ECL if 100% of the individual scenarios were to be applied

The table below shows the sensitivity of the ECL if 100% of the individual scenarios (downward, base and upward) were to be applied to all exposures as of year-end in December 2024. Given the limited size of non-government guaranteed exposures, the sensitivity to the different scenarios is limited.

Sensitivity Analysis - scenarios as per 31 December 2024	100% Downward scenario	100% Basis scenario	100% Upward scenario
(x EUR 1,000)			
ECL	739	544	382

Sensitivity Analysis - scenarios as per 31 December 2023	100% Downward scenario	100% Basis scenario	100% Upward scenario
(x EUR 1,000)			
ECL	507	389	285

Analysis 2: All Credit Risk Scores deteriorate by 1 step (CRS+1)

In this analysis, the most important factor in the calculation of the ECL, Credit Risk Scores (CRS), is shifted with a deterioration of plus 1. The impact of this shift on the ECL is an increase of approximately €1.3 million (2023: €0.3 million). As a result, the ECL would be approximately €1.9 million (2023: €0.8 million) instead of the amount of €0.6 million(2023: €0.5 million) reported on 31 December 2024.

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

General

The fair value is the amount for which an asset can be exchanged or a liability settled in a transaction between knowledgeable, willing parties that are independent of each other.

When determining the fair value of financial instruments, reference is made to market prices to the extent the financial instruments are traded in an active market. Such market prices are unavailable for most financial instruments, however. In such cases, the fair value is determined using measurement models. The models are based on various assumptions relating to the discount rate and the timing and the size of the projected future cash flows. When calculating the fair value of options, generally accepted option pricing models are used.

NWB Bank periodically establishes that the application of the measurement models leads to reliable fair values that fit the risk profile of the assets and liabilities. Ongoing changes in market conditions lead to regular adjustments to the measurement parameters that serve as inputs for the measurement models.

Cash, cash equivalents and deposits at the Central Bank, receivables from credit institutions, debts to credit institutions, loans and receivables, funds entrusted and debt securities

A measurement model is used to determine the fair value of cash, cash equivalents and deposits at the Central Bank, receivables from credit institutions, debts to credit institutions, loans and receivables, funds entrusted and debt securities. The model is also used as a basis for internal risk reports.

The principle underlying the model is a going-concern approach under which the bank:
1. generally grants the loans it holds until they mature, and
2. funds the relatively long-term loans with on average shorter-term funding.

The valuation curve is based on the average cost of funding, which is the interest rate swap curve plus a spread. This spread is effectively a measure of the additional funding charges the bank pays on account of liquidity and credit risks. These additional charges are determined based on the outstanding debt as at the reporting date. The spreads resulting from this calculation method is used across all relevant maturities (continuous curve). The assumption is that the spreads applying to the bank are equally representative of the non-market-observable spreads applying to the bank's borrowers. A provision for uncollectibility is determined based on the Expected Credit Loss (ECL) methodology of IFRS 9.

Interest-bearing securities

Other listed interest-bearing securities are carried at market prices. The fair values of the other interest-bearing securities held to maturity and other unlisted interest-bearing securities are determined by means of the same model used for loans and receivables. A provision for uncollectibility is determined based on the ECL methodology of IFRS 9.

Derivatives

Derivatives are measured by applying generally accepted valuation models, based on the most appropriate valuation curves, which include the OIS curve and the €STR curve. A credit valuation adjustment and a debt valuation adjustment are also included in the valuation. The curves used, reflect the price level at which the bank can enter into new swaps. Credit risks associated with the derivatives transactions entered into are largely mitigated by exchanging collateral.

Overview of fair value of financial instruments

The following table sets out the estimated fair value of the financial assets and liabilities. For comparative purposes, accrued interest is allocated to the carrying amounts. A number of balance sheet items are not included in the table as they do not meet the definition of a financial asset or liability.

(x EUR 1,000,000)	Carrying amount 31-12-2024	Fair value 31-12-2024	Carrying amount 31-12-2023	Fair value 31-12-2023
ASSETS				
Cash, cash equivalents and deposits at the Central Bank	6,623	6,623	7,476	7,476
Loans and advances to credit institutions	2,622	2,622	3,687	3,687
Loans and receivables	59,158	59,383	55,264	58,800
Interest-bearing securities	5,584	5,582	5,032	5,022
Derivative assets	4,740	4,740	4,363	4,363
LIABILITIES				
Debts to credit institutions	2,658	2,593	1,789	1,727
Funds entrusted	7,174	7,178	7,080	7,106
Debt securities	62,769	62,762	60,556	60,579
Subordinated debt	327	331	326	329
Derivative liabilities	3,710	3,710	4,035	4,035

Determining the fair value of financial instruments

The table below sets out how the fair value of financial instruments carried at fair value in the balance sheet are determined.

(x EUR 1,000,000)	Measurement based on market prices	Measurement based on models using data available in the market	Measurement based on models using data unavailable in the market
31 December 2024			
ASSETS			
Interest-bearing securities	862		
Derivative assets		4,740	
LIABILITIES			
Derivative liabilities		3,710	
31 December 2023			
ASSETS			
Interest-bearing securities	787		
Derivative assets		4,363	
LIABILITIES			
Derivative liabilities		4,035	

Other financial instruments listed above under fair value of financial instruments were valued based on models using data available in the market.

Financial derivatives

(x EUR 1,000,000)	≤1 year	1-5 years	>5 years	Total
2024				
Notional amounts of interest rate derivatives	4,397	21,507	119,687	**145,591**
Notional amounts of currency derivatives	13,447	9,002	2,809	**25,258**
2023				
Notional amounts of interest rate derivatives	8,299	15,140	114,324	**137,763**
Notional amounts of currency derivatives	10,138	12,332	3,810	**26,280**

The notional amounts of the caps and floors total €72 million (2023: €76 million) and those of the swaptions €1,438 million (2023: €1,473 million). These derivatives are included under the interest rate derivatives in the above table.

34 INFORMATION ON RELATED PARTIES

The shareholders and the members of the Managing and Supervisory Boards qualify as related parties. With respect to the obligation to report information on related parties, there are no particular circumstances at NWB Bank that warrant disclosure.

For more information on the remuneration of, and loans to, members of the Supervisory Board and the Managing Board, please refer to **note 4**.

At year-end 2024, an amount of €8,304 million in loans had been granted to shareholders on market terms (2023: €8,066 million).

35 RISK MANAGEMENT

The bank's strategy places strict requirements on risk management and the organisation and enforcement of adequate internal controls. NWB Bank has adopted an organisation-wide approach to risk management and control. This chapter provides further insight into, in particular, the quantitative aspects of the various risks. The classification follows the risk taxonomy as discussed in the risk management section of the Report of the Managing Board.

Financial risks

Financial risks are risks related to financing, which NWB Bank manages at the individual and/or portfolio level. The bank continuously attempts to improve its understanding of exposures to these risks and how to manage them. Financial risks are subdivided into credit risk, interest rate risk, market risk and liquidity risk.

Credit risk

At the reporting date, the total credit risk (including irrevocable commitments) expressed in risk-weighted assets based on the standard approach as set out in the Capital Requirements Regulation (CRR) is as follows:

		Europe			North America	Rest of the World	Total	RWA
	Risk weight	NL	EU	Non-EU				
(x EUR 1,000,000)								
2024								
Central governments	0%	6,685	51	-	-	-	6,736	-
Regional governments	0%	16,578	-	-	-	-	16,578	-
Institutions with delegated government duties	0% -100%	48,453	152	-	-	-	48,605	2,617
International organisations	0%	-	-	-	-	-	-	-
Development banks	0%	-	261	-	-	-	261	-
Banking counterparties[1]	0% -50%	645	811	9	285	10	1,760	523
RMBS (NHG) notes[1]	15%	3,424	-	-	-	-	3,424	418
Covered bonds	10%	544	101	-	-	-	645	65
Other	100%	235	-	-	-	-	235	235
Total 2024		**76,564**	**1,376**	**9**	**285**	**10**	**78,244**	**3,858**
(x EUR 1,000,000)								
2023								
Central governments	0%	7,541	-	-	-	-	7,541	-
Regional governments	0%	16,312	-	-	-	-	16,312	-
Institutions with delegated government duties	0% -100%	44,987	163	-	-	-	45,150	1,311
International organisations	0%	-	-	-	-	-	-	-
Development banks	0%	-	231	-	-	-	231	-
Banking counterparties[1]	0% -50%	783	901	10	286	7	1,987	556
RMBS (NHG) notes[1]	15%	2,516	-	-	-	-	2,516	377
Covered bonds	10%	568	42	-	-	-	610	61
Other	100%	428	-	-	-	-	428	428
Total 2023		**73,135**	**1,337**	**10**	**286**	**7**	**74,775**	**2,733**

1) Based on external rating (External Credit Assessment Institution)

Most of NWB Bank's lending falls under the category of a 0% risk weighting, which means the credit risk is considered very limited. The counterparty credit risks and potential interbank deposits placed, fall under the 20%, 50% and 100% risk weighting categories. The RMBS (NHG) notes portfolio residential mortgages comprises of senior A notes under the 15% and 20% risk weighting categories. A 100% weighting category applies on loans to Dutch drinking water companies and regional network companies (2023: 20%), and for UMCs a 20% risk weighting category applies. Finally, loans provided to renewable energy projects and PPP projects are included in the 100% risk weighting category, whereby a 0.75 multiplier is used for most renewable energy projects and PPP projects.

The table below provides an insight into the breakdown of long-term loans granted (paid out) by the bank:

	2024		2023	
	Nominal value	Balance sheet value	Nominal value	Balance sheet value
(x EUR 1,000,000)				
Water authorities	8,545	8,147	7,970	7,407
Municipalities	4,408	4,333	4,673	4,499
Provinces	317	299	340	323
Social housing	34,522	38,906	32,591	35,897
Healthcare institutions	1,985	2,007	1,925	1,925
Other borrowers under government guarantee	833	781	823	754
Joint schemes	721	674	970	872
Drinking water companies	1,445	1,397	1,214	1,173
Renewable energy	1,088	1,072	1,038	1,018
Public-private partnerships	956	896	664	594
Credit institutions	108	104	131	127
Other	307	301	286	275
Total	**55,235**	**58,917**	**52,625**	**54,864**

The balance sheet item loans and receivables, amounting to €59,158 (2023: €55,264), and receivables from credit institutions, amounting to €2,622 (2023: €3,687), include not only long-term loans but also short-term loans, current account balance receivables and pledged collateral.

