Capital Adequacy and Risk Management Report 2024

Pillar 3

NIBC
the entrepreneurial bank

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Introduction

Goal and overview

NIBC's Capital Adequacy and Risk Management (Pillar 3) Report contains information that enables an assessment of the risk profile and capital adequacy of NIBC Holding N.V. This publication meets the disclosure requirements of the Basel III framework, as stipulated in the Capital Requirements Regulation and Directive IV **(CRR/CRD)**, as amended. The CRR/CRD is legally enforced by Dutch law by the Financial Supervision Act **(Wet op het financieel toezicht, Wft)**.

The Basel Framework contains three pillars:

- Pillar 1 defines the regulatory minimum capital requirements by providing rules and regulations for the measurement of credit risk, market risk, operational risk and credit valuation adjustment. These capital requirements need to be covered by regulatory own funds. NIBC received approval from the Dutch Central Bank **(DNB)** to use the Advanced Internal Ratings-Based **(AIRB)** approach for calculating solvency requirements regarding credit risk for corporate loans (up to and including 31 December 2024) and Dutch residential mortgage loans, and the Internal Model Approach **(IMA)** regarding market risk in the Trading book. Furthermore, NIBC uses the external ratings-based approach for the securitisation exposure class and the simple risk-weight approach for the equity exposure class. Solvency requirements for the remaining portfolios and for operational risk are calculated using the Standardised Approach **(SA).** The bank has performed a review of its model landscape. With the implementation of CRR3/Basel IV, NIBC will bring in the first part of 2025 all corporate exposures under SA. The owner occupied mortgage loans will be treated under the AIRB approach, apart from a small sub-portfolio, which will also be reported under SA;
- Pillar 2 covers the Supervisory Review and Evaluation Process **(SREP)**. This consists of the Internal Capital Adequacy Assessment Process **(ICAAP)**, the bank's own assessment of its capital adequacy in relation to all its risks, and the SREP letter**,** the response of the Supervisor to the institution's ICAAP. Since 2011, DNB also analyses the Internal Liquidity Adequacy Assessment Process (**ILAAP**); and
- Pillar 3 focuses on disclosure requirements, covering all relevant pieces of information for a market participant to assess the risk profile and capital adequacy of a credit institution. The risk disclosures are connected to Pillar 1 of the CRR/CRD framework, as information is provided regarding the underlying exposures, risk weighted assets and regulatory capital.

NIBC's Capital Adequacy and Risk Management Report is prepared to meet the requirements of Pillar 3. The Capital Adequacy and Risk Management Report follows the structure below:

- Internal Capital Adequacy Assessment Process
- Risk Management Strategy & Process
- Own Funds
- Leverage Ratio
- Liquidity Risk
- Credit Risk
- Equity exposures under the simple risk-weighted approach
- Securitisation Exposures
- Market Risk including Interest Rate Risk in the Banking book
- Operational Risk
- Remuneration Policy
- Sustainability Disclosures

The scope of application in this report refers to NIBC Holding N.V., henceforth referred to as NIBC. The main subsidiary of NIBC is NIBC Bank N.V. (**NIBC Bank**). Where necessary, an explicit distinction between NIBC and NIBC Bank is made. The starting point of the CRR/CRD prudential scope of application is the consolidation scope of NIBC, according to the International Financial Reporting Standards **(IFRS)**. In line with the requirements of the CRR/CRD, a prudential filter is applied for non-financial subsidiaries. These entities are excluded from the consolidation scope and are, instead, treated as investments in associates. Following the merger between NIBC Holding N.V. (the disappearing entity) and NIBC Bank N.V. (the acquiring entity) per 1 January 2025, this report will be the final Pillar 3 report of NIBC Holding N.V..

The credit exposures in this report may not always be directly comparable to the numbers in NIBC's 2024 Annual Report. The numbers in the Annual Report refer to book values and classifications in line with IFRS requirements. The numbers in this report, in line CRR/CRD, refer to exposure at default **(EAD)** which is either mentioned as EAD or Exposure in this Pillar 3 Report, which is a risk measure of the potential amount outstanding in the event of default. EAD is a different measure than drawn and undrawn amounts, and the method employed for its calculation differs per exposure class and among credit institutions. A more detailed explanation on EAD can be found in the *Credit Risk* chapter. In the Annual Report, balance sheet figures are based on drawn amounts and risk "exposure" is the sum of drawn plus undrawn amounts and not EAD as reported in this Pillar 3 Report.

NIBC's Pillar 3 Report is published annually on NIBC's website. The report may also be published more frequently if special market circumstances require so. Information regarding risk management and key data on capital adequacy is presented in NIBC's Annual Report as well. This Pillar 3 Report should be read in conjunction with NIBC's Annual Report. All figures presented in this Pillar 3 Report are as per 31 December of the reporting period, unless stated otherwise.

Management statement

NIBC operates a risk management framework to support the appropriateness of the Pillar 3 disclosures. In line with the Implementing Technical Standards **(ITS)** and the mapping tool as provided by EBA, the templates in this report have been aligned to other supervisory reports and reconciliations were executed against regulatory reports submitted to DNB such as Corep and Finrep. The Managing Board **(MB)** has discussed the Pillar 3 Report and the internal governance to prepare the Pillar 3 report. The Managing Board acknowledges that the Pillar 3 report adequately conveys the risk profile of NIBC and the risk management systems are adequate with regards to the profile and strategy of the bank.

Scope of application

The basis of NIBC's financial consolidation scope is described in the accounting policies section of NIBC's financial statement 2024. The scope is based on IFRS, which is determined in accordance with IAS 10 Consolidated Financial Statements , IAS 28 Investments in Associates, IAS 31 Interest in Joint Ventures and SIC 12 Consolidation Special Purpose Entities.

The regulatory consolidation scope differs from the financial consolidation scope. The regulatory consolidation does not include Special Purpose Entities where significant risk has been transferred to investors. Subsidiaries engaged in non-financial activities are excluded from the regulatory consolidation. Exposures to the Special Purpose Entities and non-financial subsidiaries are risk weighted as securitisation exposures and investments in associates (equity method). NIBC's financial accounting and regulatory scope of consolidation balance sheets are identical.

The following table presents the key entities that form part of the capital base of NIBC.

	Principal place of business	Country	Nature of activity	Percentage of voting rights held
SUBSIDIARIES OF NIBC HOLDING N.V.				
NIBC Bank N.V.	The Hague	Netherlands	Banking	100%
NIBC Investment Management N.V.	The Hague	Netherlands	Financing	100%
NIBC Investments N.V.	The Hague	Netherlands	Financing	100%
SUBSIDIARIES OF NIBC BANK N.V.				
Parnib Holding N.V.	The Hague	Netherlands	Financing	100%
Counting House B.V.	The Hague	Netherlands	Financing	100%
B.V. NIBC Mortgage Backed Assets	The Hague	Netherlands	Financing	100%
NIBC Principal Investments B.V.	The Hague	Netherlands	Financing	100%
NIBC Financing N.V.	The Hague	Netherlands	Financing	100%

EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories 2024

IN EUR MILLIONS		Carrying Values		Carrying value of items				
		As reported in published financial statements	Under scope of regulatory consolidation	Subject to credit risk framework	Subject to CCR framework	Subject to Securitisation framework	Subject to market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	ASSETS							
1	Cash and balances with central banks	3,096	3,096	3,096	-	-	-	-
2	Due from other banks	598	598	598	-	-	-	-
3	Derivative financial instruments	83	83	-	83	-	-	-
4	Debt investments at fair value through other comprehensive income	1,174	1,174	487	-	686	-	0
5	Debt investments at fair value through profit or loss	11	11	-	-	11	-	-
6	Mortgage loans at amortised cost	13,622	13,622	13,622	-	-	-	-
7	Corporate loans at amortised cost	4,096	4,096	4,096	-	-	-	-
8	Loans at fair value through profit or loss	96	96	96	-	-	-	-
9	Lease receivables	1	1	1	-	-	-	-
10	Equity investments (including investments in associates)	115	115	115	-	-	-	-
11	Investment property	24	24	24	-	-	-	-
12	Property and equipment (including right-of-use assets	26	26	26	-	-	-	-
13	Intangible assets	1	1	1	-	-	-	-
14	Tax assets	3	3	3	-	-	-	-
15	Other assets	5	5	5	-	-	-	-
16	Assets held for sale							
17	**Total Assets**	**22,951**	**22,951**	**22,170**	**83**	**697**	**-**	**0**
	LIABILIITIES							
18	Derivative financial instruments	104	104	-	104	-	-	-
19	Due to other banks	54	54	-	-	-	-	54
20	Deposits from customers	12,499	12,499	-	-	-	-	12,499
21	Debt securities issued	7,740	7,740	-	-	-	-	7,740
22	Tax liabilities	20	20	-	-	-	-	20
23	Provisions	7	7	-	-	-	-	7
24	Accruals and other liabilities	83	83	-	-	-	-	83
25	Subordinated liabilities	442	442	-	-	-	-	442
26	Liabilities for sale							
27	**Total Liabilities**	**20,948**	**20,948**	**-**	**104**	**-**	**-**	**20,844**

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements 2024

in EUR millions			Items subject to			
		Total	Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	22,951	22,170	697	83	-
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	104	-	-	104	-
3	**Total net amount under the scope of prudential consolidation**	**22,847**	**22,170**	**697**	**-21**	**-**
4	Off-balance-sheet amounts	1,690	1,690	-	-	-
5	*Differences in valuations*	-	-	-	-	-
6	*Differences due to different netting rules, other than those already included in row 2*	-	-	-	-	-
7	*Differences due to consideration of provisions*	93	93	-	-	-
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	-	-	-	-	-
9	*Differences due to credit conversion factors*	-677	-677	-	-	-
10	*Differences due to Securitisation with risk transfer*	-	-	-	-	-
11	*Other differences*	312	312	-	-	-
12	**Exposure amounts considered for regulatory purposes**	**24,265**	**23,589**	**697**	**-21**	**-**

Explanation of differences between accounting and regulatory exposure amounts

The main differences between the carrying value of assets under the scope of regulatory consolidation and the exposure amounts considered for regulatory purposes can be explained by the inclusion of off-balance sheet liabilities and the effect of credit conversion factors in the exposure amounts for regulatory purposes and valuation differences due to loan loss provisions. The amount that is disclosed in row "Other differences" mainly relates to hedge accounting adjustments.

Other qualitative information on the scope of application

There is no current or foreseen material practical or legal impediment to the timely transfer of own funds or repayment of liabilities between NIBC and its subsidiaries. All subsidiaries are included in the prudential scope of consolidation for the purpose of calculating regulatory capital. Therefore, the aggregate amount by which the actual own funds are less than the required minimum in subsidiaries not included in the consolidation scope is nil. According to CRR NIBC is required to comply with prudential and liquidity requirements on a consolidated and individual basis. NIBC does not make use of derogation referred to in Article 7 CRR but does make use of derogation referred to in Article 9 CRR.

Tables that are out of scope for NIBC

Article 432 of Regulation (EU) No 575/2013 (CRR) and Article 16 of the Commission Implementing Regulation (EU) 2021/763 allow the omission of one or more of the disclosures when the information provided by those disclosures is not regarded as material. Article 45i of Directive 2014/59/EU (BRRD) exempts liquidation entities from disclosing information on minimum requirement for own funds and eligible liabilities **(MREL)**. DNB has earlier established that should NIBC meet the conditions for resolution, NIBC is expected to be wound up via normal insolvency proceeding. The MREL requirement for NIBC has been established by DNB to be equal to the SREP requirement. For these reasons NIBC doesn't disclose information of the disclosure templates EU KM2, EU TLAC1, EU iLAC, EU TLAC2, EU TLAC3.

The following tables have also been identified as not applicable to NIBC and therefore not included in this report:

Template	Description	Reason of exclusion
EU INS1	Insurance participations	NIBC does not hold any own funds in insurance or re-insurance undertakings or insurance holding company not deducted from own funds
EU INS2	Financial conglomerates information on own funds and capital adequacy ratio	NIBC is not (part of) a financial conglomerate
EU PV1	Prudent valuation adjustments (PVA)	NIBC has not made any prudent valuation adjustments
EU CCR4	IRB approach – CCR exposures by exposure class and PD scale	NIBC does not use the Internal Ratings Based approach for counterparty credit risk exposures
EU CCR6	Credit derivatives exposures	NIBC does not use credit derivatives as a form of security or as an instrument to hedge credit risk
EU CCR7	RWEA flow statements of CCR exposures under the IMM	NIBC is not a Globally Systemically Important Institution (G-SII), listed institution or other large institution
EU CR6	IRB approach – Credit risk exposures by exposure class and PD range	Based on NIBC's size and complexity, the underlying data is not required in the regulatory reporting templates
EU CR6A	Scope of the use of IRB and SA approaches	Based on NIBC's size and complexity, the underlying data is not required in the regulatory reporting templates
EU CR7	IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques	NIBC does not use credit derivatives as CRM technique
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	Based on NIBC's size and complexity, the underlying data is not required in the regulatory reporting templates
EU CR9	IRB approach – Back-testing of PD per exposure class (fixed PD scale)	Based on NIBC's size and complexity, the underlying data is not required in the regulatory reporting templates
EU CR9.1	IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	NIBC does not map its internal grades to the scale used by an ECAI or similar organization
EU CR10.1	Specialised lending : Project finance (Slotting approach)	NIBC does not use the Slotting approach for Specialised lending
EU CR10.2	Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)	NIBC does not use the Slotting approach for Specialised lending
EU CR10.3	Specialised lending : Object finance (Slotting approach)	NIBC does not use the Slotting approach for Specialised lending
EU CR10.4	Specialised lending : Commodities finance (Slotting approach)	NIBC does not use the Slotting approach for Specialised lending
EU SEC2	Securitisation exposures in the trading book	NIBC does not have any exposure to securitisation positions in its trading book
Prudential disclosures on ESG risks: Template 1	Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 2	Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 3	Banking book - Indicators of potential climate change transition risk: Alignment metrics	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State

Template	Description	Reason of exclusion
Prudential disclosures on ESG risks: Template 4	Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 5	Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 6	Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 7	Mitigating actions: Assets for the calculation of Green Asset Ratio (GAR)	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 8	GAR (%)	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 9	Mitigating actions: banking book taxonomy alignment ratio (BTAR)	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State
Prudential disclosures on ESG risks: Template 10	Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852	NIBC is not a large institution which has issued securities that are admitted to trading on a regulated market of any EU Member State

NIBC does not have a NPE ratio equal to or higher than 5%. The reporting threshold of Article 8(3) of Regulation (EU) 2021/637 is thus not met and therefore the following tables are not included in this report.

Template	Description
EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries
EU CQ2	Quality of forbearance
EU CQ6	Collateral valuation - loans and advances
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown

Key Metrics & Overview of RWEA

Key metrics

EU KM1 – Key Metrics

in EUR millions		2024	2023
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	1,631	1,756
2	Tier 1 capital	1,737	1,877
3	Total capital	1,912	1,977
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	6,991	9,319
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	23.3%	18.8%
6	Tier 1 ratio (%)	24.8%	20.1%
7	Total capital ratio (%)	27.4%	21.2%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.3%	3.7%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.8%	2.1%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.4%	2.8%
EU 7d	Total SREP own funds requirements (%)	11.3%	11.7%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	1.8%	1.1%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer	0.0%	0.0%
11	Combined buffer requirement (%)	4.3%	3.6%
EU 11a	Overall capital requirements (%)	15.6%	15.3%
12	CET1 available after meeting the total SREP own funds requirements (%)	16.1%	9.5%
	Leverage ratio		
13	Total exposure measure	23,689	23,794
14	Leverage ratio (%)	7.3%	7.9%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%

in EUR millions		2024	2023
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%
EU 14e	Overall leverage ratio requirements (%)	3.0%	3.0%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	4,006	2,684
EU 16a	**Cash outflows - Total weighted value**	1,389	1,208
EU 16b	**Cash inflows - Total weighted value**	190	103
16	Total net cash outflows (adjusted value)	1,199	1,105
17	Liquidity coverage ratio (%)	334%	243%
	Net Stable Funding Ratio		
18	Total available stable funding	20,734	20,873
19	Total required stable funding	14,443	15,920
20	NSFR ratio (%)	144%	131%

Overview of Risk Weighted exposure amount

EU OV1 - Overview of total risk exposure amounts

in EUR millions		Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
		2024	2023	2024	2023
1	**Credit risk (excluding CCR)**	**5,849**	**8,123**	**468**	**650**
2	Of which the standardised approach	1,588	3,198	127	256
3	Of which the Foundation IRB (F-IRB) approach	-	-	-	-
4	Of which slotting approach	-	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	438	487	35	39
5	Of which the Advanced IRB (A-IRB) approach	3,773	4,269	302	342
	Of which other non credit-obligation assets	50	168	4	13
	Other Risk Exposure Amounts of which: Additional stricter prudential requirements based on Art 458 of which: due to modified risk weights for targeting asset bubbles in the residential and commercial property	-	-	-	-
6	**Counterparty credit risk - CCR**	**115**	**143**	**9**	**11**
7	Of which the standardised approach	107	132	9	11
8	Of which internal model method (IMM)	-	-	-	-

in EUR millions		Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
		2024	**2023**	**2024**	**2023**
EU 8a	Of which exposures to a CCP	1	2	0	0
EU 8b	Of which credit valuation adjustment - CVA	6	9	1	1
9	Of which other CCR	-	-	-	-
15	**Settlement risk**	**-**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**115**	**114**	**9**	**9**
17	Of which SEC-IRBA approach	-	-	-	-
18	Of which SEC-ERBA (including IAA)	114	112	9	9
19	Of which SEC-SA approach	2	2	0	0
EU 19a	Of which 1250%	-	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**13**	**31**	**1**	**3**
21	Of which the standardised approach	3	6	0	1
22	Of which IMA	10	25	1	2
EU 22a	**Large exposures**	**-**	**-**	**-**	**-**
23	**Operational risk**	**899**	**908**	**72**	**73**
EU 23a	Of which basic indicator approach	-	-	-	-
EU 23b	Of which standardised approach	899	908	72	73
EU 23c	Of which advanced measurement approach	-	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**-**	**-**	**-**	**-**
29	**Total**	**6,991**	**9,319**	**559**	**746**

The total *Risk Weighted Exposure Amount* **(RWEA)** decreased in 2024, largely related to credit risk RWEA. This is mainly driven by the sale of the Shipping portfolio as well as the sale of the platform businesses (Beequip and yesqar).

Internal capital adequacy assessment process

The ICAAP of each institution refers to the process in which risks and related capital are internally measured, allocated and managed, and by which the adequacy of available capital is assessed.

The internal capital requirements of NIBC under the ICAAP are based upon an internal Economic Capital framework. In addition to this, NIBC has set up a framework of historical and hypothetical stress scenarios in order to analyse the impact of severe shocks in the credit risk, market risk and operational risk environment. The outcomes of these stress scenarios are compared to the available capital on a semi-annual basis. In certain circumstances, for example with increased volatility due to the external environment, additional analysis is conducted.

ECONOMIC CAPITAL

Economic Capital **(EC)** is the amount of capital that NIBC allocates as a buffer against potential losses from business activities, based upon its internal assessment of risks. EC is based on the CRR/CRD regulatory capital, with the addition of EC for risks not captured by the regulatory method. Business profitability is measured relative to the risk taken using the Risk-Adjusted Return on Capital **(RAROC)**, a risk-weighted measure of return. EC and RAROC are key tools used in supporting the capital allocation process according to which shareholders' equity is allocated as efficiently as possible based on expectations of both risk and return. The usage of EC is steered in the Asset & Liability Committee **(ALCO)**. The ALCO can adjust the maximum EC level allocated to and within each business, taking into account business expectations and the desired risk profile.

EC methodology

The EC calculation is based on a one-year risk horizon, using a 99.9% confidence level. This confidence level means that there is a probability of 0.1% that losses in a period of one year will be larger than the allocated EC, based on a constant portfolio and no management intervention.

NIBC uses a bank-wide EC framework and fully attributes all EC charges to portfolios.

NIBC uses regulatory capital for all Pillar 1 risks, whereas internal models are used for Pillar 2 risks.

Pillar 1 risks

Pillar 1 risks include Credit Risk, Market Risk, Operational Risk and Credit Valuation Adjustment. As stated above the EC for Pillar 1 risks follows the regulatory capital treatment:

- The Credit Risk EC is mostly based upon the AIRB formula, using internal estimates of PD, LGD, EAD and maturity **(M)**, whereas for a number of exposures the Standardised Approach is used. This risk category includes Counterparty Credit Risk for derivatives;
- The Market Risk EC includes regulatory capital for the Trading Book and FX Risk;
- The Operational Risk EC is based upon the Standardised Approach for Regulatory Capital;
- The Credit Value Adjustment EC includes Regulatory Capital for financial institutions.

Pillar 2 risks

As part of the risk identification process, NIBC has assessed all risks to which it is exposed in addition to the Pillar 1 risks. These include both financial and non-financial risks. For the financial risks, NIBC uses internally developed models. Examples of Pillar 2 financial risks are Interest Rate Risk in the Banking Book **(IRRBB)**, Concentration Risk both single name and sector concentration and Market Risk for Fair Value positions.

Diversification

NIBC does not recognise any diversification between risk types. Within certain risk types diversification is inherently included. This is the case for Market Risk, IRRBB and Concentration Risk.

STRESS SCENARIOS

On a periodic basis, stress scenario outcomes estimated by using NIBC's Stress Testing Framework are presented to the RMC and RPCC, providing senior management and the Supervisory Board members with information that can be taken into account for strategic decision making. Moreover, outcomes influence to NIBC's Risk Appetite Framework, based on which management steers the bank's aggregated risks. The Stress Testing Framework accounts for the impact of a set of historical and hypothetical stress scenarios on the profit and loss and capital adequacy of NIBC.

Risk Management Strategy & Process

Risk management is at the core of our business and sustainable growth strategy. NIBC's approach to risk management results in fast decision-making through experienced, client-focused origination teams with detailed knowledge of its client portfolio, allowing for risk exposure to be managed through carefully structured facilities and client-centered restructuring on the corporate side. In addition, this is safeguarded by the second line of defence and the strict governance/approval processes. In the retail offering, risk is managed through simple and transparent products and an experienced arrears management team aimed at preventing foreclosures.

In line with our business strategy, NIBC is predominantly exposed to credit risk and interest rate risk, while NIBC manages its currency, liquidity and operational risk to within an acceptable, limited range. The non-core activities still contain some investment risk which we will continue to reduce. The risks NIBC takes are measured and monitored against our risk appetite, ensuring that NIBC is capable of executing its business activities in line with its strategy. NIBC remains committed to having sufficient liquidity and being well capitalised while at the same time helping our clients and finding the appropriate balance between risk and reward.

The origination philosophy is centered around the availability of collateral, client relationship and understanding the client's cash flows. In our retail client offering we apply a conservative approach to new products and use programme lending for regular residential owner occupied mortgage loans. In addition, tools are used to model credit risk, such as internally developed methodologies under the AIRB approach for certain portfolios. In our corporate client offering we apply an integrated approach to managing credit risk by focusing on risk-adjusted returns. We assess whether a new opportunity fits our risk appetite and evaluate commercial and compliance matters prior to engaging with any particular client. In this process we consider credit risk and financial market risk as part of the decision process and conduct risk assessments prior to making the final offering. The ultimate decision is dependent on our comfort with the specific client and the facts and circumstances of the transaction proposal. The Restructuring & Distressed Assets **(RDA)** department that covers the corporate client offering is highly experienced, and typically engaged at an early stage of client financial distress to maximise the probability of a successful work-out and to limit potential losses.

NIBC has the advantage of its medium scale and the close proximity and collaboration there is between colleagues and with its client base. This provides a setting in which a quick and efficient multidisciplinary approach can be taken in areas of risk management. We therefore have the capacity to keep moving forward as a business while we continue to comply with evolving regulatory requirements.

Risk appetite

NIBC’s risk appetite framework is based on five pillars, which are rolled out throughout the organisation and incorporated in our policies, procedures , limits and action plans. These pillars are:

1. **Solvency**: be a creditworthy partner for our clients and other stakeholders.
2. **Profitability**: aligned with business model and risk profile.
3. **Liquidity & Funding**: to have sufficient and appropriate liquidity and stable and diverse funding base at all times.
4. **Asset quality**: aligned with business objectives
5. **Non-Financial**: to maintain a solid license to operate.

NIBC measures its performance across these pillars by means of the quantitative and qualitative elements of its risk appetite framework. This framework helps NIBC to implement and execute its strategy for sustainable growth.

NIBC's risk appetite framework has been established and rolled out across the organisation. NIBC has adopted certain key risk and performance indicators and other early warning signals that are used by NIBC's business units to monitor and control developments in key risk areas.

NIBC continuously monitors and evaluates the effectiveness of this framework and periodically update this based on market developments and our environment. Going forward, the Risk Appetite framework will also include climate risk as a driver of traditional financial risks.

Risk strategy

NIBC has a clearly defined business model. We deliver smart asset financing solutions for corporates businesses and individuals, including via our Originate-to-Manage **(OTM)** capabilities. For individuals we offer mortgages loans and online savings that are accessible, easy to understand and fairly priced. We support corporates in building their businesses by offering financing solutions across selected asset classes in which we have strong expertise and market positions. Indispensable to the entire business of NIBC are ALM, Treasury, Risk Management and Corporate Center departments. Due to its focus and in-depth understanding of the business and its clients, NIBC has good understanding of the risks in this select number of markets.

The risk strategy of NIBC is aligned with this business model, resulting in the following markets and portfolios, where the risks are concentrated:

- Credit risk in the residential mortgage loan portfolio (consisting of mainly Dutch owner occupied mortgage loans and the Buy-to-Let portfolio) and in the corporate loan portfolio which is segmented across NIBC's chosen asset classes. Furthermore, credit risk exists also in the non-core investment loan portfolio which we will continue to reduce. Investment loans may reflect subordination or contain equity characteristics such as attached warrants or conversion features. Finally, credit risk exists in our derivative, cash management and debt investments portfolios;
- Investment risk in non-core equity investments portfolio, which we will continue to reduce;
- Interest rate risk in residential mortgage loan portfolio; and
- Market risk in the Banking Book/Treasury portfolios mainly consisting of interest rate risk in the Money Markets & Trading book and the debt investments portfolio. The latter consists of the securitisations investment portfolio and the portfolio of debt investments in institutions.

Risk appetite helps to achieve NIBC's targets in a sustainable and controlled manner. One additional element being a key for enabling the business activities is to ensure the bank's capital adequacy.

The business model described above is also reflected in the Economic Capital framework, which is further described in the section ICAAP. NIBC uses Economic Capital as a risk measure throughout the organisation. For each business activity, Economic Capital is allocated and reported quarterly to the ALCO.

Risk governance and risk culture

Our operations are structured along the three lines of defence risk management model. This implies that the first line of defence is within the commercial business units. They are accountable and responsible for day-to-day risk management activities such as managing each individual exposure on the balance sheet, with the exception of distressed assets at the corporate bank which are managed by the second line. Our second line of defence lies within the Risk, Legal and Compliance departments. These departments monitor and evaluate risks versus the risk appetite framework. The second line of defence has an advice and challenge role in particular towards transactions, proposals and proposed changes. The third line of defence is the Internal Audit **(IA)** department. This department provides objective and independent assurance on the operations within the first and second lines of defence.

To support effective decision-making, the Managing Board has delegated decision-making authority regarding key risk management focus areas to a number of committees, amongst others:

- **Engagement Committee (EC):** Responsible for decision-making with regard to (corporate) client engagement and conflicts of interest including an assessment of the potential integrity risks when engaging with a client. With respect to retail clients these are addressed in the Retail KYC Committee.
- **Transaction Committee (TC):** The TC has decision-making power with regards to credit transactions, assessment of credit proposals and the monitoring of credit related risks. The TC approves and monitors transaction proposals which cause NIBC to assume credit risk. Further, the TC decides on impairments and write-offs and reviews all larger exposures at least annually.
- **Risk Management Committee (RMC):** The RMC decides on policies, measurement methods, monitoring, and controlling of all risk types. The role of the RMC is to safeguard our risk appetite by monitoring all risks NIBC is exposed to, thereby looking backwards as well as forwards.
- **Asset & Liability Committee (ALCO):** The ALCO monitors and controls capital ratios, liquidity, earnings, interest rate risk and market risk. As ALCO is responsible for liquidity, they also decide on funding plans and large funding transactions.
- **Regulatory Change Committee (RCC):** The RCC keeps central oversight of the implementation of new regulatory laws and regulations.
- **Architecture and Data Management Committee (ADMC):** The ADMC is responsible for decision making in respect of management of data assets (e.g. governance, security, development, quality) and enterprise architecture.