NWB Bank's borrowers as listed above are mainly public authorities and entities in the social housing and healthcare sectors to which funds loaned are guaranteed by the public authorities. The non-guaranteed financing is included under Public-Private Partnerships, Drinking water companies, Renewable energy and Other. Both during the year and at the balance sheet date, arrears were low in monetary terms, of a technical nature and of a very short duration. In 2024, NWB Bank held notes of RMBS programmes from three Dutch issuers in its portfolio (2023: two), securitised by Dutch residential mortgage loans backed by the government under the NHG. For these notes, the bank only actively uses securitisation in its role as an investor, when it monitors the risks during the maturity and firmly intends to hold these NHG RMBS notes until the expected maturity date. With the investment in these bonds, NWB Bank is helping to finance government-guaranteed green residential mortgages. Credit risk is expressed in risk-weighted assets based on the Standardised Approach to Securitisations as set out in Article 251 of the CRR, in which the ratings issued by S&P, Moody's or Fitch are used to indicate credit risk.

The table below shows the data as at 31 December 2024.

Rating	Nominal amount (x 1,000,000)	Expected expiry date	Class
AAA	2,638	2067	A

The total fair value exposure from derivatives to financial counterparties at year-end 2024 was €1,075 million (2023: 898 million). €900 million of this was covered by collateral received by the bank (2023: €419 million). The total fair value exposure from derivatives from financial counterparties at year-end 2024 was €2,432 million (2023: €3,229 million), of which €2,432 million (2022: €3,067 million) was covered by collateral provided by the bank. The tables below show the net fair value of the derivatives, i.e. including collateral received and provided:

(x EUR 1,000,000)	Positive resp. negative fair value derivatives	Netting negative resp. positive fair value derivatives	Cash collateral received resp. paid	Net position
31 December 2024				
ASSETS				
Cash, cash equivalents and deposits at the Central Bank	2,353	-1,278	-900	175
Prepayments and accrued income	2,387	-	-1,635	752
Total 2024	**4,740**	**-1,278**	**-2,535**	**927**
LIABILITIES				
Credit institutions	-3,710	1,278	2,324	-108
Equity	-	-	-	-
Total 2024	**-3,710**	**1,278**	**2,324**	**-108**

(x EUR 1,000,000)	Positive resp. negative fair value derivatives	Netting negative resp. positive fair value derivatives	Cash collateral received resp. paid	**Net position**
31 December 2023				
ASSETS				
Cash, cash equivalents and deposits at the Central Bank	1,703	-805	-419	479
Prepayments and accrued income	2,661	-	-1,776	885
Total 2023	**4,364**	**-805**	**-2,195**	**1,364**
LIABILITIES				
Credit institutions	-4,034	805	3,067	-162
Equity	-1	-	-	-1
Total 2023	**-4,035**	**805**	**3,067**	**-163**

Interest rate risk

NWB Bank uses different indicators to measure the interest rate risk.

Gap analysis

A gap analysis of undiscounted cash flows according to the interest rate period is shown below, based on the contractual interest review date or redemption date if the latter is earlier.

(x EUR 1,000,000)	Total	<3 months	3-12 months	1-5 years	>5 years
31 December 2024					
ASSETS					
Loans and receivables	79,478	20,788	3,654	12,422	42,614
Interest-bearing securities	5,713	531	346	2,160	2,676
Fixed-interest derivative assets	4,175	5,139	6,525	4,999	-12,488
Variable-interest derivative assets	5,231	-808	6,186	-103	-44
Total assets	**94,597**	**25,650**	**16,711**	**19,478**	**32,758**
LIABILITIES					
Debts to credit institutions, funds entrusted and debt securities	73,944	9,413	11,753	24,840	27,938
Subordinated debt	331	53	205	54	19
Fixed-interest derivative assets	-8,061	-39	-2,874	-7,103	1,955
Variable-interest derivative assets	23,680	21,413	2,289	59	-81
Total liabilities	**89,894**	**30,840**	**11,373**	**17,850**	**29,831**
Total assets less liabilities 2024	**4,703**	**-5,190**	**5,338**	**1,628**	**2,927**

(x EUR 1,000,000)	Total	<3 months	3-12 months	1-5 years	>5 years
31 December 2023					
ASSETS					
Loans and receivables	77,204	23,041	3,524	11,527	39,112
Interest-bearing securities	5,130	361	369	1,894	2,506
Fixed-interest derivative assets	-20,567	784	-836	-3,312	-17,203
Variable-interest derivative assets	30,101	20,737	9,381	-38	21
Total assets	**91,868**	**44,923**	**12,438**	**10,071**	**24,436**
LIABILITIES					
Credit institutions, funds entrusted and debt securities	71,091	11,387	9,167	23,551	26,986
Subordinated debt	328	51	8	250	19
Fixed-interest derivative assets	-33,531	-5,516	-7,318	-15,398	-5,299
Variable-interest derivative assets	49,525	42,218	7,255	65	-13
Total liabilities	**87,413**	**48,140**	**9,112**	**8,468**	**21,693**
Total assets less liabilities 2023	**4,455**	**-3,217**	**3,326**	**1,603**	**2,743**

DV01

NWB Bank uses DV01 (the Dollar Value of One basis point) as the key measure of interest rate risk. This key measure indicates the change in price or fair value, expressed in monetary units, caused by a one-basis-point (0.01%) change in the yield curve. A system of DV01 limits applies to the overall interest rate risk position, which follows from the bank's risk appetite. These limits are related to the strategic interest rate position. The interest rate-sensitivity of the portfolio to which macro-hedging is applied is monitored on the basis of DV01s for various time intervals. To manage spread risk related to the refinancing of the bank, a spread DV01 measure and concomitant limit apply. They indicate a maturity mismatch between funding and lending. The spread DV01 is quantified on the basis of the interest rate sensitivity of all long-term lending and funding. At year-end 2024, it was within the limit set.

Earnings at Risk

Earnings at Risk (EaR) is a measure of the interest rate sensitivity of the bank's net interest income (NII). The EaR calculates the change in NII from an assumed change in the term structure of interest rates. The most relevant scenario assumes that current interest rates will be realised.

NWB Bank aims for a balanced exposure of its balance sheet positions to short-term interest rates. These are mainly the one-day, three-month and six-month interest rates. These rates have different sensitivities to the interest rate shocks applied. The most sensitive is the one-day rate. It changes daily, which means that the shock is reflected in the calculation within one day. The six-month interest rate, however, will only do so once every six months when the new rate is set. Thus, for a loan for which the rate changes on the reference date, the shock, i.e. 50 basis points, will not be reflected until six months later. For a loan that changes rates one day later, the original shock of 25 basis points will take effect almost immediately, and the full shock of 50 basis points will only take effect after six months.

The EaR is therefore sensitive to both the moment at which the interest rates payable and receivable change. In addition, this measure is sensitive to which rates change at any given time. The bank uses a limit for the maximum exposure. The bank tries to match interest paid and received as far as possible but accepts deviations within such a limit.

The most negative scenario, at year-end 2024 and 2023, is shown in the table below.

	Most negative scenario	Most negative scenario
	2024	2023
(x EUR 1,000,000)		
Scenario: Current rates are realised	**-6.5**	**-2.5**

Scenario analysis

NWB Bank performs scenario analyses to gain additional insight into the interest rate risk. One of these scenarios is to calculate the changes in the fair value of equity in the event of a parallel shift in the yield curve of -200 bps and +200 bps. These scenarios are prescribed by the European Banking Authority (EBA), and the bank is expected to inform the supervisory authority if the outcomes are greater than 20% of equity. A maturity-dependent post-shock interest rate floor is applied for each currency. This starts at -100 bps at immediate maturities. This floor is increased by 5 bps per year to reach 0% for maturities of 20 years and more. The table below shows the six prescribed scenarios as at 31 December 2024 and 31 December 2023 and the impact on the economic value of equity. The impact on net interest income is also shown for the first two scenarios.

		Change in economic value of equity		Change in net interest income	
(X EUR 1,000,000)		Current period	Last period	Current period	Last period
1	Parallel up	(271.2)	(199.1)	(6.5)	(7.3)
2	Parallel down	234.1	235.9	6.5	7.3
3	Steepener	(25.7)	(25.0)		
4	Flattener	(27.6)	(6.9)		
5	Short rates up	(98.3)	(67.5)		
6	Short rates down	103.0	72.6		

Market risk

The table below shows the nominal values in millions in foreign currencies.

	2024				2023			
	Asset	Liability	Derivatives	**Total**	Asset	Liability	Derivatives	**Total**
(x EUR 1,000,000)								
AUD	-	-5,130	5,130	-	-	-5,682	5,682	-
CAD	-	-393	393	-	-	-393	393	-
CHF	-	-1,075	1,075	-	-	-1,213	1,213	-
GBP	-	-4,796	4,796	-	-	-4,324	4,324	-
HKD	-	-500	500	-	-	-	-	-
JPY	-	-64,102	64,102	-	-	-65,780	65,780	-
NOK	-	-500	500	-	-	-500	500	-
NZD	-	-416	416	-	-	-456	456	-
SEK	-	-4,650	4,650	-	-	-4,650	4,650	-
USD	-	-14,905	14,905	-	-	-16,398	16,398	-
ZAR	-	-230	230	-	-	-230	230	-

Liquidity risk

The collateral value of the portion of the portfolio contributed as collateral to DNB was €13.4 billion at year-end 2024 (€13.8 billion at year-end 2023). In terms of short-term funding, the bank mainly relies on its commercial paper market. The bank uses an ECP programme capped at €25 billion and a USCP programme capped at $25 billion. The bank has the highest short-term ratings (A-1+/P-1) with respect to those programmes. The liquidity position is monitored daily. The aim of liquidity management is to ensure there are sufficient funds available for the bank to meet not only foreseen but also unforeseen financial commitments. The bank's management is informed daily through a liquidity gap analysis, containing differences between the cash flows receivable and payable. The liquidity position is subject to a system of limits.

The balance sheet categories according to the remaining contractual term, including all future undiscounted interest cash flows as well as centrally cleared derivatives and before proposed profit appropriation, are presented below.

Liquidity Coverage Ratio

One of the limits relates to the Liquidity Coverage Ratio (LCR), a liquidity ratio set out in CRD IV/CRR (Capital Requirements Directive IV/Capital Requirements Regulation) to which a minimum requirement of 100% applies. The LCR measures whether there are sufficient liquid assets to meet obligations in the short term. The internal LCR limit is higher than the minimum requirement. The LCR was 183% at the balance sheet date (2023: 160%).

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) shows the ratio between the available and required amount of stable funding, whereby a distinction is made between products with short- and long-term maturities and off-balance sheet items.

The NSFR encourages the use of long-term funding for long-term loans, or matched financing. For the NSFR, a minimum requirement of 100% applies. At year-end 2024, NWB Bank met this requirement with a ratio at balance sheet date of 134% (2023: 133%).

ESG risk

ESG stands for environmental, social and governance. We define ESG risk, including climate risk, as the risk that ESG factors could negatively impact the strategic objectives, capital position and/or profit of our bank. The concept of double materiality is part of this definition, which means that we not only consider the impact of ESG risks on the bank, but also explicitly consider the impact of our lending activities on people and the environment, which in turn may have an impact on the bank. ESG factors manifest themselves in both financial and non-financial risks.