The Supervisory Board supervises, monitors and advises the Managing Board on the risks inherent in NIBC's business activities, including the structure and operation of the internal risk management and control systems and compliance with legislation, regulations and NIBC's code of conduct. The Supervisory Board has set up two committees for this purpose: the Risk Policy and Compliance Committee **(RPCC)** and the Audit Committee **(AC)**. The Risk Policy & Compliance Committee assists the Supervisory Board in overseeing NIBC's risk appetite, risk profile and risk policy. It covers amongst others credit, market, investment, liquidity, operational and compliance/regulatory risks, and any other material (non) financial risks to which NIBC is exposed. The Audit Committee assists the Supervisory Board in monitoring NIBC's systems of financial risk management and internal control, the integrity of its financial reporting process and the content of its annual and semi-annual financial statements and reports. The Audit Committee also advises on corporate governance and internal governance.

One of the elements of NIBC's risk framework is the application of thorough anti-money laundering **(AML)**, client due diligence **(CDD)** and know-your-customer **(KYC)** procedures and policies. NIBC places particular emphasis on active client monitoring on an ongoing basis. Individual client officers are primarily responsible for the execution of CDD in accordance with NIBC's procedures; however, the day-to-day activities relating to onboarding of corporate clients have been assigned to the Client Onboarding department, which is a separate department. The Compliance Department (as defined below), is responsible for policies, monitoring of regulations and treatment of high risk cases.

Risk management organisation

NIBC's functional committees are supported by a robust risk management organisation, which focuses on the daily monitoring and management of the risks NIBC is exposed to and includes the following departments and teams:

- Credit Risk Management **(CRM)** is responsible for assessing, managing and advising on credit risk related to corporate counterparties and this includes the non-core portfolios including the investment loan portfolio as well as investment risk management for private equity positions in the non-core portfolio. CRM implements policies and procedures regarding credit risk, advises on credit proposals, reviews, waivers and amendments. Furthermore, CRM assigns NIBC's internal counterparty credit ratings **(CCR)** and loss given default **(LGD)** ratings.

- Retail Risk & Risk Portfolio Management **(RR&RPM)** is responsible for maintaining an overview of the total risk of the retail client offering and its portfolios including coordination of non-financial risks, to review strategic projects, and monitor the development and impact from changes in NIBC's risk appetite with respect to the retail client offering. In addition, Risk Portfolio Management monitors risk of different NIBC wide portfolios and is also responsible for the reporting of total credit portfolio information to various users and stakeholders within and outside NIBC, including the reporting of NIBC's risk appetite framework. The team develops and maintains the (sub-) portfolio, sector and product limits.

- Restructuring and Distressed Assets Management **(RDA)** actively manages and restructures loans and investments of financially distressed clients transferred from the various NIBC business units of the corporate client offering.

- Risk Policy & Risk Appetite **(RP&RA)** is responsible for the development of the risk appetite framework. Assessing and advising on country risk as well as being responsible for a number of regulatory as well as credit and investment policies is also the responsibility of RP&RA.

- The Market Risk Management department **(MRM)** is responsible for monitoring the market risk of NIBC's Treasury activities, both inside and outside the trading book. MRM also monitors NIBC's currency positions, interest rate and liquidity risks.

- Financial Markets Credit Risk **(FMCR)** is responsible for monitoring, assessing and advising on the credit and counterparty risk of NIBC's Treasury activities, including monitoring and advice on counterparty credit limits and issuer limits

- The Risk Analytics and Model Validation department **(RA&MV)** is responsible for economic capital modelling and reporting, model validation and quantitative research projects.

- Modelling & Data Analytics **(MDA)** is central to NIBC's CRR/CRD process with respect to the development of policies and methods for measuring risk, notably the credit rating system used to evaluate probability of default and loss given default in NIBC's corporate credit portfolio as well as similar models for the residential mortgage loan portfolio. MDA also conducts quantitative risk modelling including that needed for IFRS 9 and bank-wide and ESG stress testing.

- Operational Risk Management **(ORM)** is responsible for monitoring and managing operational risk stemming from NIBC's business and operational practices including IT risk and information security. ORM co-ordinates the new product approval and review process and the group-wide significant change approval process of new activities ensuring pre-implementation of risk assessments by relevant functions within NIBC.

- The Compliance Department **(CD)** is responsible for assisting and challenging the business in updating the overall compliance risk analysis for NIBC and all international offices on an annual basis. The Compliance team's role is to translate and implement relevant external regulations into sound and clear internal policies and procedures, document as well as update relevant compliance policies, inform and train staff members in order to broaden their compliance awareness, maintain proper information barriers and restricted lists and act as the coordinator for correspondence with the AFM and, via its local compliance officers, for the relevant international supervisory bodies. CDD is an important topic as banks fulfil an important role in the prevention of intentional and unintentional wrongdoing. *KYC* and *AML* regulations are updated to meet today's challenges, and related processes and procedures are continually adjusted to effectively address the risks and remain compliant with these regulations. NIBC actively reviews and adjusts the client onboarding processes to keep these in line with continuously evolving requirements.

- The Regulatory Affairs **(RA)** team assists NIBC in minimizing regulatory risk by acting as a proactive regulatory advisor to other departments within the bank as well as carrying out a signaling and monitoring function in relation to new and existing laws and regulations. RA coordinates the Regulatory Expert Networks for conduct and prudential regulation aimed at keeping track of new regulatory laws and regulations and the implementation thereof within NIBC. The team furthermore manages the Policy Framework of NIBC.

- The Legal Department **(LD)** including General Counsel, Corporate Secretary and Data Protection Office ensures that the legal risks which NIBC accepts remain within the parameters of NIBC's risk appetite framework. LD proactively assists various parts of the bank and advises on both external and internal transactions, as well as carrying out a control function. In addition, LD assists with various other matters, ranging from corporate affairs, strategic projects and fulfilling the Data Protection Officer role.

Own Funds

Capital management and control

CAPITAL BASE COMPONENTS

The capital base, also referred to as regulatory capital or own funds, is calculated in accordance with the CRR/CRD. The available regulatory capital is based on capital contributed by subsidiaries covered by prudential consolidation accounts, which should be available, without restrictions or time constraints, to cover risks and absorb potential losses. All amounts are included net of tax charges.

The available regulatory capital at NIBC is classified under three main categories, being Common Equity Tier 1 capital, Tier 1 capital and Tier 2 capital. The two main components in the regulatory own funds are core equity and subordinated debt. The key terms and conditions of each of these categories are summarised below

The capital ratio is calculated by dividing the regulatory capital by the risk weighted assets **(RWA)** also known as Risk Weighted Exposure Amount **(RWEA)**.

Common Equity Tier I capital

Common Equity Tier 1 **(CET1)** capital comprises NIBC's core capital and includes common shares, stock surplus (premium) resulting from the issue of shares, retained earnings and accumulated other comprehensive income after deduction of ineligible items.

Tier I capital

Tier 1 **(T1)** capital is composed of CET1 capital and additional Tier 1 capital instruments after deduction of ineligible items.

Total capital

Total capital is calculated as T1 capital plus Tier 2 **(T2)** capital. NIBC's T2 capital includes subordinated term debt and hybrid capital instruments which qualify as T2 instruments. The amount eligible for inclusion in the T2 capital is reduced if the remaining maturity is less than five years. The eligible amount is calculated by multiplying the notional amount outstanding by the number of the remaining calendar days to the contractual maturity of the instrument divided by the five year period before contractual maturity.

CAPITAL ADEQUACY

The capital adequacy of NIBC is principally managed at NIBC Holding level.

The principal ratios for reviewing the capital adequacy of NIBC are the Common Equity Tier 1 ratio and the Total capital ratio. These ratios, which were implemented by the Bank for International Settlements **(BIS)**, are intended to promote comparability between financial institutions. They are based on the CRR/CRD legislation.

NIBC monitors balance sheet developments with repsect to capital ratios. These ratios indicate capital adequacy to mitigate on-balance credit risks, including off-balance sheet commitments, market risks, operational risks and other risk positions expressed as risk-weighted items in order to reflect their relative risk.

Capital ratios of NIBC Holding

The Common Equity Tier 1 ratio is defined as Common Equity Tier 1 capital divided by the total RWA.

The Tier 1 ratio is defined as Tier 1 capital divided by the total RWA.

The Total capital ratio is defined as Total capital (which is the sum of Tier 1 capital and Tier 2 capital) divided by RWA.

NIBC's fully loaded Common Equity Tier 1 capital ratio was 23.3% at end-2024. This is a solid position that indicates that NIBC can fulfil the CRR/CRD requirements when fully implemented.

BASEL IV

The Basel Committee on Banking Supervision **(BCBS)** reached an agreement on the finalisation of the Basel III reforms (Basel IV) in December 2017. In June 2024, the EU finalised the amendment of the Capital Requirements Regulation and Directive (CRR III/CRD VI) to implement Basel IV. Most of the provisions apply as of 1 January 2025. Some provisions are phased in over time and most transitional arrangements end in January 2030 or before this date.

The bank has performed a review of its model landscape. Under Basel IV, the bank will report all corporate exposures under the Standardised Approach **(SA)**. The owner occupied mortgage loans will be treated under the AIRB approach, apart from a sub-portfolio, which will be reported under SA.

The impact of the Basel IV implementation as per year end 2024, including the new model landscape, on NIBC's RWA is estimated at a increase of 15-20%-point and a corresponding decrease of the CET1 ratio between 3.0% and 3.9%-point, compared to the reported RWA and the post-merger CET1 ratio.

An uncertainty for banks is that further adjustments may still be implemented. Additional regulation in the next few years, e.g. in the form of EBA technical standards and Guidelines, could affect the impact on NIBC. At NIBC, the process of implementing Basel IV into systems and data processes is still ongoing. The first formal reporting dates are 12 May 2025 and 30 June 2025 based on figures as of 31 March 2025.

Own funds

The recognition in consolidated own funds refers to the treatment of capital issued of subsidiaries to third parties. Capital instruments issued by consolidated subsidiaries and held by third parties may no longer be fully recognised towards capital at group level under the CRR/CRD but only to the extent used by the subsidiary to cover the minimum capital requirements including capital buffers. The partial de-recognition of capital issued to third parties by subsidiaries applies to all fully consolidated subsidiaries, including wholly-owned and partly owned. The partial de-recognition will affect the Additional Tier-1 and Tier-2 provided to third parties by all subsidiaries.

The tables in this chapter contain information on:
- Capital instruments main features (EU CCA)
- Composition of regulatory own funds (EU CC1)
- Reconciliation from IFRS to regulatory balance sheet (EU CC2)

EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments

General	Tier 1 Instrument	Tier 2 instrument	Tier 2 Instrument	Tier 2 Instrument
Issuer	NIBC Bank N.V.	NIBC Bank N.V.	NIBC Bank N.V.	NIBC Bank N.V.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2847665390	XS2959410577	NIB 6.95 09APR27	XS1183596151
Governing law(s) of the instrument	The securities are governed by the laws of the Netherlands	The securities are governed by the laws of the Netherlands	The loan is governed by the laws of the Netherlands	The securities are governed by, and construed in accordance with the Dutch law

	Tier 2 Instrument	Tier 2 Instrument
Issuer	NIBC Bank N.V.	NIBC Bank N.V.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0161702914	XS0210781828
Governing law(s) of the instrument	The securities are governed by, and construed in accordance with the English law save for the subordination clause, which is governed by, and construed in accordance with, the laws of the Netherlands	The securities are governed by, and construed in accordance with the English law save for the subordination clause, which is governed by, and construed in accordance with, the laws of the Netherlands

Regulatory treatment	Tier 1 Instrument	Tier 2 instrument	Tier 2 Instrument	Tier 2 Instrument
Transitional CRR rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
Eligible at solo/ (sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 200 mln	EUR 197 mln	EUR 7 mln	EUR 2 mln
Nominal amount of instrument	EUR 200 mln	EUR 200 mln	EUR 11 mln	EUR 50 mln
Issue price	100%	100%	100%	100%
Redemption price	Redemption at par	Redemption at par	Redemption at par	Redemption at par
Accounting classification	Equity	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
Original date of issuance	4-7-2024	12-12-2024	9-4-1997	24-3-2015
Perpetual or dated	Perpetual	Dated	Dated	Dated
Original maturity date	Perpetual	12-6-2035	9-4-2027	24-3-2025
Issuer call subject to prior supervisory approval	Yes	Yes	N/A	N/A
Optional call date, contingent call dates, and redemption amount	First call date 04/01/2030; tax, reg call, clean-up call, par call; all calls at the outstanding amount	First call date 12/06/2030; tax call, clean-up call, reg call; all calls at par	N/A	Reg call, tax call, all calls at par
Subsequent call dates, if applicable	Callable any calendar day commencing (and including) 04/01/2030 to (and including) 04/07/2030; afterwards semi-annually on the interest payment dates (04/01 and 04/07)	N/A	N/A	N/A

Regulatory treatment	Tier 2 Instrument	Tier 2 Instrument
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	-	-
Eligible at solo/ (sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 (grandfathered) as published in Regulation (EU) No 575/2013 article 494b	Tier 2 (grandfathered) as published in Regulation (EU) No 575/2013 article 494b
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 43 mln	EUR 64 mln
Nominal amount of instrument	EUR 36 mln	EUR 55 mln
Issue price	100%	100%
Redemption price	Redemption at par	Redemption at par
Accounting classification	Liability - fair value	Liability - fair value
Original date of issuance	10-2-2003	21-2-2005
Perpetual or dated	Dated	Dated
Original maturity date	10-2-2043	21-2-2040
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	First call date 10/02/2013; tax call; all calls at par	Callable on 21/02/2035; tax call; all calls at par
Subsequent call dates, if applicable	call every 5 years starting in Feb 2013	one time call