The ESG risk management cycle is the framework of processes and procedures designed to identify, assess, mitigate and monitor ESG risks. This annual cycle starts with the ESG risk identification and risk materiality assessment (RMA), where we identify the material ESG risks for the bank. For this risk identification and assessment, we use scientific sources, ESG data that we collect ourselves, input from clients (external stakeholders) and input from stakeholder workshops with internal experts. The assessment leads to the identification of material ESG risks in the short, medium and long term. We then assess the impact on the bank's traditional risk categories through the so-called transmission channels. We see a material impact on strategic risk, operational risk and credit risk. Drought can damage the foundations of social housing and reduce the credit quality of housing associations. Otherwise, for example, reputational damage in the water sector or the bank's inadequate response to ESG and sustainability developments may make it difficult to achieve our strategic objectives.

We identify material ESG risks through the ESG RMA and include them in the double materiality analysis. These material ESG risks are then managed through the risk management cycle. An important part of this is the collection of ESG data, which we use to further quantify and monitor ESG risks. We conduct quantitative stress testing, focusing on the short term, and qualitative scenario analysis, focusing on the medium and long term. Stress tests are conducted annually as part of ICAAP, the general annual risk assessment process for significant financial institutions, to examine and quantify the impact of ESG risks on the balance sheet. We develop scenarios based on scientific reports from the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC) and the Royal Netherlands Meteorological Institute (KNMI).

To monitor risk factors, we have defined a set of ESG key risk indicators (KRIs), which we report on and discuss in various committees within the bank. The KRIs relate to the overall CO_2 reduction of the portfolio, energy labelling in housing association portfolios, nature in communities and various water authority targets. We evaluate the KRIs annually with the RMA and adjust or expand them as necessary. The KRIs enable us to assess the performance of our clients and, if necessary, take action in the form of engagement. At the client level, we have incorporated ESG risks into the scorecards for the various client groups, with a credit risk score being determined for an individual client. In addition, potential ESG risks are explained and assessed in credit analyses and reviews.

(x EUR 1,000,000)	Total	<3 months	3-12 months	1-5 years	>5 years
31 December 2024					
ASSETS					
Cash, cash equivalents and deposits at the Central Bank	**6,623**	**6,623**	**-**	**-**	**-**
Loans and advances to credit institutions	**2,622**	**28**	**22**	**67**	**2,505**
Loans and receivables	**86,327**	**1,448**	**5,861**	**17,762**	**61,256**
Interest-bearing securities	**7,111**	**-104**	**55**	**2,532**	**4,628**
Intangible assets	**11**	**-**	**-**	**11**	**-**
Tangible assets	**4**	**-**	**-**	**1**	**3**
Income tax	**-**	**-**	**-**	**-**	**-**
Derivative assets	**4,204**	**479**	**740**	**1,379**	**1,606**
Other assets	**25**	**16**	**-**	**-**	**9**
Prepayments and accrued income	**-**	**-**	**-**	**-**	**-**
Total assets as at 31 December 2024	**106,927**	**8,490**	**6,678**	**21,752**	**70,007**
LIABILITIES					
Debts to credit institutions	**5,397**	**663**	**63**	**548**	**4,123**
Funds entrusted	**7,826**	**138**	**478**	**190**	**7,020**
Debt securities	**74,063**	**5,362**	**11,036**	**23,484**	**34,181**
Subordinated debt	**338**	**3**	**208**	**105**	**22**
Derivative liabilities	**19,489**	**288**	**544**	**2,831**	**15,826**
Pension provision	**3**	**-**	**-**	**-**	**3**
Provision for deferred income tax	**7**	**-**	**-**	**7**	**-**
Income tax	**-**	**-**	**-**	**-**	**-**
Other liabilities	**20**	**16**	**4**	**-**	**-**
Accruals	**6**	**3**	**3**	**-**	**-**
Equity	**2,094**	**-**	**-**	**-**	**2,094**
Total liabilities as at 31 December 2024	**109,243**	**6,473**	**12,336**	**27,165**	**63,269**
(x EUR 1,000,000)					

	Total	<3 months	3-12 months	1-5 years	>5 years
31 December 2023					
ASSETS					
Cash, cash equivalents and deposits at the Central Bank	7,476	7,476	-	-	-
Loans and advances to credit institutions	3,696	129	23	80	3,464
Loans and receivables	82,330	936	4,781	18,231	58,382
Interest-bearing securities	6,280	79	416	2,115	3,670
Intangible assets	10	-	-	10	-
Tangible assets	5	-	-	1	4
Income tax	-	-	-	-	-
Derivative assets	-537	310	132	-130	-849
Other assets	71	61	1	-	9
Prepayments and accrued income	-	-	-	-	-
Total assets as at 31 December 2023	**99,331**	**8,991**	**5,353**	**20,307**	**64,680**
LIABILITIES					
Debts to credit institutions	4,551	765	46	398	3,342
Funds entrusted	7,733	73	123	261	7,276
Debt securities	72,540	7,597	7,982	22,746	34,215
Subordinated debt	345	1	8	313	23
Derivative liabilities	14,884	466	374	1,753	12,291
Pension provision	3	-	-	-	3
Provision for deferred income tax	9	-	-	9	-
Income tax	7	7	-	-	-
Other liabilities	33	29	4	-	-
Accruals	11	8	3	-	-
Equity	2,060	-	-	-	2,060
Total liabilities as at 31 December 2023	**102,176**	**8,946**	**8,540**	**25,480**	**59,210**

Prudential supervision

The bank is under the direct prudential supervision of the European Central Bank (ECB). The ECB performs supervision jointly with the Dutch Central Bank (De Nederlandsche Bank – DNB) as the national supervisor of the banking sector in what is known as a Joint Supervisory Team (JST). Supervision has intensified in recent years. In the interests of both parties, the JST must have a good understanding of both the specific profile and business model and the bank's risk management system. Clear and efficient lines of communication to the supervisory authority are also important.

The Supervisory Review and Evaluation Process (SREP) takes place every year, during which the supervisor assesses the bank's risks. The SREP decision, which the bank receives from the supervisor at the end of the process, sets out the main objectives the bank must achieve to address the identified issues. A SREP was carried out in 2023, the resulting capital requirements of which are shown further below. The capital requirements for the 2024 SREP were not yet known at the time of this annual report's publication. Moreover, last year, as part of its supervisory task, the ECB conducted an on-site inspection of interest rate risk in the banking book (IRRBB).

In 2024, NWB Bank participated in the European sector-wide stress test.

Starting in 2024, we are updating our Recovery Plan every two years and submit it to the ECB and the DNB. This Recovery Plan sets out the measures a bank can take in a severe stress situation, and how it can recover afterwards. A key part of the Recovery Plan is the set of recovery triggers that may prompt the bank to take action. These recovery triggers are consistent with our risk appetite. Every bank is required to have such a plan. NWB Bank believes it is important to think carefully about the crisis management organisation and the recovery measures available for such extreme circumstances.

Besides the Single Supervisory Mechanism (SSM), which governs the prudential supervision of European banks, the formation of a banking union in Europe comprises a second and third pillar. The second pillar is the Single Resolution Mechanism (SRM), comprising the Single Resolution Board (SRB) and the national resolution authorities, which is responsible for the recovery and resolution of banks. The third pillar is the Deposit Guarantee Scheme (DGS), within which rules are laid down in relation to banks' guarantee obligation towards depositors. Of these two other pillars, the second pillar is particularly relevant to NWB Bank. With the entry into force of the Bank Recovery and Resolution Directive (BRRD) in 2015, the bank also has to deal with the SRB, which is responsible for an orderly process surrounding the recovery and possible resolution of a bank. The SRB adopts a resolution strategy for each bank. In late 2020, the SRB decided it will continue to apply a so-called simplified obligations plan in the case of NWB Bank. As a result, any insurmountable difficulties faced by the bank would be resolved through the national insolvency proceedings. In 2024, the SRB reconfirmed that this plan is still applicable.

Capital requirements

Unlike the ICAAP, which covers all risk categories, the minimum capital requirements (as stipulated in the Banking Directive or the Capital Requirements Directive) relate to credit risk, market risk and operational risk. The bank uses different methods for these three types of risk.

Credit risk

NWB Bank uses the standardised method for general credit risk. In addition, there is the capital for counterparty risk, for which the standardised method is used. The capital requirement according to the Credit Valuation Adjustment (CVA) is additional to the capital requirement for counterparty default risk. This capital requirement is calculated using a standard formula based on exposure, rating and average term of derivatives positions entered into with counterparties, among other things.

Market risk

Market risk concerns the bank's currency risks. Due to NWB Bank's stringent policy on currency risk, on balance, there are no outstanding currency positions. Therefore, the capital that is to be reserved to cover market risk is nil.

Operational risk

When calculating qualifying capital for operational risk, NWB Bank uses the standardised approach. Under this approach, 15% of the relevant indicator is taken as a benchmark for the operational risk. The relevant indicator is the three-year average of the total of the annual net interest income and the annual net non-interest income at the end of the financial year.

The calculation of the Tier 1 ratio as at the reporting date is as follows:

(x EUR 1,000,000)	**2024**	2023
Equity excluding profit for the current financial year	2,000	1,934
Intangible assets	-11	-10
Prudential filters	-11	-10
CET1 capital	1,978	1,914
Additional Tier 1 capital	321	321
Tier 1 capital (A)	**2,299**	**2,235**
Weighted credit risk (SA)[1]	3,858	2,734
Capital requirement pursuant to CVA (SA)[1]	1,202	1,472
Weighted operational risk (SA)[1]	489	453
Risk-weighted assets (B)	**5,549**	**4,659**
Tier 1-ratio (A/B)	**41%**	**48%**

1) Standardised Approach

At the end of 2024, visible equity totalled €2,000 million (excluding profit for the current financial year) towards €1,934 million at year-end 2023 (excluding profit for the current financial year). CET1 capital, including Additional Tier 1 capital, amounted to €2,299 million at year-end 2024 (excluding profit for the current financial year) towards €2,235 million at year-end 2023 (excluding profit for the current financial year). The bank's total risk-weighted assets decreased from €4,659 at the end of 2023 to €5,549 million at the end of 2024. The increase is mainly due to the weighting of loans to drinking water companies. The applicable weighting for these companies is now 100%, compared to 20% at the end of 2023. In consultation with the supervisory authority, this was adjusted back to 100%. The item "Prudential filters and other" includes the IPCs to the SRB in the amount of €9.2 million (2023: €9.2 million), which must be deducted from capital in accordance with the regulations (CRR).

The ECB conducted a regular SREP again 2024, in which the capital requirements for NWB Bank were reassessed. The bank-specific Pillar 2 capital requirement remained the same at 2.25%. The total SREP capital requirement for NWB Bank is 10.25%. This is the sum of the total Pillar 1 capital requirement of 8% and the Pillar 2 capital requirement of 2.25%. Together with the required capital conservation buffer of 2.5% and the countercyclical capital buffer of 1.95%, the total capital requirement for the bank amounts to 14.70%.

Leverage ratio

The implementation of CRR II has introduced a leverage ratio requirement of 3%. CRR II provides certain adjustments to the exposures that need to be included in the calculation of the ratio. Public development credit institutions, such as NWB Bank, can exclude exposures related to the financing of public sector investments. The leverage ratio at the balance sheet date, including cash, cash equivalents and deposits at the central bank, was 24.0% (2023: 20.6%) (excluding profit for the financial year).

Additional information about NWB Bank's risk management policy can be found in the Pillar 3 reports at www.nwbbank.com/en/about-nwb-bank/publications. These reports are not part of the audit.

36 EVENTS AFTER BALANCE SHEET DATE

At the time of preparing the financial statements, there were no significant events after the balance sheet date that require disclosure.

37 PROPOSED PROFIT APPROPRIATION

The profit for the reporting year amounted to €93.7 million (2023: €125.8 million). The share of profit available for dividend has been set at €50 million (2023: €60 million) by the Managing Board and Supervisory Board. This decision was made in accordance with Article 21 of the Articles of Association.

		2024		2023
(x EUR 1,000)				
Profit for the year		**93,694**		**125,755**
The proposed profit appropriation is as follows:				
Cash dividends on A shares	733%	42,535	879%	51,042
Cash dividends on B shares	733%	7,465	879%	8,958
		50,000		**60,000**
Added to the reserves on the approval of the Supervisory Board		43,694		65,755
		93,694		**125,755**

The dividend proposed in the 2024 and 2023 financial statements adopted by the Annual General Meeting is recognised in other reserves.

38 MANAGING BOARD AND SUPERVISORY BOARD

Managing Board

Lidwin van Velden
Ard van Eijl
Wilma Schouten
Frenk van der Vliet

Supervisory Board

Joanne Kellermann
André ten Damme
Geert Embrechts
Toon van der Klugt
Frida van den Maagdenberg
Caroline Oosterloo
Annette Ottolini

The Hague, 18 March 2025

OTHER INFORMATION

5



INDEPENDENT AUDITOR'S REPORT

The following is an English translation of the independent auditor's report issued 18 March 2025.

To: the shareholders and supervisory board of Nederlandse Waterschapsbank N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2024 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the accompanying 2024 financial statements of Nederlandse Waterschapsbank N.V. ('NWB Bank' or the company) based in The Hague.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NWB Bank as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2024
- The profit and loss account for 2024
- The notes comprise 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 financial statements section of our report.

We are independent of NWB Bank in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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 for professional accountants).

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

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

NWB Bank is a national promotional bank and a lender to the public sector in the Netherlands, providing financing to water authorities, municipalities and provinces as well as to other public sector institutions such as housing associations and healthcare institutions which are guaranteed (indirectly) by the Dutch State. NWB Bank is also involved in financing Public-Private Partnerships (PPP), renewable energy projects and government-backed export financing. We paid specific attention in our audit to a number of areas driven by the operations of NWB Bank and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€20 million (2023: €20 million)
Benchmark applied	1% of equity as per 31 December 2024
Explanation	Based on our professional judgment, a benchmark of 1% of shareholder's equity is an appropriate quantitative indicator of materiality as it best reflects the financial position of NWB Bank. We determined materiality consistently with the previous financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €1 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming, use of specialists and internal audit

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a bank. We included specialists in the areas of IT audit, forensics, and corporate income tax. We have made use of our own experts in the areas of the loan loss provisioning model, valuations of derivatives, hedge accounting and capital requirements.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition high on the public agenda and lead to significant change for many businesses and society. Management summarized the NWB Bank's commitments and obligations and reported in the section 'The Sustainable Water Bank: results and impact 2024' of the management report how NWB Bank is addressing climate-related and environmental risks also taking into account related regulatory and supervisory guidance and recommendations.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the NWB Bank's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the management report and considered whether there is any material inconsistency between the non-financial information and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, accounting estimates or significant assumptions per 31 December 2024.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the NWB Bank and its environment and the components of the system of internal control,

including the risk assessment process and management board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to the section Risk Management section in the chapter Corporate Governance of the annual report for management's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section 'Significant assumptions and estimation uncertainties' in chapter Basis of preparation of the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions.

Furthermore, as described in our key audit matter Credit quality loan portfolio and expected credit loss provision we have among other things evaluated judgement and estimates that may pose a risk of a material misstatement.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We considered among other things the NWB Bank's loans for which there is an extension of the maturity or early redemption with simultaneous origination of a new loan particularly give rise to these risks. The evaluation whether there is a new loan to be recognized determines the accounting for the result of these transactions. This evaluation is complex and may contain subjective elements, as further explained in paragraph 2 Results financial transaction in the annual report. We have designed and executed our audit procedures regarding the processing of the results from these transactions as a response to this assumed fraud risk.
In doing so, we focused on evaluating management's assessment and to what extent the expected, newly agreed cash flows substantially deviate from those based on the previous agreement. In this context, we evaluated, among others, whether the management's assessment was carried out consistently and for a selection of transactions we reconciled the underlying agreement, market value calculation and the processing in the financial administration.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, human resources and regional directors and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, inspection of the integrity risk analysis (SIRA), reading minutes, inspection of reports from risk, compliance and internal audit and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected the internal lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in 'Basis of preparation of the financial statements', the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of NWB Bank's ability to continue as a going concern and to continue its operations for the foreseeable future. We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the NWB Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements. If such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause NWB Bank to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, our key audit matters did not change.

Credit quality loan portfolio and expected credit loss provision

Risk	Loans and receivables are valued at amortised cost using the effective interest method, less a provision for impairment losses (expected credit loss). NWB Bank uses the option, as allowed under Dutch Accounting Standards, to apply the IFRS 9 impairment requirements based on expected credit losses (hereinafter: 'ECL'). Impairment allowances represent NWB Bank's best estimate of expected losses. At 31 December 2024, the loans and receivables amount to € 59.2 billion (2023: € 55.3 billion), net of expected credit loss provision of € 0.6 million (2023: € 0.5 million) as disclosed in paragraph 11 and 32 to the financial statements. The provision for impairment is based on expected credit losses which includes parameters and assumptions such as the probability of default, the loss given default, the allocation of loans to stages and the use of macro-economic scenarios and forward looking information. The appropriateness of loan loss provisions is a key area of judgment for the managing board. The identification of expected credit losses is an inherently uncertain processes involving assumptions and factors including the financial condition of the counterparty and expected future cash flows. As part of our risk assessment, we considered the potential risk of management override of controls and related to the staging and specifically the determination of the internal credit rating for non-guaranteed exposures. Given the inherent complexity of the application of IFRS 9 impairment requirements we considered this to be a key audit matter.
Our audit approach	Our audit procedures included, amongst others, evaluating the application of impairment requirements of IFRS 9 and the appropriateness of NWB Bank's accounting policies related to the expected credit losses according to this standard. We have evaluated whether the applied methods and assumptions used to determine the ECL are suitable and consistently applied. We have obtained an understanding of the loan loss provisioning process and evaluated the design of internal controls across the processes relevant to the expected credit loss calculations as well as performing substantive procedures. This included the allocation of assets into stages, model governance, data accuracy and completeness, multiple economic scenarios, sensitivity analyses, journal entry testing. With the support of our internal modelling specialists, we assessed the adequacy of the provisioning model used by NWB Bank and verified whether the model is adequately designed. We performed an overall assessment of the provision levels by stage to determine if they were reasonable considering the risk profile of the portfolio and credit risk management practices and the macroeconomic environment. We challenged the criteria used to allocate loans to stage 1, 2 or 3 in accordance with IFRS 9 and tested a sample of loans on appropriate staging. We tested the data used in the loan loss provision calculation by reconciliation to source systems. We assessed the base case and alternative economic scenarios. This included challenging probability weights and the severity and magnitude of modelled downside scenarios, assessing the sensitivity of primary drivers in the model calculations, as well as assessing the sensitivity in changes in the internal credit rating. Finally, we evaluated the completeness and accuracy of the disclosures in the financial statements relating to the provision for impairment losses in accordance the requirements of the Dutch Accounting Standards and IFRS 7 on credit risk.
Key observations	Based on our procedures performed we consider the provision for expected credit losses to be reasonable and found that the disclosures relating to the provision for expected credit losses, in all material aspects, meet the requirements of the Dutch Accounting Standards and IFRS 7.

Hedge accounting and fair value measurement of financial instruments

Risk	NWB Bank hedges most interest and foreign exchange risks related to financial assets and liabilities through derivatives. For accounting purposes NWB Bank applies two types of fair value hedge accounting, micro and macro hedging. The application of hedge accounting enables the synchronization of the reported results for the hedging instrument and the hedged position, insofar the hedge is effective and the hedge relation is formally documented. NWB Bank has developed specific models to calculate hedge effectiveness. NWB Bank uses derivatives as hedging instruments, measured at fair value on the balance sheet. Both the fair value adjustments of the hedged position related to the hedged risk and the fair value adjustments of the derivatives are recorded in statement of income as result from financial transactions including any resulting ineffectiveness. For the year ended 31 December 2024 NWB Bank recorded a hedge accounting ineffectiveness as disclosed in paragraph 2 Result from financial transactions of € 2.9 million negative (2023: € 96 thousand negative). The fair value measurement of derivatives and associated valuation adjustments can be a subjective area insofar model based valuations are applied due to lower liquidity and limited price availability. NWB Bank has derivatives where no market prices are available, and in these cases, fair value is determined using valuation models based on observable market data. NWB Bank has level 2 derivative assets and derivative liabilities categorized as measurement based on models using market observable data totalling € 4.7 billon and € 3.7 billion respectively (2023: € 4.4 billon and € 4.0 billion respectively) as disclosed in note 33 fair value of financial instruments. The fair value measurement and applied hedge accounting are key audit matter, as they are inherent complexity. highly subjective and based on management judgement.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of the applied valuation principles with respect to the fair value measurement of derivatives and the application of hedge accounting by NWB Bank in accordance with Dutch Accounting Standard 290 Financial Instruments, whether the used derivatives are eligible for hedge accounting and the appropriateness of the hedge documentation. We have evaluated the design and implementation of internal controls related to the valuation process and the hedge accounting process and tested key controls. We have evaluated the review and approval of assumptions and the methods applied in model-based calculations by the second line of defence, as well as the control of data quality and adjustments of internal models. In our audit we have tested, on a sample basis, whether the hedge documentation meets requirements of Part 9 of Book 2 of the Dutch Civil Code and Dutch Accounting Standard 290. Furthermore, our hedge specialists have been involved to assess whether the hedge relationships are effective, and the hedge effectiveness has been calculated accordingly. With the support of our valuation specialists, we further assessed whether the used assumptions and methods for determining the fair value of the financial instruments, including the valuation of counterparty risk (CVA/DVA) under derivative transactions executed, are appropriate and have been consistently applied. We evaluated the methods in the valuation models against market-accepted valuation guidelines and methods. We also tested the acceptability of the estimates against counterparty valuations and performed our own valuations on a sample basis. Finally, we evaluated the completeness and accuracy of the disclosures in accordance with Dutch Accounting Standard 290 financial instruments.
Key observations	We did not identify any material deviations regarding the application of hedge accounting and the measurement of the fair value of financial instruments as of 31 December 2024, and the disclosures related to the fair value of financial instruments in accordance with the relevant requirements of RJ290.