Coupons / dividends	**Tier 1 Instrument**	**Tier 2 instrument**	**Tier 2 Instrument**	**Tier 2 Instrument**
Fixed or floating dividend/coupon	Fixed to fixed	Fixed to fixed	Fixed	Fixed
Coupon rate and any related index	8.25% till 04/07/2030; 5 year EUR swap rate + 5.599% afterwards payable semi-annually in arrear in equal instalments on 04/01 and 04/07 of each year	initial coupon rate of 4.5%, coupon spread of 2.5%, reset index 5y swap rate	6.95% p.a.	4.00% p.a.
Existence of a dividend stopper	No	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No	No
Noncumulative or cumulative	Non-cumulative	N/A	N/A	N/A
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
Write-down features	Yes	No	No	No
If write-down, write-down trigger (s)	CET1 ratio of the Bank or Holding below 5.125%	N/A	N/A	N/A
If write-down, full or partial	Partial	N/A	N/A	N/A
If write-down, permanent or temporary	Temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	Discretionary write-up provided the CET1 ratio is in excess of the regulatory minimum	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior only to Common Equity Tier 1 instruments	Subordinated to claims of unsubordinated creditors	Subordinated to claims of unsubordinated creditors	Subordinated to claims of unsubordinated creditors
Non-compliant transitioned features	No	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A	N/A

Coupons / dividends	Tier 2 Instrument	Tier 2 Instrument
Fixed or floating dividend/coupon	Fixed	Fixed to floating
Coupon rate and any related index	0% (6.35% yield)	7% p.a till Feb 2007; afterwards max. 8.5%; min.(10 year EUR swap rate-2 year EUR swap rate)*4, 2.85%)
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	N/A	N/A
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	No	No
If write-down, write-down trigger (s)	N/A	N/A
If write-down, full or partial	N/A	N/A
If write-down, permanent or temporary	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to claims of unsubordinated creditors	Subordinated to claims of unsubordinated creditors
Non-compliant transitioned features	Yes	Yes
If yes, specify non-compliant features	No contractual provisions for loss-absorption	No contractual provisions for loss-absorption

EU CC1 – Composition of regulatory own funds as of 31 December 2024

in EUR millions		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	1,290	CC2 - 26, 27
	of which: Instrument type 1	1,290	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained earnings	357	CC2 - 29
3	Accumulated other comprehensive income (and other reserves)	11	CC2 - 28
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,659**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-2	
8	Intangible assets (net of related tax liability) (negative amount)	-	CC2 - 9
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	CC2 - 11, 19
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	0	
12	Negative amounts resulting from the calculation of expected loss amounts	-24	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	0	

in EUR millions		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	-1	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-28**	
29	**Common Equity Tier 1 (CET1) capital**	**1,631**	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	106	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**106**	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable		

in EUR millions		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	
44	**Additional Tier 1 (AT1) capital**	**106**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,737**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	-	
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	175	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**175**	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**175**	
59	**Total capital (TC = T1 + T2)**	**1,912**	
60	**Total risk exposure amount**	**6,991**	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1	23.3%	

in EUR millions		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
62	Tier 1	24.8%	
63	Total capital	27.4%	
64	Institution CET1 overall capital requirements	10.6%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical capital buffer requirement	1.8%	
67	of which: systemic risk buffer requirement	0.0%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.0%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.8%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**16.1%**	
69	Not applicable		
70	Not applicable		
71	Not applicable		
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	20	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	23	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements as of 31 December 2024

in EUR millions		Balance sheet as in published financial statements As at period end	Reference
	ASSETS - BREAKDOWN BY ASSET CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS		
1	Cash and balances with central banks	3,096	
2	Due from other banks	598	
3	Financial assets at fair value through profit or loss	190	
4	Financial assets at fair value through other comprehensive income	1,174	
5	Financial assets at amortised cost	17,719	
6	Investment property	24	
7	Investments in associates and joint ventures	115	
8	Property and equipment	26	
9	Intangible assets	1	CC1 - 8
10	Current tax assets	-	
11	Deferred tax assets	3	CC1 - 10
12	Other assets	5	
13	Assets held for sale	-	
14	**Total assets**	**22,951**	
	LIABILITIES - BREAKDOWN BY LIABILITY CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS		
15	Due to other banks	54	
16	Deposits from customers	12,499	
17	Financial liabilities at fair value through profit or loss	104	
18	Current tax liabilities	20	
19	Deferred tax liabilities	-	CC1 - 10
20	Provisions	7	
21	Accruals, deferred income and other liabilities	83	
22	Liabilities held for sale	-	
23	Debt securities in issue	7,740	
24	Subordinated liabilities	442	
25	**Total liabilities**	**20,948**	
	SHAREHOLDERS' EQUITY		
26	Share capital	3	CC1 - 1
27	Share premium	1,287	CC1 - 1
28	Revaluation reserves	12	CC1 - 3
29	Own credit risk reserve	-	CC1 - 3
30	Retained profit	501	CC1 - 2
31	Capital securities	200	
32	**Total shareholders' equity**	**2,003**	

Countercyclical buffer

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer as of 31 December 2024

in EUR millions	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
Netherlands	2,119	14,746	-	10	275	**17,149**	341	1	4	**345**	4,317	72.6%	2.00%
Germany	13	664	-	-	47	**724**	47	-	0	**47**	591	9.9%	0.75%
United Kingdom	10	1,317	-	-	11	**1,338**	53	-	1	**54**	672	11.3%	2.00%
Rest of Europe	106	722	-	-	374	**1,202**	22	-	4	**26**	320	5.4%	0.93%[1]
Asia / Pacific	0	0	-	-	0	**0**	0	-	0	**0**	0	0.0%	0.00%
North America	0	16	-	-	0	**16**	3	-	0	**3**	43	0.7%	0.00%
Other countries	0	0	-	-	-	**0**	0	-	-	**0**	0	0.0%	0.00%
Total	**2,248**	**17,465**	**-**	**10**	**706**	**20,430**	**465**	**1**	**9**	**475**	**5,943**	**100%**	

1 Weighted Average Countercyclical buffer rate

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

	in EUR millions	
1	Total risk exposure amount	6,991
2	Institution specific countercyclical capital buffer rate	1.80%
3	Institution specific countercyclical capital buffer requirement	126

Leverage Ratio

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures 2024

in EUR millions		Applicable amount
1	Total assets as per published financial statements	22,951
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	27
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	796
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	-86
13	**Total exposure measure**	**23,689**

EU LR2 - LRCom: Leverage ratio common disclosure

in EUR millions		CRR leverage ratio exposures	
		2024	2023
	ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	22,783	22,913
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-1	-12
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**22,782**	**22,901**
	DERIVATIVE EXPOSURES		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	57	99
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-

in EUR millions		CRR leverage ratio exposures	
		2024	2023
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	49	53
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	4	4
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**110**	**156**
	SECURITIES FINANCING TRANSACTION (SFT) EXPOSURES		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**-**	**-**
	OTHER OFF-BALANCE SHEET EXPOSURES		
19	Off-balance sheet exposures at gross notional amount	1,704	1,515
20	(Adjustments for conversion to credit equivalent amounts)	-907	-778
21	(General provisions deducted in determining Tier 1 capital and specific provisions)	-	-
22	**Off-balance sheet exposures**	**796**	**737**
	EXCLUDED EXPOSURES		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
	(Exposures to the central bank exempted in accordance with point (n) of Article 429a(1) CRR)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
	CAPITAL AND TOTAL EXPOSURE MEASURE		
23	**Tier 1 capital**	1,737	1,877

in EUR millions		CRR leverage ratio exposures	
		2024	2023
24	**Total exposure measure**	23,689	23,794
	LEVERAGE RATIO		
25	Leverage ratio	7.3%	7.9%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.3%	7.9%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.3%	7.9%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	**Additional own funds requirements to address the risk of excessive leverage (%)**	**0.0%**	**0.0%**
EU-26b	**of which: to be made up of CET1 capital (percentage points)**	**0.0%**	**0.0%**
27	**Leverage ratio buffer requirement (%)**	**0.0%**	**0.0%**
EU-27a	**Overall leverage ratio requirement (%)**	**3.0%**	**3.0%**
	CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	NA	NA
	DISCLOSURE OF MEAN VALUES		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	23,689	23,794
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	23,689	23,794
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.3%	7.9%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.3%	7.9%

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) 2024

in EUR millions		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**22,783**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	22,783
EU-4	Covered bonds	229
EU-5	Exposures treated as sovereigns	3,099
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	-
EU-7	Institutions	773
EU-8	Secured by mortgages of immovable properties	1,607
EU-9	Retail exposures	11,892
EU-10	Corporates	4,052
EU-11	Exposures in default	254
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	877

Liquidity Risk

NIBC defines liquidity risk as the inability of the company to fund its assets and meet its obligations as they become due at acceptable costs.

Maintaining a sound liquidity and funding profile is one of NIBC's most important risk management objectives. NIBC employs a comprehensive framework to manage its liquidity risk within its liquidity risk appetite and regulatory requirements, supported by high quality buffers and a diversified funding mix.

Liquidity framework

Key Liquidity Indicators, 31 December 2024

In %	
LCR	334%
NSFR	144%
Loan-to-Deposit	143%
Asset Encumbrance	26%

NIBC measures and monitors its liquidity risk through the liquidity risk indicators that are defined in the liquidity risk appetite framework. A key element in NIBC's liquidity management is the projection of cash flows from assets and liabilities. Based on the expected maturity profiles of existing assets and liabilities as well as on projections developed by our business units, the Asset and Liability Management **(ALM)** department prepares several liquidity forecasts under both business as usual and stressed conditions that are presented to the ALCO every month. These reports form the basis of NIBC's liquidity risk management. The base case liquidity forecast has a 5-year horizon and takes into consideration the expected cash flows (such as maturing loans and funding, production of new assets, new funding, and the mark-to-market of derivatives) of NIBC's assets and liabilities.

Furthermore, NIBC monitors the development of its liquidity buffers, consisting of High Quality Liquid Assets and ECB eligible internal securitisations, and the development of the Basel III Liquidity Ratios, the Liquidity Coverage Ratio **(LCR)** and the Net Stable Funding Ratio **(NSFR)**, in its liquidity risk management framework.

The liquidity risk management is further supported by periodical analyses of liquidity gaps, the funding mix, the asset encumbrance ratio, and the loan-to-deposit ratio.

Stress scenarios

Our liquidity needs are carefully considered in the following stress scenarios:

- A 12-month market-wide liquidity crisis, characterised by an economic downturn with impact on both financial institutions (their willingness to lend and to purchase assets from each other) and non-financial institutions (leading to lower loan prepayments and larger/faster drawdowns of committed credit facilities). Such a market situation is assumed to result in no access to wholesale funding and worsening market variables (rating migration, additional haircuts on market value of collateral, MtM of derivatives cash outflow, etc.);
- A 12-month institution-specific stress test, caused by a material event that calls into question the reputation and/or credit quality of the institution, leading to a subsequent run on the bank. Furthermore, a significant credit rating downgrade applies. This is assumed to result in a significant outflow of retail savings and no access to ECB-financing in the first three months in addition to having no access to wholesale funding;
- A 12-month combined stress test that combines elements from the aforementioned market-wide and institution-specific liquidity stress tests. Essentially it captures a prolonged market stress with a relatively short period of a severe NIBC specific stress. Under this scenario ECB lending is assumed to be available whereas asset market liquidity is worsened due to fire sales of assets and increased credit spreads.

The liquidity stress tests assume that all of NIBC's contractual obligations are met and take into consideration varying levels of access to funding markets. The outcomes of the liquidity stress tests were consistently at comfortable levels with survival periods longer than 12 months over the past year. The survival period and the sufficiency of the liquidity buffers are monitored on a monthly basis.

In addition to the 12-month liquidity stress analysis described above, NIBC also conducts liquidity analyses over longer periods two times per month according to a base scenario. These analyses assume the expected development of our loan portfolio in combination with new funding initiatives. The outcome of our 5-year liquidity analysis shows again a positive buffer throughout the period.

Funding

NIBC continues to optimise and diversify its funding mix. An overview of NIBC's total liabilities can be seen in NIBC's Annual Report in the section Financial Review.

NIBC's main sources of funding consist of retail funding (savings), secured wholesale funding, unsecured (wholesale) funding in addition to institutional/corporate deposits and shareholder's equity.