Reliability and continuity of IT environment

Risk	The activities and financial reporting of NWB Bank are highly dependent on the reliability and continuity of the IT environment. Effective general IT controls with respect to change management, logical access, infrastructure and operations, support the integrity and continuity of the electronic data processing as well as the operating effectiveness of the automated controls. As described in the section Risk Management in chapter Corporate Governance, under Operational Risk, the IT environment and the IT organization of NWB Bank are important for NWB Bank. There is a risk that the general IT control measures may not always operate as intended and, as a result, internal controls are ineffective. Therefore, we identified the reliability and continuity of the IT environment as a key audit matter.
Our audit approach	IT audit specialists are an integral part of the engagement team and assess the reliability and continuity of the IT environment to the extent necessary for the scope of our audit of the financial statements. In this context, we evaluated the design of the IT processes, including cybersecurity, and tested the operating effectiveness of general IT controls, as well as application controls over data processing, data feeds and interfaces where relevant for the financial reporting. We performed additional substantive procedures on access management, security event monitoring and segregation of duties for the related systems. We also assessed the possible impact of changes in IT during the year resulting from the internal transformation activities.
Key observations	Our testing of the general IT controls and the substantive tests performed, provided sufficient evidence to enable us to rely on the adequate and continued electronic data processing relevant for our audit of the financial statements.

REPORT ON OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements 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 substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS AND ESEF

Engagement

We were engaged by the general meeting of shareholders as auditor of NWB Bank on 23 April 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

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 audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

NWB Bank has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the financial statements as included in the reporting package by NWB Bank, complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor

het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the NWB Bank's financial reporting process, including the preparation of the annual report in XHTML format;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including obtaining the annual report in XHTML-format and performing validations to determine whether the annual report complies with the RTS on ESEF.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the managing board and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the NWB Bank's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the NWB Bank or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the NWB Bank's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the NWB Bank's financial reporting process.

Our responsibilities for the audit of the financial statements

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 misstatements, whether due to fraud or error 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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NWB Bank's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.
In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 18 March 2025

EY Accountants B.V.

Signed by drs. R. Koekkoek RA

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT

The following is an English translation of the assurance report of the independent auditor issued 21 March 2024

TO: THE SHAREHOLDERS AND THE SUPERVISORY BOARD OF NEDERLANDSE WATERSCHAPSBANK N.V.

Our conclusion

We have performed a limited assurance engagement on the sustainability statement 2024 for Nederlandse Waterschapsbank N.V. based in The Hague (hereinafter: NWB Bank) in section Sustainability report of the accompanying annual report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by NWB Bank to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of NWB Bank 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 for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board

for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

The sustainability statement has been prepared in a context of new sustainability reporting standards, requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasize the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section 'Data in the report' in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements NWB Bank has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section 'Materiality and the value chain' in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in NWB Bank's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires NWB Bank to make key judgments and use thresholds and may also be impacted in time by sector-specific standards to be adopted.

Therefore, the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Comparative information not assured

Sustainability information for the year ended 31 December 2023 included in the sustainability statement, has not been part of this limited assurance engagement. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the sustainability statement for the year ended 31 December 2023.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the executive committee describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that it reflects the actual plans or decisions made by NWB Bank (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. We do not provide assurance on the achievability of forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of the executive board and the supervisory board for the sustainability statement

The executive committee is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by NWB Bank as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, executive committee is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
The executive committee is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand NWB Bank's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the executive committee is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by NWB Bank.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the *Nadere voorschriften kwaliteitsmanagement* (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of NWB Bank, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by NWB Bank as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, NWB Bank's processes for gathering and reporting entity-related and value chain information, the information systems and the NWB Bank's risk assessment process relevant to the preparation of the sustainability statement and for identifying NWB Bank's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls.
- Assessing the double materiality assessment process carried out by NWB Bank and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the executive committee appears consistent with the process carried out by NWB Bank.

- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends.
- Assessing whether NWB Bank's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate executive committee's estimates.
- Analyzing, on a limited sample basis, relevant internal and external documentation available to NWB Bank (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of NWB Bank and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, 18 March 2025

EY Accountants B.V.

Signed by R. Koekkoek

ARTICLES OF ASSOCIATION PROVISIONS GOVERNING PROFIT APPROPRIATION

The appropriation of profit is governed by Article 21 of the Articles of Association, which reads as follows:

Article 21

1. Profit shall be distributed only insofar as the shareholders' equity of the company exceeds the amount of that part of its issued capital which is paid up and called up, plus the reserves which must be kept by law or the Articles of Association.

2. The annual profit disclosed in the adopted statement of income shall be allocated as follows:
   a. The Managing Board is authorised, subject to the prior approval of the Supervisory Board, to appropriate all or part of the profit to reserves.
   b. Any balance of profit remaining after the addition to reserves shall be at the disposal of the shareholders in general meeting.
   c. To the extent that the shareholders in general meeting do not decide to distribute a dividend for any financial year, such profit shall be added to reserves.

3. The shareholders in general meeting can decide to make a profit distribution chargeable to a distributable reserve only on the basis of a resolution proposed by the Managing Board and approved by the Supervisory Board.

4. To the extent that the company has profit the Managing Board, subject to the approval of the Supervisory Board, may with due regard for the provisions of paragraphs 1 and 2 of this article resolve to distribute an interim dividend on the basis of an interim statement of the company's financial position as provided for in Section 105, subsection 4 of Book 2 of the Dutch Civil Code.

5. On a resolution proposed by the Managing Board, with the approval of the Supervisory Board, the shareholders in general meeting can decide to distribute to shareholders a dividend or interim dividend other than in cash chargeable to the part of the profit to which they are entitled.

SUPPLEMENTARY INFORMATION

6



LIST OF SHAREHOLDERS AS AT 1 JANUARY 2024

	Number of A shares at €115	Number of B shares at €460
Aa en Maas Water Authority	627	301
Amstel, Gooi en Vecht Water Authority	281	60
Brabantse Delta Water Authority	2,016	483
Delfland Water Authority	755	60
De Dommel Water Authority	533	360
Drents Overijsselse Delta Water Authority	2,236	232
Fryslân Water Authority	3,309	100
Hollandse Delta Water Authority	1,893	143
Hollands Noorderkwartier Water Authority	4,399	204
Hunze en Aa's Water Authority	1,915	175
Limburg Water Authority	2,401	299
Noorderzijlvest Water Authority	1,107	170
Province of Drenthe	15	25
Province of Friesland	24	25
Province of Gelderland	44	50
PrProvince ofvincie Limburg	11	20
Province of Noord-Brabant	33	40
Province of Noord-Holland	43	60
Province of Utrecht	43	60
Province of Zeeland	15	20
Province of Zuid-Holland	33	40
Rijn en IJssel Water Authority	5,666	345
Rijnland Water Authority	4,858	289
Rivierenland Water Authority	3,968	437
Scheldestromen Water Authority	4,380	166
Schieland en de Krimpenerwaard Water Authority	610	430
Dutch State	1,208	3,333
De Stichtse Rijnlanden Water Authority	224	47
Vallei en Veluwe Water Authority	631	88
Vechtstromen Water Authority	7,158	423
Zuiderzeeland Water Authority	42	26
Total	**50,478**	**8,511**

GLOSSARY

1.5-degree scenario
An agreement under the Paris Climate Accord to limit global warming to below 1.5 degrees Celsius compared to pre-industrial levels.

AAA/Aaa ratings
Highest creditworthiness ratings from credit rating agencies S&P and Moody's.

Actuarial gain/loss
The difference between the expected and actual return on pension fund investments.

Additional Tier 1 capital (AT1 capital)
AT1 capital refers to certain financial instruments (bonds) that may be added to Tier 1 capital under the Basel III rules.

Amortised cost
The value at which a receivable or liability is initially recorded on the balance sheet.

Aquathermal energy
Sustainable heating and cooling using thermal energy from surface water, wastewater or drinking water.

Audacious goal
A challenging ambition of an organization. In the case of NWB Bank, it refers to a credit portfolio that aims to be energy-positive by 2035, progressing toward climate neutrality by 2050.

Avoided emissions
Greenhouse gases that were not emitted due to a specific approach or technology, such as using renewable energy instead of fossil fuels.

Balance sheet financing
Financing focused on managing an organisation's total assets and liabilities, based on its overall financial position. This contrasts with project financing, which is used for specific, often large-scale and capital-intensive projects.

Base year
The reference year used as a benchmark for indexation.

Basel III
Global agreements to strengthen banks' capital positions in response to the 2008 financial crisis.

Bearer bond
Bearer bond A debt security that is not registered in the name of a specific beneficiary.

Biobased
Material of biological origin.

Biodiversity
Biodiversity or biological diversity is a term for the degree of variety between the life forms in a given ecosystem, biome or an entire planet. Biodiversity is often used as an indicator of the health of an ecosystem.

Biodiversity Framework
A guideline from the water authorities for biodiversity restoration, including indicators for policies, measures and their effects.

Capital conservation buffer
An additional capital reserve that banks must maintain on top of minimum capital requirements to absorb financial shocks and ensure the stability of the financial system.

Carbon footprint
The contribution of an activity, person or country to climate change.

Cash-flow statement
A report detailing all cash inflows and outflows of a company over a specific period.

Capital release
A situation where previously reserved capital becomes available again.

Capital Requirements Regulation
A European regulation that sets capital requirements for credit institutions and investment firms to ensure the stability and resilience of the financial system.

Caps, floors and swaptions
Instruments used to hedge specific interest rate risks.

Carbon credits
Tradeable certificates that allow organisations to offset emissions by investing in projects that reduce or remove greenhouse gases.

Charters
Internal regulations.

Circular economy
An economic system aiming to maximise the reusability of products and raw materials, and to minimise the loss of their value, as opposed to the current linear system, where raw materials are used to manufacture products that are destroyed at the end of their useful lives.

Climate action plan
A set of goals for reducing greenhouse gas emissions and the steps to achieve them, particularly focused on the climate impact of lending at NWB Bank.

Climate adaptation
Adapting the environment and preparing for the consequences of climate change is called climate change adaptation. Examples of climate adaptation include strengthening dikes, widening rivers and adding greenery to towns and villages.

Climate neutral
Activities that have no net negative impact on the climate and therefore do not contribute to climate change.

Climate mitigation
Preventing further climate change by reducing greenhouse gas emissions is called climate change mitigation. For example, consider renewable energy projects.

Climate neutral
The organisation's activities should not have a negative impact to the climate and thus will not contribute to climate change.

Cofinancing
A contribution to an investment with other parties.

Collateral
Security for a loan.

Commercial paper
A short-term (up to one year) tradeable debt instrument.

Common Equity Tier 1 ratio (CET1 ratio)
The bank's core capital expressed as a percentage of total risk positions. CET1 capital is part of Tier 1 capital.

Complaints procedure
NWB Bank provides stakeholders with an opportunity to submit a complaint through a complaints procedure. This procedure is mentioned on the website.

Confidential advisor
A designated contact person within an organisation who provides support, advice and guidance in cases of inappropriate behaviour.

Connectivity table
Graphical representation of the relationship between strategic issues, material issues and KPIs.

Context analysis
Mapping the environment in which an organisation operates.

Control monitoring and testing
Activities to periodically monitor and test key control measures for compliance risks.

Corporate governance
The organisation of the management of (listed) companies and their supervision. It regulates the relationship between administrators, supervisory board members and shareholders.

Corporate Sustainability Reporting Directive
European directive requiring companies to report on their sustainability performance based on ESG criteria.

Cost/income ratio
Operating expenses (excluding bank tax, resolution levy and expected credit loss) compared to operating income.

CO_2 equivalent
A unit of measurement used to express the impact of different greenhouse gases on the climate in terms of the equivalent amount of CO_2.

Countercyclical capital buffer
Additional capital set aside during good times to reduce the risk of bank failures during downturns.

Counterparty credit risk
The risk that a counterparty fails to meet its financial obligations.

Covered bond
A bond issued by a financial institution, backed by residential mortgages as collateral.

Credit default swap
A financial derivative that allows a party to hedge against the risk of borrower default or to speculate on the creditworthiness of a debt issuer.

Credit impaired
Reduced creditworthiness.

Credit rating agency
A company, such as Standard & Poor's or Moody's, that assesses the creditworthiness of businesses, governments and financial instruments and publishes these ratings to help investors evaluate risks.

Credit Support Annex
A collateral agreement used to mitigate the market value risk of derivatives.

Credit Valuation Adjustment
An adjustment in the valuation of a derivative to reflect the creditworthiness of the counterparty.

Currency swap
An agreement between two parties to exchange interest payments and principal amounts in two different currencies at an agreed exchange rate.

Customer due diligence
A background check on a client to assess risk, prevent money laundering, fraud and terrorist financing. Also known as client validation.

Cybersecurity Framework
Guidelines, standards and best practices to help organisations enhance their cybersecurity.

Data leak
Access to or destruction, alteration or release of personal data at an organisation without this being the organisation's intention, or without it being legally permitted.

Debt ratio
The level of debt in relation to income.

Debt security
A signed promise by the borrower to repay a loan to the lender within a specified period.

Debt valuation adjustment
An adjustment in the valuation of a derivative to reflect the creditworthiness of the bank.

Default
Standard value.

Deferred tax
A future tax obligation that a company is already aware of and has quantified.

Defined contribution
A predetermined premium for pension accumulation.

Delta Plan for Biodiversity Restoration
A partnership of nature organisations, farmers, citizens, research institutions, governments and businesses aiming to restore biodiversity in the Netherlands.

Deposit guarantee scheme
A system of rules ensuring banks provide compensation to account holders in case of a bank failure.

Derivative
A financial contract whose value is derived from the price movements of an underlying asset, such as stocks, bonds, currencies or commodities.

Digital Operational Resilience Act
European regulation to enhance the resilience of financial institutions against cyber incidents.

Discount
The negative difference between the current value of a debt security and its nominal value.

Discount rate
The interest rate used to calculate the present value of future cash flows.

Discretionary authority
The administrative freedom to make decisions based on judgement in specific cases.

Dividend payout ratio
Dividend payout compared to net profit.

Dollar value of a basis point
A measure that expresses the price or market value change in monetary terms for a one basis point (0.01%) shift in the yield curve.

Double materiality
This approach looks at important issues from two angles: the potential positive and negative impact of the organisation on people and the environment, and the impact of sustainability risks and opportunities on the organisation itself, whether financial or otherwise. The former is called the inside-out perspective, the latter the outside-in perspective.

Emission intensity
Greenhouse gas emissions per financed euro.

Energy positive
Producing more energy than is consumed. In the case of NWB Bank, this means that the renewable energy projects it finances generate more renewable energy than all its clients consume in fossil energy.

Energy transition
The shift from fossil fuel use to energy from renewable sources.

Engagement approach
A strategy in which an organisation, such as a bank, actively promotes stakeholder (client) involvement and participation to achieve shared goals.

Entrusted funds
Liabilities of banks to the public, such as demand deposits, savings deposits and term deposits.

Equator Principles
A risk management framework for project financing, adopted by financial institutions, which is used to determine, assess and manage social and environmental risks in the financing of projects.

ESG
ESG stands for environmental, social and governance.

ESG Accelerator
A project team at NWB Bank consisting of employees working to accelerate the integration of ESG into core processes.

ESG bonds
Bonds that take into account environmental and social characteristics of an investment, with attention to proper governance of the issuer.

European Association of Public Banks
An industry organisation representing over 90 public financial institutions with total assets exceeding €3,500 billion and a 15% market share in the European financial sector.

European Sustainability Reporting Standards
European guidelines requiring companies to report on their sustainability performance based on specific criteria.

EU Taxonomy (for sustainable activities)
A classification system that defines which economic activities are considered sustainable, allowing companies and financial institutions to report on sustainability.

Expected loss impairment methodology
A method used by financial institutions to estimate expected credit losses and allocate provisions based on future risks and losses.

Exposure at default
The expected outstanding debt owed to a financial institution at the time of a client's or counterparty's default.

Exposure central clearing
The net balance of daily settlements of derivatives, adjusted for received or posted collateral, with central counterparties.

External Credit Assessment Institution
A credit rating agency recognised by the European Union to provide credit ratings used for prudential regulation.

External financing
An investment received by a company from an external party, such as a bank.

Fair value hedge accounting
An accounting method used to recognise potential liabilities that affect the fair market value of assets or other obligations.

Finance for Biodiversity Pledge
A coalition of financial institutions committed to protecting and restoring biodiversity through their activities and investments.

Financial Stability Board
An international body that monitors the global financial system and makes recommendations to promote financial stability.

Financial Statements Format Decree
A legal decree establishing standardised templates for financial statement formats.

Forborne performing
Loans whose terms were previously renegotiated or adjusted due to the borrower's financial difficulties but are now considered performing again as payment obligations are being met.

Fund transfer pricing
A method used to determine the credit spread added to an institution's own funding costs.

Future-Oriented Banking
A self-regulation package from the Dutch Banking Association, consisting of the Social Charter, the Banking Code and the Code of Conduct.

Gap analysis
A method for identifying the difference between an organisation's current and desired state, helping to bridge the gap by mapping out areas for improvement and opportunities.

Gender pay gap
The difference in earnings between men and women in the same role, reflecting historical inequality in compensation between genders.

Geothermal energy
A sustainable heating technology that extracts heat from the earth's subsurface.

Global Reporting Initiative
GRI is an independent international organisation that helps organisations to communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption, etc.

Going concern assumption
The principle that a company will continue its operations in the foreseeable future.

Green Bond
NWB Bank issues Water Bonds, the proceeds of which are used to finance 'green' water authority projects. NWB Bank applies the Green Bond Principles, which are the leading standard on the issue of such bonds.

Green Deal Sustainable Healthcare
Agreements between the government and healthcare institutions to make the sector more sustainable.

Greenwashing
A marketing tactic where a company gives the false impression of being more sustainable than it actually is.

Green-blue network
The connection of natural areas through landscape elements such as hedges, ditches, ponds, verges, woodlands and parks.

GRI guidelines
Reporting guidelines for reporting by organisations on their material issues and the accompanying environmental, social and economic effects.

Guarantee Institution
An entity that provides financial guarantees.

Heat stress
Health issues that arise when high temperatures and humidity prevent humans and animals from properly regulating body temperature.

Heat transition
The shift towards renewable energy sources for heat generation.

Hedge accounting
An accounting method that aligns the timing of gains and losses on derivatives with those of the underlying positions they are used for, providing a more accurate picture of a company's financial health.

ICSR covenant
A covenant for international corporate social responsibility.

Inside-out perspective
Inside-out perspective The positive and negative impact of a company on sustainability themes such as climate change, biodiversity and working conditions.

Intangible assets
Fixed assets related to non-physical capital goods, such as licenses, patents and goodwill.

Interest Rate Risk in the Banking Book
Current or future risk to both an institution's earnings and economic value due to unfavourable interest rate movements affecting interest-sensitive instruments.

Internal Capital Adequacy Assessment Process
An assessment of whether a bank's capital is sufficient for each type of risk, including stress tests to evaluate the resilience of its capitalisation.

Internal Liquidity Adequacy Assessment Process
An assessment of whether a bank's liquidity position and liquidity risk management are adequate.

International Swaps and Derivatives Association
An industry association for participants in the over-the-counter derivatives market.

Investment mandate
A set of agreements defining the framework within which an investor may operate.

Irrevocable payment commitment
A financial institution's irrevocable obligation to pay a specified amount.

Issuer
An entity that issues securities.

Joint Supervisory Team
A team of supervisors composed of European Central Bank staff and national supervisory authority representatives, responsible for banking supervision.

Key performance indicators
Metrics used to measure the performance of a company, its employees, and its products and/or services.

Key person risk
The risk that a crucial employee becomes unavailable for an extended period.

Kilowatt-hour
A unit of measurement for energy consumption, representing 1,000 watts (1 kilowatt) used per hour.

Kunming-Montreal Global Biodiversity Framework
A 2022 international agreement setting targets to combat global biodiversity loss, focusing on nature conservation and sustainability.

Lending
Lending All long-term (>1 year) loans provided by NWB Bank to clients, including newly issued loans, acquired loans and loans with revised interest rates or extended maturities. Investments in NHG RMBS bonds are also included.

Leverage ratio
The ratio of Tier 1 capital to the bank's (adjusted) balance sheet total.

Leverage ratio (adjusted for promotional assets)
The ratio of Tier 1 capital to the bank's (adjusted) balance sheet total. The promotional assets are removed from the balance sheet total.

Lifetime expected credit loss
The expected credit losses due to a client's default over the entire duration of a loan.

Liquidity coverage ratio
An indicator that shows whether sufficient liquid assets are available to absorb a 30-day stress scenario.