Encumbered and Unencumbered Assets

EU AE1 - Encumbered and unencumbered assets as of 31 December 2024

in EUR millions		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
010	**Assets of the reporting institution**	**5,873**	**172**			**17,078**	**4,026**		
030	Equity instruments	-	-	-	-	79	-	79	-
040	Debt securities	172	172	-	-	1,014	942	1,014	942
050	of which: covered bonds	-	-	-	-	299	299	299	299
060	of which: securitisations	-	-	-	-	692	646	692	646
070	of which: issued by general governments	-	-	-	-	143	129	143	129
080	of which: issued by financial corporations	172	172	-	-	871	814	871	814
090	of which: issued by non-financial corporations	-	-	-	-	0	-	0	-
120	Other assets	5,701	-			15,986	3,084		

EU AE2 – Collateral received and own debt securities issued 2024

in EUR millions		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
130	**Collateral received by the disclosing institution**	**-**	**-**	**-**	**-**
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	**-**	**-**	**-**	**-**
241	**Own covered bonds and securitisation issued and not yet pledged**			**-**	**-**
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**5,873**	**172**		

EU AE3 – Sources of encumbrance as of 31 December 2024

in EUR millions		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
010	**Carrying amount of selected financial liabilities**	4,825	5,873

Liquidity Coverage ratio

EU LIQ1 - Quantitative information of LCR

in EUR millions		Total unweighted value (average)		Total weighted value (average)	
EU 1a	Year ending	**2024**	**2023**	**2024**	**2023**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61			4,006	2,684
CASH - OUTFLOWS					
2	retail deposits and deposits from small business customers, of which:	12,161	11,321	478	390
3	Stable deposits	5,245	5,385	262	269
4	Less stable deposits	1,788	1,050	216	121
5	Unsecured wholesale funding	223	225	205	200
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7	Non-operational deposits (all counterparties)	190	225	172	200
8	Unsecured debt	33	0	33	0
9	Secured wholesale funding			-	-
10	Additional requirements	926	1,274	302	367
11	Outflows related to derivative exposures and other collateral requirements	233	266	233	266
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	693	1,008	69	101
14	Other contractual funding obligations	358	206	348	201
15	Other contingent funding obligations	95	99	55	50
16	TOTAL CASH OUTFLOWS			1,389	1,208
CASH - INFLOWS					
17	Secured lending (e.g. reverse repos)	-	-	-	-
18	Inflows from fully performing exposures	307	116	190	103
19	Other cash inflows	-	-	-	-
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)			-	-
EU-19b	(Excess inflows from a related specialised credit institution)			-	-
20	TOTAL CASH INFLOWS	307	116	190	103
EU-20a	Fully exempt inflows	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-
EU-20c	Inflows subject to 75% cap	307	116	190	103
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER			4,006	2,684
22	TOTAL NET CASH OUTFLOWS			1,199	1,105
23	LIQUIDITY COVERAGE RATIO			334%	243%

Net Stable funding ratio

EU LIQ2: Net Stable Funding Ratio as of 31 December 2024

in EUR millions		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**-**	**-**	**-**	**1,938**	**1,938**
2	*Own funds*	-	-	-	1,938	1,938
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**9,393**	**2,057**	**712**	**11,279**
5	*Stable deposits*		5,245	-	-	4,983
6	*Less stable deposits*		4,148	2,057	712	6,296
7	Wholesale funding:		**433**	**1,096**	**6,950**	**7,517**
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		433	1,096	6,950	7,517
10	Interdependent liabilities		**-**	**-**	**-**	**-**
11	Other liabilities:	-	**621**	**-**	**-**	**-**
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		621	-	-	-
14	**Total available stable funding (ASF)**					**20,734**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**192**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		**-**	**-**	**5,498**	**4,673**
16	Deposits held at other financial institutions for operational purposes		**-**	**-**	**-**	**-**
17	Performing loans and securities:		**1,133**	**1,077**	**10,927**	**9,038**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		523	60	177	259
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		188	335	3,290	8,608
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	4,447
22	*Performing residential mortgages, of which:*		410	683	7,286	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		360	619	6,088	-

in EUR millions		Unweighted value by residual maturity			Weighted value
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*	12	-	174	171
25	Interdependent assets	**-**	**-**	**-**	**-**
26	Other assets:	**780**	**-**	**-**	**485**
27	*Physical traded commodities*			-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	**15**	**-**	**-**	**13**
29	*NSFR derivative assets*	**59**			59
30	*NSFR derivative liabilities before deduction of variation margin posted*	**85**			4
31	*All other assets not included in the above categories*	**620**	-	-	409
32	Off-balance sheet items	**1,094**	**-**	**0**	**55**
33	**Total RSF**				**14,443**
34	**Net Stable Funding Ratio (%)**				**144%**

Credit Risk

NIBC defines credit risk as the current or potential threat to the company's earnings and capital as a result of counterparties' failure to make financial payments on time or to otherwise comply with its financial obligations to NIBC.

Many activities at NIBC are related to credit risk: credit risk is present in the corporate loan portfolio, the investment loan portfolio, the residential mortgage loan portfolio (including Buy-to-Let), the debt investments portfolio (in corporate entities, institutions and securitisations), cash management and derivatives. It is the largest source of risk to which NIBC is exposed, representing approximately 87% of total Risk Weighted Assets **(RWA)** and of the company's capital requirements. Specifically for the debt investments portfolio, NIBC defines the credit risk as issuer risk, which is the credit risk of losing the principal amount on products such as bonds. We also highlight the corporate exposures classified under AIRB. In 2019, NIBC received an increase for RWAs on corporate exposures from the DNB pending approval of eventual additional measures to address the model observations raised by DNB in its Internal Model Investigation report. This add-on was updated in 2023 and as per 31-12-2024 is still in place with respect to the current models as we are finalising the dialogue with DNB regarding the regulatory capital set-up for corporate loan assets to address their observations. Corporate exposures will move to SA in 2025. The Pillar 3 disclosure requirements prescribe that a credit institution classifies its assets into a number of standard exposure classes. For a credit institution using the AIRB approach, these exposures are defined in the CRR/CRD. The following table presents the relationship between the classification in this report and the portfolios in NIBC Annual Report:

Comparison between Pillar 3 exposure classes and portfolios in NIBC's Annual report

Pillar 3 exposure classes	Portfolios in Annual report
Sovereign	Debt investments in sovereign entities and cash at central banks
Institutions	Debt investments in institutions, deposits and derivative transactions with institutions
Corporate	Corporate loan portfolio, including guarantees, derivatives and debt investments in corporate entities and Investment Loan portfolio
Retail	Dutch and German residential mortgage loan portfolios and Buy-to-Let portfolio
Equities	Equity investments and uncalled capital commitments
Securitisations	Securitisation portfolio, derivatives and retained notes of own securitisations
Other	Non-credit related exposures

Apart from the above mentioned differences in classification, differences can also be found between the numbers presented in this report and the numbers in the risk management paragraph (and notes) in NIBC's Annual Report. The main reasons that these numbers are not directly comparable are the following:

- For exposures treated under the AIRB approach, Pillar 3 numbers refer to EAD, a risk measure of the potential outstanding amount in the event of default. Counterparties typically tend to utilise their credit lines more intensively when approaching default, which implies that the amount outstanding at default is expected to be higher than the current outstanding amount. For undrawn parts of credit facilities, a credit conversion factor is applied to the numbers in the Pillar 3 report, which cannot be recognised on the balance sheet. This credit conversion factor is incorporated in the calculation of EAD; and
- The treatment of some securitised exposures may differ due to differences in de-recognition requirements in IFRS and CRR/CRD.

Credit risk quality

CREDIT RISK EXPOSURES

This section presents NIBC's credit risk exposures based on the definitions and approaches that are used in the calculation of capital requirements. NIBC received approval by the DNB to use the AIRB approach for calculating the capital requirements of the corporate and Dutch retail mortgage loan exposure classes. Furthermore, NIBC uses the ratings-based approach for the securitisation exposure class and the simplified risk-weight approach for the equity exposure class.

The AIRB approach for the calculation of capital requirements is based on NIBC's internal estimation of various risk parameters. The section Calculation of Risk Weighted Assets in this report provides more information on the methods NIBC uses for the estimation of these parameters.

The Standardised Approach applies to all other NIBC exposure classes containing credit risk.

The table below shows a breakdown of EAD, RWA and capital requirement per exposure class and calculation approach. Small differences are possible in the table due to rounding

Breakdown of EAD, RWA and capital requirement for credit risk (excluding CVA)

in EUR millions	2024 EAD	2024 RWA	2024 Capital requirement	2023 EAD	2023 RWA	2023 Capital requirement
AIRB APPROACH						
- of which corporate	4,565	1,932	155	5,216	2,515	201
- of which retail	12,782	1,938	155	11,963	1,875	150
- of which securitisations	696	114	9	591	112	9
- of which equities	118	438	35	132	487	39
SUBTOTAL	**18,161**	**4,422**	**354**	**17,901**	**4,990**	**399**
STANDARDISED APPROACH						
- of which sovereign	3,243	-	-	2,083	-	-
- of which corporate	326	293	23	1,728	1,610	129
- of which retail	1,643	1,144	92	1,972	1,393	111
- of which institutions	937	162	13	793	139	11
- of which securitisations	10	2	0	12	2	0
- of which other	50	50	4	168	168	13
SUBTOTAL	**6,209**	**1,651**	**132**	**6,756**	**3,312**	**265**
TOTAL	**24,370**	**6,073**	**486**	**24,657**	**8,302**	**664**

The total credit risk RWA of NIBC decreased in 2024 largely due to the sale of the Shipping portfolio and the sale of the platform businesses (Beequip and yesqar).

DEFAULTED, NON-PERFORMING, IMPAIRED AND FORBORNE EXPOSURE

EU CR1 – Performing and non-performing exposures and related provisions as of 31 December 2024

in EUR millions		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
005	**Cash balances at central banks and other demand deposits**	3,609	3,609	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	18,115	17,460	525	256	-	189	-38	-19	-12	-55	-	-35	-	15,887	133
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	11	11	-	-	-	-	0	0	-	-	-	-	-	-	-
040	*Credit institutions*	70	70	-	-	-	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	333	303	25	27	-	27	-1	-1	0	-13	-	-13	-	179	-
060	*Non-financial corporations*	3,808	3,444	263	103	-	52	-25	-13	-5	-41	-	-22	-	1,831	9
070	*Of which: SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	13,894	13,631	237	126	-	110	-12	-6	-7	-1	-	-1	-	13,877	125
090	Debt Securities	1,186	1,173	2	-	-	-	0	0	0	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	143	143	-	-	-	-	0	0	-	-	-	-	-	-	-
120	*Credit institutions*	350	350	-	-	-	-	0	0	-	-	-	-	-	-	-
130	*Other financial corporations*	693	680	2	-	-	-	0	0	0	-	-	-	-	-	-
140	*Non-financial corporations*	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	1,571	1,491	53	0	-	0	2	1	1	1	-	-	-	-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	2	2	-	-	-	-	0	0	-	-	-	-	-	-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	233	233	-	-	-	-	0	0	-	-	-	-	-	-	-
200	*Non-financial corporations*	711	631	53	0	-	0	2	1	1	1	-	-	-	-	-
210	*Households*	625	625	-	-	-	-	-	-	-	-	-	-	-	-	-
220	***Total***	**24,480**	**23,732**	**580**	**256**	**-**	**189**	**-36**	**-18**	**-11**	**-55**	**-**	**-35**	**-**	**15,887**	**133**

EU CR2 - Changes in the stock of non-performing loans and advances as of 31 December 2024

in EUR millions		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**360**
020	Inflows to non-performing portfolios	87
030	Outflows from non-performing portfolios	-192
040	*Outflows due to write-offs*	-48
050	*Outflow due to other situations*	-145
060	**Final stock of non-performing loans and advances**	**256**

EU CQ1: Credit quality of forborne exposures as of 31 December 2024

in EUR millions		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	173	152	152	152	-1	-40	182	58
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	14	3	3	3	0	-1	-	-
060	*Non-financial corporations*	65	98	98	98	-1	-38	39	9
070	*Households*	94	50	50	50	0	0	143	50
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	4	0	0	0	0	-	-	-
100	***Total***	**177**	**152**	**152**	**152**	**-1**	**-40**	**182**	**58**

EU CQ3: Credit quality of performing and non-performing exposures by past due days as of 31 December 2024

in EUR millions		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days <= 180 days	Past due > 180 days < =1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	3,609	3,609	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	18,115	18,103	13	256	206	7	5	2	3	14	20	256
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	11	11	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	70	70	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	333	333	-	27	27	-	-	-	-	-	-	27
060	*Non-financial corporations*	3,808	3,808	-	103	67	-	-	-	2	14	20	103
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	13,894	13,881	13	126	111	7	5	2	0	0	0	126
090	Debt Securities	1,186	1,186	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	143	143	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	350	350	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	693	693	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	0	0	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	1,571			0								0
160	*Central banks*	-			-								-
170	*General governments*	2			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	233			-								-
200	*Non-financial corporations*	711			0								0
210	*Households*	625			-								-
220	***Total***	**24,480**	**22,897**	**13**	**256**	**206**	**7**	**5**	**2**	**3**	**14**	**20**	**256**

EU CQ4: Quality of non-performing exposures by geography as of 31 December 2024

in EUR millions		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: subject to impairment			
				of which: defaulted				
010	***On balance sheet exposures***	**19,557**		**256**		**-93**		**-**
020	*Netherlands*	16,554		232		-65		-
030	*Germany*	442		23		-15		-
040	*United Kingdom*	1,042		1		-4		-
050	*Rest of Europe*	1,424		-		-9		-
	Asia / Pacific	-		-		-		-
060	*North America*	94		-		0		-
070	*Other countries*	-		-		-		-
080	***Off balance sheet exposures***	**1,571**		**0**			**2**	
090	*Netherlands*	1,153		0			1	
100	*Germany*	89		-			0	
110	*United Kingdom*	229		-			1	
120	*Rest of Europe*	99		-			0	
	Asia / Pacific	-		-			-	
130	*North America*	1		-			-	
140	*Other countries*	-		-			-	
150	***Total***	**21,128**		**256**		**-93**	**2**	**-**

Columns "of which non-performing" and "of which subject to impairment" are kept empty in line with the requirements for institutions with an NPE ratio lower than 5%.

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry as of 31 December 2024

in EUR millions		Gross carrying amount	of which: non-performing	of which: defaulted	of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	9		-		0	-
020	Mining and quarrying	-		-		-	-
030	Manufacturing	92		34		-18	-
040	Electricity, gas, steam and air conditioning supply	21		1		0	-
050	Water supply	31		-		0	-
060	Construction	451		-		-1	-
070	Wholesale and retail trade	0		0		0	-
080	Transport and storage	26		-		0	-
090	Accommodation and food service activities	70		-		0	-
100	Information and communication	1,451		-		-10	-
110	Real estate activities	1,327		67		-26	-
120	Financial and insurance activities	-		-		-	-
130	Professional, scientific and technical activities	77		-		-7	-
140	Administrative and support service activities	49		0		0	-
150	Public administration and defense, compulsory social security	-		-		-	-
160	Education	158		-		0	-
170	Human health services and social work activities	146		1		-2	-
180	Arts, entertainment and recreation	3		-		0	-
190	Other services	-		-		-	-
200	**Total**	**3,910**		**103**		**-66**	**-**

Columns "of which non-performing" and "of which loans and advances subject to impairment" are kept empty in line with the requirements for institutions with an NPE ratio lower than 5%.

Retail

Both the Dutch and German residential mortgage loan portfolios are classified as amortised cost. Under IFRS9, impairment amounts or Expected Credit Losses **(ECL)** are calculated on each individual mortgage loan. Last year again showed limited losses. The performance of NIBC's securitised mortgage loan portfolio is also solid as evidenced by low arrears levels and low realised loss levels.