Loss given default
The Expected loss a financial institution incurs if a borrower fails to meet its payment obligations.

Low credit risk exemption
A simplification under IFRS 9 that allows banks to assume that the credit risk of a financial instrument has not significantly increased since initial recognition, as long as the instrument is considered low credit risk.

Macro-hedging
A strategy to reduce or eliminate systemic risks in a portfolio by using derivatives.

Management approach
The Management Approach is a reporting item within the GRI framework that provides readers with information on the organisation's strategy and management. It also provides context for the reported performance targets, minimum requirements and trends in CSR performance. A synonym for Management Approach is (internal) governance.

Margin business
In the case of NWB Bank, the practice of earning a margin between borrowed and lent funds while hedging interest rate risks on both sides.

Market abuse
Insider trading and unfair manipulation of prices.

Materiality analysis
The process of determining which economic, environmental and social topics an organisation should report on in its annual report.

Material topics plot
An overview of material topics, assessing their importance both for the company itself (NWB Bank) and for its stakeholders.

Maturity transformation
The process by which banks convert short-term liabilities into long-term assets, such as issuing long-term mortgages funded by short-term deposits.

Medium-Term Note programme
A programme for issuing tradeable debt securities with maturities longer than one year.

Micro-hedging
A strategy aimed at reducing the risk of a specific loan within a portfolio by taking an offsetting position.

Mid-term review
An interim evaluation.

Moody's
An American credit rating agency.

Nature-Inclusive Agenda
A collaboration between businesses, civil society organisations, institutions and governments aiming for a nature-inclusive society by 2050.

Net cash flow
The difference between income and expenditures over a specific period.

Net Stable Funding Ratio (NSFR)
The aim of the Net Stable Funding Ratio is to determine the extent to which longer-term assets are financed with more stable forms of funding.

Netting agreement
An agreement to offset the value of positions or payments between two or more financial parties.

Net-zero standard
The Net-Zero Standard of the Science Based Targets initiative (SBTi), where CO_2 emissions are balanced by the removal of CO_2 from the atmosphere, ensuring no net addition of greenhouse gases.

Non-Financial Reporting Directive
A requirement for companies with more than 500 employees to report on their social and environmental activities.

Non-performing exposure
A loan that no longer meets contractual payment obligations and is considered problematic by the bank.

Note
A debt security issued by a financial institution.

NWB Fund
The NWB Fund is independent form the bank and provide water authorities with financial resources to enable them to contribute to global water solutions based on their core mission and values.

NWB Bank Together Days
Workshops and inspiration sessions for all employees of NWB Bank.

NWB Water Innovation Fund
The NWB Water Innovation Fund is independent from the bank and finances water authorities' innovative projects with wide-ranging applications, which contribute to enhancing sustainability in the Netherlands.

Obligo loan
A loan with a variable principal amount provided to housing associations, intended to supplement the risk capital of the Social Housing Guarantee Fund (WSW).

Off-balance-sheet position
A financial asset or liability not recorded on a company's balance sheet, such as operating leases or certain derivatives.

Onboarding
The introduction and training period for new employees.

One out, all out
A principle in environmental management and sustainability policy stating that if one component of a system fails to meet the standard, the entire system is deemed non-compliant.

Option pricing model
A calculation method used to determine the fair value of options.

Origination date
The date when a loan is officially granted and financing begins.

Outside-in perspective
The financial effects of sustainability-related risks and opportunities on the organisation itself.

Partnership for Biodiversity Accounting Financials
A partnership in the financial sector to transparently assess and disclose the impact and dependence on biodiversity.

Partnership for Carbon Accounting Financials
A financial sector initiative to promote transparency and accountability regarding the Paris Climate Agreement, particularly in relation to CO_2e emissions.

Pass-through NHG RMBS bond
A security backed by residential mortgages, specifically Dutch mortgages with a National Mortgage Guarantee issued by a bank.

Payout ratio
The portion of net profit paid out as dividends to shareholders.

PCAF methodology
A framework and standardised measurement method developed by the Partnership for Carbon Accounting Financials to enhance transparency, awareness, and reporting of CO_2e emissions across various asset classes, including equities, project financing, government bonds, mortgages, corporate financing and real estate.

Performance management
The assessment, measurement and improvement of employee performance to achieve organisational goals.

Performing exposure
A loan that meets contractual payment obligations.

PFAS
Per- and polyfluoroalkyl substances: chemicals harmful to the environment, widely used in industrial and consumer products.

Premium
The positive difference between the current value of a debt security and its nominal value.

Prevention officer
An employee who supports the employer in ensuring workplace safety and health within the organisation.

Probability of default
The likelihood that a borrower will be unable to repay a loan.

Product approval process
The decision-making process a bank follows before producing or distributing a product for its own account and risk or on behalf of its clients. All new products undergo this process.

Product responsibility
The responsibility a bank assumes for offering and managing a specific product.

Projected unit credit method
An actuarial valuation method that projects future salary growth and allocates the cost of employee benefits to each year of service, considering the time value of money.

Promotional asset
A loan provided by a promotional bank or institution to a client or project that contributes to the public interest.

Promotional bank
A financial institution whose activities contribute to the public interest.

Product Approval Process
A process implemented by the bank, which helps to decide whether to provide or distribute a certain product at its own risk and expense or for the benefit of its clients. All new products undergo this process.

Promotional loan
Loan granted directly or through an intermediary lending institution on a non-competitive, non-profit-making basis; a loan that is granted by a public development finance institution or an entity created by the central government, regional government or local government of a Member State of the European Union to further the policy objectives of that Member State.

Prudential supervision
Independent oversight of the financial soundness of financial institutions to ensure the stability of the financial system.

Public development credit institution
A government-initiated financial institution that contributes to achieving public policy objectives.

Rebound clause
A provision in a payment agreement that always allows the primary bank to make a second, more competitive offer.

Reduction targets
The percentage decrease in greenhouse gas emissions compared to 1990 levels, as agreed in climate accords.

Refinancing
Taking out new loans under better conditions to cover existing debts.

Registered bond
A bond issued in the name of a specific holder that is not freely transferable to another successor.

Regulated maximum cost of capital
The maximum return set by regulators that a company may use to calculate the cost of equity and debt financing.

Removal
The process of removing greenhouse gases from the atmosphere using technologies such as carbon capture or reforestation.

Residential mortgage-backed security
A financial security backed by residential mortgages.

Resolution levy
A tax paid by banks as a contribution to the costs of financial rescue operations, such as the nationalisation of a bank.

Global Reporting Initiative Guidelines
Guidelines for organisations to report on their material topics and their associated environmental, social and economic impacts.

Renewable energy
Energy derived from natural sources that are continuously replenished, such as solar and wind energy.

Revaluation reserve
A reserve created when assets increase in value, leading to a rise in equity.

Regulated maximum cost of capital
The maximum return set by regulators that a company may use to calculate the cost of equity and debt financing.

Risk and control framework
A framework used to map processes, risks and controls.

Risk appetite
The level of financial risk a bank is willing to accept.

Risk Appetite Statement
A bank's communicated risk tolerance, both internally and externally.

Risk governance
The internal organisation of risk management. At NWB Bank, risk governance is established within the risk management framework.

Risk materiality assessment
A process for identifying and evaluating key risks based on their potential impact and likelihood of affecting organisational objectives.

Risk profile
The degree to which an individual or organization is exposed to financial risks.

Risk taxonomy
A structured classification of different types of risks to identify, categorise and manage risks within an organisation.

Schuldschein
A medium- to long-term loan regulated by German law, usually unsecured, documented by a promissory note.

Science Based Target Setting Tool
A tool for setting emission reduction targets based on scientifically validated methods.

Science Based Targets initiative (SBTi)
An organisation that helps companies and financial institutions set science-based targets for reducing greenhouse gas emissions, aligned with the goal of limiting global warming to 1.5°C above pre-industrial levels.

SDE++
The Stimulation of Sustainable Energy Production (SDE, after that: SDE+, as of 2020: SDE++) is a ministerial agreement aiming to stimulate the production of clean and sustainable energy.

SDG Housing Bonds
To finance lending to housing associations, we issue special SDG Housing Bonds, where SDG stands for the United Nations Sustainable Development Goals. In issuing these ESG bonds, we use the International Capital Market Association's Social Bond Principles, which are the leading standard in the market for issuing such bonds.

Senior note
A loan that takes priority over most other debts in case of the issuer's bankruptcy.

Sensitivity analysis
A calculation to assess the sensitivity to potential credit losses in the event of borrower default.

Single Resolution Board
An institution within the European banking union responsible for ensuring financial stability and orderly resolution in case of a bank failure.

Single Resolution Mechanism
The Single Resolution Board plus the national resolution authorities of countries participating in the European banking union.

Single Supervisory Mechanism
A supervisory system within the European banking union, consisting of the European Central Bank and national regulators of participating countries.

Sovereigns, Supranationals and Agencies
Entities that issue bonds. Sovereigns refers to national governments, Supranationals to international organisations such as the World Bank, and Agencies to government-related institutions, such as NWB Bank.

Spread risk
The risk of changes in the creditworthiness of bonds and loans.

Stakeholder dialogue
Our stakeholders are all those people and organisations with whom we work or who care about NWB Bank's social role as a promotional bank. These stakeholders include at least our shareholders, clients, investors, employees, regulators and the government. In order to give nature and the environment an adequate voice, we also consider environmental organisations to be our stakeholders. We regularly contact our stakeholders to find out what they are doing. We call this stakeholder dialogue.

Standard & Poor's
An American credit rating agency, now more commonly known as S&P.

Standard return
The return on equity prescribed by the state for a state-owned enterprise.

State Participation Policy Memorandum
A policy document from the Ministry of Finance outlining how the state influences the direction of companies through shareholding to safeguard public interests.

Subordinated debt
A loan in which the lender ranks below other creditors in the event of bankruptcy.

Supervisory dialogue meeting
A meeting between a bank and the Joint Supervisory Team of the European Central Bank as part of banking supervision.

Supervisory Review and Evaluation Process
Annual process in which regulators assess banks' strategies, processes and risks to ensure they have sufficient capital and effective risk management practices to handle potential risks.

Sustainability Advisory Board
Internal advisory committee at NWB Bank responsible for drafting, reviewing and, if necessary, adjusting plans and policies directly related to sustainability.

Sustainability-linked loan
A loan in which the bank and the client agree on a set of sustainability performance indicators. If the client meets the targets, it receives a discount on the interest rate.

Sustainable Development Goals
The SDGs are a set of goals launched in 2015, formulated by the United Nations and intended as a new guiding conceptual framework for sustainable development. NWB Bank and the other Dutch banks seek to play an active part in increasing the sustainability of the economy, and the SDGs are a key frame of reference in this endeavour.

Sustainable energy projects
Sustainable energy projects relate to energy from natural sources: sun, wind, soil and water. The National Green Fund has also been designated a sustainable energy project.

Sustainable Finance Platform
A collaboration within De Nederlandsche Bank involving the financial sector, regulators and ministries, aimed at promoting the sustainability transition in the Netherlands.

SWOT analysis
A strengths and weaknesses assessment of an organisation, used to help determine its strategy.

Tangible assets
Fixed assets related to physical capital goods, such as land, buildings and machinery.

Targeted longer-term refinancing operations
Support measures by the European Central Bank for banks, initially introduced in response to the financial crisis and later extended due to the COVID-19 crisis.

Task Force on Climate-related Financial Disclosures
A body within the Financial Stability Board that develops recommendations on which information companies should disclose to help investors, lenders and insurers accurately assess and price climate-related risks.

Terajoule
A unit of energy equal to 1,000,000,000,000 joules, equivalent to 31,600 cubic metres of natural gas or 278,000 kilowatt-hours of electricity.

Thin capitalization rule
A minimum capital requirement for banks and insurers that limits the tax deductibility of interest on corporate debt.

Three Lines of Defence model
A risk management framework where the first line consists of operational management, the second line covers risk management and compliance, and the third line is internal audit.

Tier 1 capital ratio
The bank's core capital including Additional Tier 1 capital, expressed as a percentage of total risk-weighted assets.

Town hall session
An informal information meeting where, in this case, the NWB Bank Managing Board informs all employees about topics such as annual figures, half-year results and the outcomes of the annual strategy cycle.

Transition risk
The risk of financial losses due to the shift to a sustainable economy, for example, caused by stricter regulations or changing market conditions.

Transmission channel
A mechanism through which changes in financial policy or external shocks affect financial stability and bank performance, such as through interest rate changes or credit conditions.

Transparency benchmark
A ranking by the Ministry of Economic Affairs and Climate that assesses the 500 largest companies in the Netherlands based on transparency in corporate social responsibility (CSR) reporting.

Two-tier board
A governance structure that separates management and supervision, where the Managing Board is responsible for the company's daily operations, while a separate Supervisory Board oversees the management.

UN Global Compact
A United Nations initiative of relevance to companies wishing to operate and report in a socially responsible manner. It comprises ten principles in the areas of human rights, labour, environment and anti-corruption.

Upstream and downstream
The entire value chain from top to bottom, covering everything from suppliers to customers and distributors.

Value adjustment
A change in the value of financial assets or liabilities due to factors such as market conditions, interest rate changes or credit risk.

Value chain (analysis)
A model used to analyse an organisation's activities and assess how it creates, or fails to create, value for clients.

Value chain map
A model used to identify and prioritize significant impacts, risks and opportunities (IROs) across an organisation's entire value chain.

Value creation model
A schematic representation of a company's impact on people, society and the environment, illustrating how it creates value for its stakeholders and the broader community.

Vision quadrant
A four-part framework for connection, motivation and inspiration within NWB Bank, consisting of the bank's mission, core values, core qualities and audacious goal.

Watch classification
A designation indicating that a loan shows potential issues and must be closely monitored to prevent deterioration in credit quality.

Water Authorities' Climate Monitor
An annual study commissioned by the Association of Dutch Water Authorities and NWB Bank to assess the progress of water authorities in the areas of energy, climate and sustainability.

Water Bond
An ESG bond labeled as a Green Bond, intended to finance the activities of water authorities.

Water Framework Directive
An EU directive on water quality, requiring that all surface water and groundwater in member states be chemically clean and ecologically healthy by 2027.

Whistle-blower policy
A requirement for companies with 50 or more employees to have a procedure for reporting potential misconduct within the organisation.

LIST OF ABBREVIATIONS

Abbreviation	Description
€STR	Euro short-term rate
AGM	Annual General Meeting of Shareholders
ALCO	Asset & Liability Committee
AOW	*Algemene Ouderdomswet* (General Old Age Pensions Act)
AUD	Australian dollar
BCMS	Business Continuity Management System
bhv	*bedrijfshulpverlening* (emergency response officers)
bp	basis point
BRRD	Bank Recovery and Resolution Directive
CAD	Canadian dollar
CCA	climate change adaptation
CCM	climate change mitigation
CCO	chief commercial officer
CDD	customer due diligence
CDS	credit default swap
CET1	common equity tier 1 (capital reserves)
CFO	chief financial officer
CHF	Swiss franc
CLA	collective labour agreement
CO_2e	carbon dioxide equivalent
CoC	Chamber of Commerce
COVID-19	Corona virus disease-2019
CP	commercial paper
CPB	Statistics Netherlands (*Centraal Planbureau*)
CRD	Capital Requirements Directive
CRO	chief risk officer
CRR	Capital Requirements Regulation
CRS	credit risk score
CSA	Credit Support Annex
CSRBB	credit spread risk in the banking book
CSR	corporate social responsibility
CSRD	Corporate Sustainability Reporting Directive
CT	corporate tax
CVA	credit valuation adjustment
DC	defined contribution
DCC	Dutch Civil Code
DCO	*decentrale overheid* (provincial authorities)
DGS	Deposit Guarantee Scheme
DMA	double materiality analysis
DNB	The Dutch Central Bank (De Nederlandse Bank)
DORA	Digital Operational Resilience Act
DR	disclosure requirement
DV01	Dollar Value of one basis point
DVA	debit valuation adjustment
dVi	*de Verantwoordingsinformatie* (financial accountability of housing associations)
EAD	exposure at default
EAPB	European Association of Public Banks
EAR	earnings at risk
EBA	European Banking Authority
ECB	European Central Bank
ECL	expected credit loss
ECP	Euro Commercial Paper
EIB	European Investment Bank
EGM	extraordinary general meeting of shareholders
ESEF	European Single Electronic Format
ESG	environmental, social and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
EU-PAB	EU Paris-Alligned Benchmarks
EUR	euro
FSB	Financial Stability Board
FTE	full-time equivalent
FX	foreign exchange
GAAP	generally accepted accounting principles
GBP	British pound
GHG	greenhouse gas
GIAS	Global Internal Audit Standards
GRI	Global Reporting Initiative
GWh	Gigawatt hours
HKD	Hong Kong dollar
HR	human resources
HRM	human resource management
HWBP	*Hoogwaterbeschermingsprogramma* (Dutch Flood Protection Programme)
IAD	Internal Audit Department
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
ICSR	international corporate social responsibility
ICT	information and communications technology
IEA	International Energy Agency
IFRS	international financial reporting standards
IIA	Institute of Internal Auditors
ILAAP	Internal Liquidity Adequacy Assessment Process
ILT	Inspectorate for the Environment and Transport
IPC	irrevocable payment commitment

Abbreviation	Description
IPCC	Intergovernmental Panel on Climate Change
IPPF	International Professional Practices Framework
IRO	impact, risk and opportunity
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JPY	Japanese yen
JST	Joint Supervisory Team
KIWI	introductory training programme for water managers (Kennis en Introductieprogramma Waterschappen Inernationaal)
KNMI	Royal Netherlands Meteorological Institute
KPI	key performance indicator
KRI	key risk indicator
LCR	liquidity coverage ratio
LCRE	low credit risk exemption
LGD	loss given default
LT	long-term 10 years
MSCI	medium-long term 3-10 years Morgan Stanley Capital International
MLT	medium-long term 3-10 years
NBA	Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*)
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NHG RMBS	National Mortgage Garantuee Residential Mortgage-Backed Security
NII	net interest income
NOK	Norwegian krone
NSFR	net stable funding ratio
NVKS	further regulations on quality systems (*nadere voorschriften kwaliteitssystemen*)
NZD	New Zealand dollar

Abbreviation	Description
NZE	net zero emissions
OIS	overnight index swaps
ORM	operational risk management
PBAF	Partnership for Biodiversity Accounting Financials
PCAF	Parnership for Carbon Accounting Financials
PD	probability of default
PFAS	Per- and polyfluoroalkyl substances
PPI	Premium pension institution
PPP	public-private partnership
RAC	Remuneration and Appointment Committee
RMA	risk materiality assessment
RMBS	residential mortgage-backed securities
RTS	regulatory technical standards
SB	Supervisory Board
SBTi	Science Based Targets initiative
SDE++	Stimulation of Sustainable Energy Production (Stimulering Duurzame Energieproductie)
SDG	Sustainable Development Goal
SEK	Swedish krona
SER	Social and Economic Council (*Sociaal-Economische Raad*)
SFI	special financial institution
SGEI	Services of general economic interest
SICR	significant increase in credit risk
SIRA	systematic integrity risk assessment
SLL	sustainability linked loan
SMT	short-medium term 1-3 years
SNK	National Carbon Market Foundation (*Stichting Nationale Koolstofmarkt*)
SoI	statement of income
SPP	strategic personnel planning
SRB	Single Resolution Board

Abbreviation	Description
SREP	Supervisory Review and Evaluation Process
SRM	Single Resolution Mechanism
SSA	Sovereigns, Supranationals and Agencies
ST	short-term < 1 year
SSM	Single Supervisory Mechanism
SWOT	strengths weaknesses opportunities threats
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	tonnes of CO_2 equivalent
TJ	terajoule
UK	United Kingdom
UMC	University Medical Center
UN	United Nations
USCP	US Commercial Paper
USD	US dollar
UTP	unlikely to pay
UvW	Association of Dutch Water Authorities (*Unie van Waterschappen*)
VAT	value added tax
VGBA	Dutch Code of Ethics (Verordening gedrags- en beroepsregels accountants)
VNG	Association of Netherlands Municipalities (*Vereniging van Nederlandse Gemeenten*)
WACC	weighted average cost of capital
WAVES	Water Authority Analysis and Improvement System (*Waterschap Analyse- en Verbetersysteem*)
WcW	Collective Heating Supply Act (*Wet collectieve warmte*)
WFD	Water Framework Directive
Wft	Financial Supervision Act (*Wet op het financieel toezicht*)
WfZ	Healthcare Guarantee Fund (*Waarborgfonds voor de Zorgsector*)
WIA	Work and Income according to Labour Capacity Act (*Wet werk en inkomen naar arbeidsvermogen*)
WIF	NWB Water Innovation Fund

Abbreviation	Description
WRI	World Resources Institute
WSW	Social Housing Guarantee Fund *(Waarborgfonds Sociale Woningbouw)*
ZAR	South African rand

PUBLICATION DETAILS

Design, editing and coordination production

NWB Bank
Het Nederlands Tekstbureau
CF Report

Photography

Portaits of Managing Board and Supervisory Board: Jurgen Huiskes and Martijn Beekman
Portaits of employees: Martijn Beekman and Norbert Waalboer
Picture of drinking water company WMD
Picture of housing association Domijn
Picture of Maastricht UMC
Picture of energy company HVC

Questions or comments

If you have any questions about or comments about this Annual Report, please do not hesitate to contact us by email at persinfo@nwbbank.com.

© 2025 | Nederlandse Waterschapsbank N.V.