NIBC has an in-house arrears management department, actively managing arrears, foreclosures, client retention and residual debts of the Dutch residential mortgage loan portfolio.

Retail Portfolio Management as well as Retail Risk & Risk Portfolio Management monitor the quality of the residential mortgage loan portfolio on a regular basis. On a quarterly basis, the mortgage loan portfolio is assessed for impairments and existing impairments are reviewed.

Corporate

Portfolio managers within the commercial teams and risk managers at the CRM, GRM and RR&RPM departments monitor the quality of (corporate) counterparties on a regular basis. On a quarterly basis, all corporate exposures are assessed for impairment and all existing impairments are reviewed.

NIBC calculates an impairment amount by taking certain factors into account, particularly the available collateral securing the loan. The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. If collateral is present, then the present value of the future cash flows includes the foreclosure value of collateral.

When a default occurs (in line with the CRR/CRD definition[1]), the entire EAD of the borrower is classified as defaulted. However, if an impairment amount is taken against a facility, only the EAD of that particular facility is classified as impaired.

Sovereign and Institutions

In 2024, NIBC did not take any IFRS 9 Stage 3 impairments on these exposure classes.

[1] According to the CRR/CRD definition, a default is determined on borrower level. A default is indicated by using a 9 or 10 rating in NIBC's internal rating scale. A default is considered to have occurred with respect to a particular obligor if either of the two following events have taken place: i) the bank considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the bank to actions such as realising security (if held). ii) the obligor is past due more than 90 days on any material credit obligation to the banking group.

Credit risk mitigation

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	in EUR millions	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	5,866	16,021	16,019	1	-
2	Debt securities	1,186	-	-	-	
3	Total	7,052	16,021	16,019	1	-
4	*Of which non-performing exposures*	67	133	133	-	-
EU-5	*Of which defaulted*	67	133	133	-	-

EU CQ7: Collateral obtained by taking possession and execution processes

in EUR millions	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
010 Property Plant and Equipment (PP&E)	-	-
020 Other than PP&E	-	-
030 Residential immovable property	-	-
040 Commercial Immovable property	-	-
050 Movable property (auto, shipping, etc.)	-	-
060 Equity and debt instruments	-	-
070 Other collateral	-	-
080 Total	-	-

RETAIL

Dutch residential mortgage loan portfolio

Credit losses are mitigated in a number of different ways:

- The underlying property is pledged as collateral;
- Under Dutch law, NIBC has full recourse to the borrower; and
- 14.7% of the Dutch Own Book portfolio is covered by the NHG programme.

For the portfolio not covered by the NHG programme, the underlying property is the primary collateral for any mortgage loan granted, though savings and investment deposits (for savings and investment mortgage loans) may also serve as additional collateral. A measurement for potential losses, taking into account indexation of house prices and seasoning, is achieved by calculating the loan-to-indexed-market-value **(LtIMV)**. The indexation is made by using the index of the *Dutch Land Registry Office* **(Kadaster)**, which is based on market observables. For the total portfolio 0.1% has an LtIMV above 100%. For the remainder of the portfolio, there is either coverage by the NHG programme or the indexed collateral value is sufficient to cover the entire loan balance outstanding.

German residential mortgage loan portfolio

As is the case in the Netherlands, the underlying property is the primary collateral for any mortgage loan granted. Most of the mortgage loans contain an annuity repayment, leading to a lower outstanding loan balance during the lifetime of the loan.

CORPORATE

An important element in NIBC's credit approval process is the assessment of collateral. Almost all exposures in the corporate exposure class have some form of collateralisation, where we note that many of the non-core investment loans also benefit from collateral as well as having a government guarantee covering a portion of the exposure. These non-core investment loans may contain equity characteristics such as attached warrants or conversion features; examples of this exposure include mezzanine loans, convertible loans and shareholder loans.

In general, NIBC requests collateral to protect its interests. The type and quantity of the collateral depends on the type of transaction, the counterparty and the risks involved. The most significant types of collateral securing the corporate exposure class are assets, such as real estate.

NIBC initially values collateral based on fair market value when structuring a transaction and typically also seeks confirmation from independent third-party experts that its interests are legally enforceable. The commercial real estate portfolio is primarily collateralised by mortgages on financed properties. Collateral value is estimated using third-party appraisers, whenever possible, or valuation techniques based on common market practice. Other corporate exposures (predominantly in the non-core portfolio) are, to a large extent, collateralised by assets such as inventory, debtors, and third-party credit protection (e.g. guarantees). The value of these types of collateral can be more difficult to determine, therefore such collateral is assessed on individual basis.

INSTITUTIONS

The exposures to financial institutions are either related to over-the-counter **(OTC)** derivative transactions, debt investments (in tradable securities) or cash management activities (money-market and repo transactions). Details about credit risk management for OTC derivative transactions can be found in the Counterparty Credit Risk section. NIBC only enters into repo transactions if they are secured by highly-rated bonds. Some debt investments issued by financial institutions are secured by collateral (covered bonds).

Calculation of Risk Weighted Assets

AIRB APPROACH

EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques as of 31 December 2024

in EUR millions

	A-IRB	Total exposures	Credit risk Mitigation techniques: Funded credit Protection (FCP): Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Unfunded credit Protection (UFCP): Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	Credit risk Mitigation methods in the calculation of RWEAs: RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
1	Central governments and central banks	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
2	Institutions	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
3	Corporates	4,449	0.0%	47.4%	45.9%	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1,938	1,834
3.1	*Of which Corporates – SMEs*	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
3.2	*Of which Corporates – Specialised lending*	4,118	0.0%	48.0%	46.9%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1,607	1,504
3.3	*Of which Corporates – Other*	331	0.0%	40.2%	33.4%	5.6%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	332	330
4	Retail	12,782	0.0%	82.6%	82.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.9%	0.0%	1,938	1,938
4.1	*Of which Retail – Immovable property SMEs*	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
4.2	*Of which Retail – Immovable property non-SMEs*	12,782	0.0%	82.6%	82.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.9%	0.0%	1,938	1,938
4.3	*Of which Retail – Qualifying revolving*	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
4.4	*Of which Retail – Other SMEs*	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
4.5	*Of which Retail – Other non-SMEs*	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
5	**Total**	**17,231**	**0.0%**	**73.5%**	**73.1%**	**0.2%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**11.8%**	**0.0%**	**3,877**	**3,773**

Ratings and rating process in the AIRB approach

The AIRB approach for the corporate and retail exposure classes has been implemented by NIBC after the approval by DNB. The ratings framework consists of the calculation of three main parameters: probability of default **(PD)**, loss given default **(LGD)** and exposure at default (**EAD)**.

The PD, LGD and EAD that are calculated through NIBC's internal models are used for the calculation of expected loss **(EL)** and Pillar 1 regulatory capital **(RC)**. Internal ratings enable an objective comparison of the credit risk of different types of assets, making them an essential tool for the commercial and risk management departments to determine whether a transaction fits NIBC's strategy and portfolio, as well as to determine the appropriate pricing. Economic capital **(EC)** and risk-adjusted return on capital **(RAROC)** are areas within Pillar 2, which make use of the above-mentioned parameters, although the methodologies for EC may differ from those employed in Pillar 1.

In addition to the determination of our EC, NIBC performs on a semi-annual basis a bank wide stress test to assess the impact of the scenarios on its RWA levels and

(Common Equity)Tier-1 ratio. Next to the bank wide approach NIBC performs, when relevant, stress test scenarios at (sub)portfolio level. For more information on the differences between NIBC's calculations under Pillar 1 and Pillar 2, we refer to the *ICAAP* chapter.

NIBC enforces separation of responsibilities with respect to its internal rating methodologies and rating process, model development, model validation and internal audit. The roles and responsibilities of each involved unit are explicitly set out in internal policies and standards, also in conformity with the stipulations of CRR/CRD with respect to model governance.

In addition to these three internally calculated parameters, a fourth parameter which influences the calculation of the Pillar 1 RC is the maturity **(M)**.

Model governance within NIBC is addressed via, amongst others, the Model Risk Management Framework as included in the relevant internal policies.

This section explains how the PD, LGD and EAD are applied within the AIRB retail and corporate framework of NIBC.

Retail

The AIRB approach applies to NIBC's Dutch residential mortgage loan portfolio excluding Buy-To-Let for which the Standardised Approach applies. The calculation of PD, LGD and EAD is performed by an internally developed AIRB model, which has been in use since 2007 and has been updated in 2023. The PD estimates are dependent on a variety of factors, of which the key factors are the delinquency status, debt-to-income and loan-to-value ratios. Minor factors that play a role in the PD estimates are several other mortgage loan characteristics and borrower characteristics. The PD scale is based on a continuous scale ranging from 0 - 100%.

The LGD estimates are based on a downturn scenario. In this case, the indexed collateral value is stressed in order to simulate the proceeds of a (forced) sale of the collateral. The stress is dependent on the location of the collateral and its value. Together with assumptions about costs and time to foreclosure, an LGD is derived. The LGD estimate also takes into account whether a mortgage loan has a Dutch government guarantee **(NHG guarantee)** for which the LGD estimate is lower in comparison to a mortgage loan without the NHG guarantee. The LGD estimate is also based on a continuous scale.

The EAD is set equal to the net exposure (outstanding balance minus built-up savings value) for all mortgage loans, except for non-amortising (in this case, interest-only loans). For the non-amortising loans, 3 months of accrued interest is added to the EAD.

The validation of these estimates is performed on historical data and is carried out on a yearly basis. For the PD and LGD, the estimates are back tested against realised defaults and realised losses. In this way, it is ensured that the model still functions correctly in a changing economic environment.

Corporate

The AIRB approach applies to NIBC's corporate loan portfolio. The calculation of CCR/PD, LGD and EAD is performed by internally developed AIRB models, which have been in use since 2007. In addition to the EAD, the main components of the methodology consists of two elements: (i) a counterparty credit rating that reflects the probability of default of the borrower and (ii) an anticipated loss element that expresses the potential loss on the facility in the event of default of the borrower. All counterparties are reviewed at least once a year.

Counterparty credit ratings (CCR) and probability of default (PD)

The counterparty credit rating **(CCR)** reflects the counterparty's capacity to meet its financial obligations in full and in time. CCRs do not incorporate any recovery prospects, as these are captured by the internal LGD estimates.

NIBC's uses a through-the-cycle CCR rating scale, which consists of 10 grades (1-10). Most of these grades are further divided in notches, by the addition of a plus or minus sign to show the relative standing within the rating grade. NIBC uses a total of 22 notches, each of which is mapped to the rating scale of the main international rating agencies. Each notch carries a PD percentage, which quantifies the likelihood that the counterparty will go into default in the next one year. The CCRs 9 and 10 are assigned to counterparties that have already defaulted and therefore carry a PD of 100%. Furthermore, CCRs are assigned a rating outlook. This assesses the potential direction of the CCR over the medium term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions.

The general methodology for determining a CCR is based on several qualitative and quantitative rating indicators, such as the analysis of the business and financial profile of the counterparty, a cash flow analysis, a sovereign risk analysis and a peer-group analysis.

The performance of the CCR methodology is back-tested annually in order to ensure that consistency is kept throughout the portfolio and to measure the discriminatory power and the ranking ability of the CCRs.

Loss given default (LGD)
Whereas CCRs are assigned on a counterparty level, LGD ratings are facility-specific. The LGD ratings reflect the loss that can be expected on a facility in a downturn scenario, given a counterparty defaults. NIBC's internal LGD scale consists of 6 grades (A-F) and 10 notches, each of which represents a different degree of recovery prospects and loss expectations.

NIBC’s LGD philosophy is similar to the approach for CCRs. The LGD methodology is also based on a combination of qualitative and quantitative rating indicators that include, among others, the assessment of the available collateral and/or guarantees, the seniority of the loan, the applicable jurisdiction, and the quality of the counterparty’s assets. Once the various LGD drivers have been assessed, the final LGD rating is produced.

As is the case for CCRs, the maintenance of NIBC's LGD models involves benchmarking and back-testing.

Exposure at default (EAD) and credit conversion factor
A third element of the AIRB approach is the calculation of the EAD. It is defined as the amount that is expected to be outstanding at the moment a counterparty defaults. Counterparties typically tend to utilise their credit lines more intensively when approaching default, which implies that the amount outstanding at default is expected to be higher than the current outstanding amount.

In order to quantify the additional expected utilisation, NIBC applies a credit conversion factor **(CCF)** on the undrawn portion of every credit facility. The main driver for the value of the CCF is the type of the credit facility (e.g. term loan, working capital facility, guarantee). NIBC produces its own internal estimates of CCF, based on the utilisation of defaulted credit facilities at the time of default and one year prior to default, which are a combination of internal defaulted facilities and defaulted facilities from the Global Credit Data **(GCD)** data pool.

Overview of AIRB corporate exposures
Since 2010, NIBC has been using an internally developed methodology for calculating RWAs for the defaulted counterparties. Whereas RWA and Regulatory Capital (RC) for the non-defaulted corporate exposures are calculated based on the CRR/CRD AIRB formula, the RWA and RC for the defaulted corporate exposures are a function of the impairment amount, if present, and the proportion of the impairment amount to the defaulted EAD. This methodology results in additional RWA and RC for the corporate exposure class.

Equities
NIBC uses the simple risk weight approach for equity investments. Under this approach, the RWA is calculated by multiplying the exposure amount by 370%.

Securitisations
NIBC uses the external ratings based **(SEC- ERBA)** approach for securitisation exposures, both for purchased securitisations as well as for retained notes of own securitisations. For SEC-ERBA the risk weight depends upon the external rating, granularity and seniority of the pool and on whether the transaction is a resecuritisation.

Alternatively, for any retained notes, if applicable, of own securitisations, NIBC uses the IRB capital charge had the underlying exposures not been securitised (KIRB approach). This approach is applicable when the capital requirement under the KIRB approach is lower than the capital requirement under the IRB approach for the securitisation exposure class. More detailed risk information about NIBC’s securitisation exposures can be found in the *Securitisations* section.

STANDARDISED APPROACH
For the calculation of RWA under the Standardised approach, drawn exposure is multiplied by a prescribed risk weight, depending on the exposure type, the external rating (if applicable) and maturity (if applicable). The undrawn exposures are multiplied by both a risk weight and a credit conversion factor. The risk weights are prescribed in the CRR/CRD:

- NIBC's sovereign exposures are exposures with a zero risk weight and vast majority is related to cash placed with DNB and the Dutch State Treasury Agency;
- The risk weight for institutions is either 20% (with a rating equal to or higher than AA-) or 50% (with a rating between A+ and BBB-) for senior unsecured and dependent on the maturity;
- The risk weight for covered bonds (institutions) is either 10% (with a rating equal to or higher than AA-) or 20% (with a rating between A+ and BBB-);
- The risk weight for institutions regarding centrally-cleared derivatives exposures is 2%;
- The corporate exposure class carries a risk weight of 100% or 150%. It mainly contains non-rateable/unrated exposures to corporate counterparties; and
- For defaulted retail and corporate exposures 100% and 150% risk weights are applicable.

EU CR4 - Standardised approach – Credit risk exposure and CRM effects as of 31 December 2024

in EUR millions		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
1	Central governments or central banks	3,243	-	3,243	-	-	0.0%
2	Regional government or local authorities	-	-	-	-	-	0.0%
3	Public sector entities	-	-	-	-	-	0.0%
4	Multilateral development banks	-	-	-	-	-	0.0%
5	International organisations	-	-	-	-	-	0.0%
6	Institutions	630	0	630	0	129	20.4%
7	Corporates	323	3	323	1	292	89.9%
8	Retail	4	0	4	0	3	75.0%
9	Secured by mortgages on immovable property	1,398	628	1,398	209	1,097	68.3%
10	Exposures in default	9	0	9	0	9	100.0%
11	Exposures associated with particularly high risk	14	10	14	10	35	150.0%
12	Covered bonds	229	-	229	-	23	10.0%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.0%
14	Collective investment undertakings	-	-	-	-	-	0.0%
15	Equity	-	-	-	-	-	0.0%
16	Other items	-	-	-	-	-	0.0%
17	**TOTAL**	**5,850**	**641**	**5,850**	**220**	**1,588**	**26.2%**

EU CR5 – Standardised approach as of 31 December 2024

in EUR millions		Risk weight															Total	Of which unrated
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1	Central governments or central banks	3,243	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,243	3,243
2	Regional government or local authorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Public sector entities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	International organisations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Institutions	–	–	–	–	621	–	9	–	–	–	–	–	–	–	–	630	–
7	Corporates	–	–	–	–	–	–	9	–	–	315	0	–	–	–	–	324	324
8	Retail	–	–	–	–	–	–	–	–	4	–	–	–	–	–	–	4	4
9	Secured by mortgages on immovable property	–	–	–	–	–	236	–	–	494	877	–	–	–	–	–	1,607	1,607
10	Exposures in default	–	–	–	–	–	–	–	–	–	9	0	–	–	–	–	9	9
11	Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–	–	24	–	–	–	–	24	24
12	Covered bonds	–	–	–	229	0	–	–	–	–	–	–	–	–	–	–	229	–
13	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Collective investment undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Other items	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	**TOTAL**	**3,243**	**–**	**–**	**229**	**621**	**236**	**19**	**–**	**498**	**1,202**	**24**	**–**	**–**	**–**	**–**	**6,070**	**5,211**

Specialised Lending

EU CR10.5 – Equity exposures under the simple risk-weight approach as of 31 December 2024

in EUR millions

CATEGORIES	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	-	-	290%	-	-	-
Other equity exposures	118	-	370%	118	438	3
TOTAL	**118**	**-**		**118**	**438**	**3**

Counterparty Credit Risk

NIBC defines counterparty credit risk as the credit risk resulting from OTC derivative transactions, where there is none or limited initial investment, such as interest rate swaps **(IRS)**, credit default swaps **(CDS)** and foreign exchange **(FX)** transactions.

NIBC is exposed to counterparty credit risk from derivative transactions both with corporate clients as well as with institutions. For both types of counterparties, counterparty credit risk is measured similarly, being the sum of the positive replacement value and the add-on. The add-on reflects the potential future change in the marked-to-market value during the remaining lifetime of the derivative contract. All derivative transactions are legally covered by International Swaps and Derivatives Association **(ISDA)** agreements. Derivative transactions with corporate clients are concluded as part of the lending relationship with the client. Capital and credit limits for corporate clients are allocated on a one-obligor basis. The credit risk resulting from counterparty credit risk is monitored in combination with other exposures (e.g. loans) to these clients, and in the majority of cases, the security of the loan is also applicable to the derivative exposure.

For nearly all of its financial counterparties, NIBC has mitigated the counterparty credit risk by using a Credit Support Annex **(CSA)**. Under this annex, the credit exposures after netting are mitigated by the posting of (cash) collateral. Limits for financial counterparties cover money-market, repo and derivative exposures and are based upon a combination of external ratings, market developments like CDS spreads, and expert judgement. NIBC is active in clearing eligible OTC derivatives in order to mitigate counterparty credit risk and to comply with EMIR-regulation.

In line with market practice, IFRS credit value adjustments (**CVA**) and debt value adjustments (**DVA**) are incorporated into the derivative valuations to reflect the risk of default of the counterparty as well as the own default risk of NIBC. The adjustments are applied to all OTC derivative contracts, except for those that benefit from a strong collateral agreement where cash collateral is regularly exchanged, mitigating the credit risk.

EU CCR1 – Analysis of CCR exposure by approach as of 31 December 2024

	in EUR millions	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	56	82		1.4	194	194	194	108
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total**					**194**	**194**	**194**	**108**

EU CCR2 – Transactions subject to own funds requirements for CVA risk as of 31 December 2024

	in EUR millions	Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	20	6
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**20**	**6**

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights as of 21 December 2024

in EUR millions		Risk weight											
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	59	-	-	1	18	-	-	-	-	-	78
7	Corporates	-	-	-	-	-	1	-	-	0	-	-	1
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**59**	**-**	**-**	**1**	**19**	**-**	**-**	**0**	**-**	**-**	**79**

EU CCR5 – Composition of collateral for CCR exposure as of 31 December 2024

in EUR millions		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	4	-	40	-	-	-	-
2	Cash – other currencies	-	4	-	28	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**-**	**7**	**-**	**68**	**-**	**-**	**-**	**-**

EU CCR8 – Exposures to CCPs as of 31 December 2024

in EUR millions		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**1**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	59	1
3	(i) OTC derivatives	-	-
4	(ii) Exchange-traded derivatives	59	1
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	16	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Securitisation Exposures

Overview and strategy

NIBC classified all its securitisation exposures at amortised cost, with the exception of synthetics and equity tranches. Synthetics and equity tranches are classified at fair value through profit or loss.

NIBC AS ORIGINATOR

NIBC has been active in the securitisation and structuring market for over twenty years. The types of collateral for these securitisations include residential mortgage loans, commercial mortgage loans and leveraged loans. NIBC's Dutch Residential Mortgage Backed Securities **(RMBS)** programme was established in 1997. NIBC's residential mortgage loan programme was later extended with the Sound and Essence issues.

At 31 December 2024, there were no synthetic originated securitisations in NIBC's Securitisations portfolio.

EU-SEC1 - Securitisation exposures in the non-trading book as of 31 December 2024

in EUR millions	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic		Sub-total	Traditional			Sub-total	Traditional			Sub-total
	STS		Non-STS												
		of which SRT		of which SRT		of which SRT		STS	Non-STS	Synthetic		STS	Non-STS	Synthetic	
1 Total exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**-**	**10**	**646**	**50**	**-**	**696**
2 Retail (total)	-	-	-	-	-	-	-	-	-	-	-	522	49	-	571
3 residential mortgage	-	-	-	-	-	-	-	-	-	-	-	294	49	-	342
4 credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 other retail exposures	-	-	-	-	-	-	-	-	-	-	-	228	0	-	228
6 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-	10	-	10	124	2	-	126
8 loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2
10 lease and receivables	-	-	-	-	-	-	-	-	10	-	10	124	-	-	124
11 other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor as of 31 December 2024

in EUR millions	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1 Total exposures	**-**	**-**	**10**	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**1**	**-**	**-**
2 Traditional transactions	-	-	10	-	-	-	10	-	-	-	10	-	-	-	1	-	-
3 Securitisation	-	-	10	-	-	-	10	-	-	-	10	-	-	-	1	-	-
4 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale	-	-	10	-	-	-	10	-	-	-	10	-	-	-	1	-	-
7 Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

OBJECTIVES

NIBC's objectives in relation to securitisation activities are:

- Offering attractive yields and quality investments to investors;
- Obtain funding, reduce funding cost and diversify funding sources;
- Transfer of credit risk;
- Earn management fees on the assets under management and diversify income;

ROLES AND INVOLVEMENT

NIBC has fulfilled the following roles in the securitisation process:

- Arranger (structuring) of both third-party and proprietary securitisation transactions;
- Underwriter in securitisation transactions involving both third-party and proprietary transactions;
- Liquidity facility provider for a number of residential and commercial mortgage loan securitisations;
- Calculation agent and paying agent for number of residential mortgage loan securitisations;
- Company administrator for a number of securitisations; and
- Investor in securitisations.

SECURITISATION ACTIVITY IN 2024

There were no new transactions in 2024.

NAMES OF THE EXTERNAL CREDIT ASSESSMENT INSTITUTIONS USED FOR SECURITISATIONS

NIBC uses Moody's and Standard & Poor's to rate its securitisations.

ACCOUNTING POLICY

The group's subsidiaries are those entities (including structured entities) which it directly or indirectly controls. Control over an entity is evidenced by the group's ability to exercise its power in order to affect any variable returns that the group is exposed to through its involvement with the entity. When assessing whether to consolidate an entity, the group evaluates a range of control factors, namely:

- the purpose and design of the entity;
- the relevant activities and how these are determined;
- whether the group's rights result in the ability to direct the relevant activities;
- whether the group has exposure or rights to variable returns;
- whether the group has the ability to use its power to affect the amount of its returns.

Where voting rights are relevant, the group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities, as indicated by one or more of the following factors:

- another investor has the power over more than half of the voting rights by virtue of an agreement with the group;
- another investor has the power to govern the financial and operating policies of the investee under a statute or an agreement;
- another investor has the power to appoint or remove the majority of the members of the board of directors or equivalent governing body and the investee is controlled by that board or body;
  or
- another investor has the power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of that entity is by this board or body.

Potential voting rights that are deemed to be substantive are also considered when assessing control. Likewise, the group also assesses the existence of control where it does not control the majority of the voting power but has the practical ability to unilaterally direct the relevant activities. This may arise in circumstances where the size and dispersion of holdings of the shareholders give the group the power to direct the activities of the investee.

Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases. The group reassesses the consolidation status at least at each financial reporting date. Therefore, any changes in the structure leading to a change in one or more of the control factors require reassessment when they occur. This includes changes in decision making rights, changes in contractual arrangements, changes in the financing, ownership or capital structure as well as changes following a trigger event which was anticipated in the original documentation.

The Annual Report contains more detailed information on the accounting policies used by NIBC.

NIBC AS INVESTOR

Next to its role as originator of securitised products, NIBC has also been active as an investor in securitised products. Since the end of 2009, NIBC has a Liquidity Investments portfolio. This portfolio was set up to invest part of NIBC's excess liquidity in the securitisation market. Investments are limited to predominantly AAA-rated RMBS/ABS transactions backed by Dutch residential mortgage loan collateral or ABS transactions, and are eligible to be pledged as collateral with the European Central Bank **(ECB).**

In addition to this restrictive mandate, each investment is pre-approved by FMCR.

EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor as of 31 December 2024

in EUR millions	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1 Total exposures	**656**	**18**	**17**	**6**	**0**	**-**	**686**	**10**	**0**	**-**	**104**	**2**	**-**	**-**	**8**	**0**	**-**
2 Traditional) securitisation	656	18	17	6	0	-	686	10	0	-	104	2	-	-	8	0	-
3 securitisation	656	18	17	6	0	-	686	10	0	-	104	2	-	-	8	0	-
4 Retail underlying	532	17	17	5	0	-	561	10	0	-	85	2	-	-	7	0	-
5 Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale	124	0	-	1	-	-	126	-	-	-	19	-	-	-	2	-	-
7 Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note that the IFRS rules for consolidating securitisation exposures differ from Pillar 3 classifications under the securitisation framework which makes figures not directly comparable to NIBC's Annual Report.

CREDIT QUALITY OF SECURITISATIONS PORTFOLIO

The credit quality is based on an internal composite, following CRR/CRD guidelines, including external ratings from Moody's and Standard & Poor's. The non-rated portion of the portfolio relates to first-loss positions in both NIBC's own securitisations and third-party securitisations, which have been marked down to between 1% and 10% of their nominal value at 31 December 2024 or are not rated by Moody's or Standard & Poor's.

EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments as of 31 December 2024

in EUR millions		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
1	**Total exposures**	**26**	**-**	**-**
2	Retail (total)	-	-	-
3	residential mortgage	-	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	26	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	26	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

Market Risk

NIBC defines market risk as:
- the risk of losses in the Trading book arising from adverse movements in market rates and;
- the risk of losses in the Banking Book from NIBC's credit spread risk position;
- the risk of losses in both the banking and trading book from adverse movements in currencies with respect to the Euro.

The predominant market risk drivers for NIBC are interest rate risk and credit spread risk.

Market risk qualitative disclosure

RISK APPETITE

The risk appetite for market risk is moderate. For all market risk types limits are set. Interest rate risk limits are monitored on a daily basis, while credit spread risk is monitored on a weekly basis.

RISK MONITORING AND MEASUREMENT

From an economic value perspective the impact of an instantaneous shift in interest rates on a static portfolio is considered. Interest BPV and interest VaR is calculated and monitored on a daily basis by Market Risk Management, while credit spread BPV and credit spread VaR are calculated and monitored on a weekly basis. VaR is calculated using daily historical data and a confidence level of 99%. The VaR calculation is based on all historical data starting in 2008. The market risk analysis is complemented by a set of scenarios, including scenarios intended as stress testing and vulnerability identification, both based on historical events and on possible future events. Limits are set on the above measures. The limits and utilisation are reported to the ALCO once every month. Any major breach of market risk limits is reported to the CRO immediately.

CURRENCY RISK

NIBC manages its overall currency position based on the currency positions in the monthly monitoring. The main exposures in foreign currencies for NIBC are USD and GBP. NIBC uses matched funding and other measures to apply its policy of not taking any currency positions. Any currency position which does show at month end is caused by movements in the fair value of assets or liabilities or interest income in foreign currencies and is hedged by entering into FX spot transactions. The total open foreign currency position, by nominal amount, was EUR 3.8 million at year-end 2024. This currency position is the position prior to hedging, which is always done shortly after month-end. Regulatory capital for currency risk is equal to 0.2 million EUR per year-end 2024.

GOVERNANCE

The objectives of the market risk function are to measure, report and control the market risk of NIBC subject to the Market Risk Management Policy. The risk management and control function is independent of the trading activities. The market risk position is monitored daily and reported to the ALCO once every month. Any requests for new limits have to be approved by the ALCO. Any major breach of market risk limits is forthwith reported to the CRO and acted upon immediately. Market Risk analyses all overshootings (i.e. occasions, where either the hypothetical or actual P&L exceeds the VaR) in the Trading book and reports them both to the CRO and regulator (DNB) within 5 working days, in accordance with Article 366 point 5 of the CRR.

The risk appetite is set, among others, by the Value-at-Risk (VaR, 99% confidence level, one-day holding period) limits. The Money Market & Trading book exists of plain vanilla interest rate risk positions only. For this book the interest VaR limit was kept constant at EUR 0.5 million during 2024.

MEASUREMENT METHODS

NIBC uses multiple risk metrics to capture all aspects of market risk. These include interest basis point value **(BPV)**, credit BPV, interest VaR and credit VaR. These metrics are calculated on a daily basis and are reviewed by the Market Risk department:
- Interest and credit BPV measure the sensitivity of the market value for a change of one basis point in each time bucket of the interest rate and credit

spread, respectively. In the valuation and risk management framework of fixed income products, NIBC uses multiple forward curves (o/n, 1M, 3M, 6M, 12M) and differentiates between collateralised (discounted on o/n curve) and non-collateralised (discounted on 3M curve) transactions.

- The interest VaR and credit spread VaR measure the threshold value which daily marked-to-market losses will not exceed with a confidence level of 99%. These VaR measures are based upon historical data with (daily or weekly) changes in respectively interest rates and credit spreads. For Money Markets & Trading, additional VaR scenarios based upon daily historical market data are used both for limit-setting as well as for the calculation of the capital requirement.
- As future market price developments may differ from those that are contained by historical data, the risk analysis is complemented by stress scenarios.

Stress testing

In addition to the VaR, NIBC has defined a number of stress tests. These stress tests consist both of historical events as well as potential extreme market conditions. Market risk stress tests are conducted and reported regularly, both on portfolio as well as on a consolidated level.

Below some examples of stress tests are mentioned:

- An instantaneous parallel shift of all interest rates by 200 bps (both upwards and downwards);
- Credit crisis of 2008, where credit and basis risk spreads rose significantly;
- Hypothetical scenario, where interest rates shift by -100 basis points or + 100 basis points;
- Hypothetical scenario, where credit spreads rise significantly.

Market risk in the banking book

INTEREST RATE RISK IN THE BANKING BOOK

NIBC defines interest rate risk in the banking book **(IRRBB)** as the risk of losses from interest rate sensitive positions in non-trading activities due to movements in interest rates. Interest rate risk is measured both from an economic value perspective and an earnings perspective. The first perspective considers the impact on the market value, while the latter considers the impact on net interest income.

NIBC's banking book consists of:

- Retail banking.
- Corporate banking;
- Corporate treasury;
- Commercial treasury;

EU IRRBB1 - Interest rate risks of non-trading book activities

in EUR thousands	Changes of the economic value of equity		Changes of the net interest income	
Supervisory shock scenarios	Current period	Last period	Current period	Last period
1 Parallel up	-89,677	-83,546	22,631	13,111
2 Parallel down	-33,016	-7,792	6,787	-13,111
3 Steepener	-7,495	-14,890		
4 Flattener	-17,496	-7,991		
5 Short rates up	-26,959	-21,833		
6 Short rates down	12,688	10,390		

RISK APPETITE

The risk appetite for IRRBB from an economic value perspective is measured by the modified duration of equity and equal to 5 (with a tolerance of 7.5), while the risk appetite from an earnings perspective is measured by the impact on 1Y earnings and equal to EUR 35 million (assuming a shift in interest rates of 100 bps).

RISK MONITORING AND MEASUREMENT

From an economic value perspective the impact of an instantaneous shift in interest rates on a static portfolio is considered. Interest BPV and interest VaR measures are calculated on a daily basis and reviewed by the Market Risk department:

- Interest BPV measures the sensitivity of the market value to an instantaneous change of one basis point in each time bucket of the interest rate curve;
- The interest VaR measures the threshold value, which daily marked-to-market losses with a confidence level of 99% will not exceed, based on historical data for daily changes in interest rates. These daily changes are superimposed on the current

market rates. The VaR is calculated by means of full valuation to take non-linearity into account. The VaR model was updated in October 2021 to include the historical data starting from 2008 (the previous VaR calculation was based on the most recent four years of historical data).

In measuring BPV and VaR for the Banking book the (credit) spreads have been excluded from cashflows and discounting, in line with EBA guidelines.

From the earnings perspective changes in interest rates occur both instantaneously and gradually over time. Earnings at Risk **(EaR)** is calculated by means of the following measure:

- 12 months earnings impact due to a 200 bps gradual upwards or downwards interest rate shock per currency

EaR as displayed in the tables represents the 200 bps gradual upwards measure. The interest rate risk analysis is complemented by a set of scenarios, including scenarios intended as stress testing and vulnerability identification, both based on historical events and on possible future events.

Limits are set on the above measures, both those from the economic value perspective and from an earnings perspective. The limits and limit utilisation are reported to the ALCO once every month. Any major breach of IRRBB limits is reported to the CRO immediately.

CREDIT SPREAD RISK

NIBC's Banking book has credit spread risk mainly in the Liquidity portfolio, Collateral portfolio and the Structured Credits portfolio. Total credit spread sensitivity was at minus 0.3 million EUR/bp at 31 December 2024.

FOREIGN EXCHANGE RISK

As stated previously, it is the policy of NIBC to hedge its currency risk as much as possible. NIBC uses the Standardised Approach for the calculation of regulatory capital for currency risk.

Market risk in the trading book

EU MR1 – Market risk under the standardised approach as of 31 December 2024

	in EUR millions	RWEAs
	Outright products	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	3
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	**Securitisation** (specific risk)	**-**
9	**Total**	**3**

EU MR2-A – Market risk under the Internal Model Approach (IMA) as of 31 December 2024

	in EUR millions	RWEAs	Own funds requirements
1	**VaR** (higher of values a and b)	**4**	**0**
(a)	Previous day's VaR (VaRt-1)		0
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		0
2	**SVaR (higher of values a and b)**	**6**	**0**
(a)	Latest available SVaR (SVaRt-1))		0
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		0
3	**IRC** (higher of values a and b)	-	-
(a)	Most recent IRC measure		-
(b)	12 weeks average IRC measure		-
4	**Comprehensive risk measure** (higher of values a, b and c)	**-**	**-**
(a)	Most recent risk measure of comprehensive risk measure		-
(b)	12 weeks average of comprehensive risk measure		-
(c)	Comprehensive risk measure – Floor		-
5	**Other**	**-**	**-**
6	**Total**	**10**	**1**

EU MR2-B – RWA flow statements of market risk exposures under the IMA as of 31 December 2024

	in EUR millions	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
1	**RWEAs at previous period end**	**9**	**16**	**-**	**-**	-	**25**	**2**
1a	*Regulatory adjustment*	7	13	-	-	-	20	2
1b	*RWEAs at the previous year-end (end of the day)*	2	3	-	-	-	5	0
2	Movement in risk levels	0	0	-	-	-	0	0
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
8a	*RWEAs at the end of the reporting period (end of the day)*	2	3	-	-	-	5	0
8b	*Regulatory adjustment*	2	3	-	-	-	5	0
8	**RWEAs at the end of the reporting period**	**4**	**6**	**-**	**-**	-	**10**	**1**

EU MR3 - IMA values for trading portfolios 2024

in EUR millions		
VaR (10 day 99%)		
1	Maximum value	0
2	Average value	0
3	Minimum value	0
4	Period end	0
SVaR (10 day 99%)		
5	Maximum value	0
6	Average value	0
7	Minimum value	0
8	Period end	0
IRC (99.9%)		
9	Maximum value	-
10	Average value	-
11	Minimum value	-
12	Period end	-
Comprehensive risk measure (99.9%)		
13	Maximum value	-
14	Average value	-
15	Minimum value	-
16	Period end	-

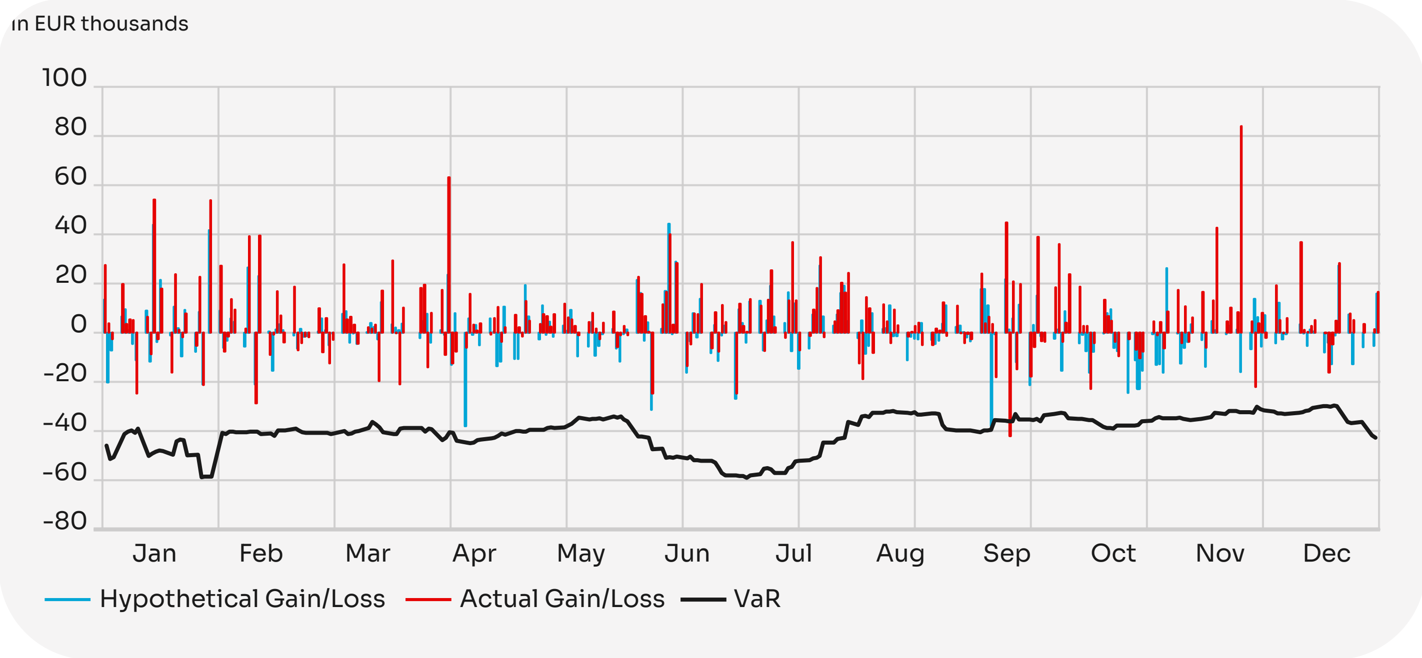
REGULATORY CAPITAL FOR MARKET RISK IN THE TRADING BOOK

Since 2008 NIBC uses the Internal Model Approach **(IMA)** for general interest rate risk of the Money Market & Trading book, which is the only risk driver in this book.

Articles 362 to 369 of the CRR/CRD set all regulatory requirements for the use of Internal Models for the Trading book. NIBC complies in all material aspects with these requirements. The capital requirement for market risk in the Trading book for banks using internal models is based on the combination of the VaR and Stressed VaR **(SVaR)**. The Stressed VaR is calculated based on the same methodology as the VaR, but based upon a different historical period with extreme stress in the markets. Currently, 2008 is used as historical period to determine the Stressed VaR.

Back testing

By nature, trading positions fluctuate during the year. The Money Market & Trading book consisted solely of interest rate-driven exposures. Activities comprise short-term (up to two years) interest position-taking, money-market and bond futures trading and swap spread position taking. Back testing for the Money Market & Trading book is conducted in accordance with the guidelines of the Basel Committee on Banking Supervision, as implemented in Europe by the CRR. The one-day 99% VaR is back tested with both the hypothetical profit and loss **(P&L)** and the actual profit and loss. The hypothetical profit and loss is calculated based upon the end-of-day trading position and the changes in market rates from the trading day to the next business day using full revaluation. The following Graph shows the hypothetical profit and loss and 99% VaR and the actual profit and loss and 99% VaR. On 31 December 2024, in the last 250 business days, there were zero outliers for hypothetical P&L and one outliers for actual P&L.


in EUR thousands
100
80
60
40
20
0
-20
-40
-60
-80
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Hypothetical Gain/Loss
Actual Gain/Loss
VaR

Operational Risk

Operational risk is defined in CRR as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology **(ICT)** risk, but excluding strategic and reputational risk. NIBC does however include reputational risk in its Operational Risk Management Framework. Reputational risk is defined as the potential risk arising from negative perception on the part of NIBC's stakeholders.

The Operational Risk Management's **(ORM)** primary objective is to execute, on a permanent basis, an independent and objective operational risk management designed to contribute to the adherence to relevant law and legislation, internal policies and procedures and NIBC's Code of Conduct with the aim of ensuring all Operational Risks remain within NIBC's risk appetite.

Operational risk management is embedded in day-to-day processes. Every NIBC business unit and international office has an operational risk management 'Champion'. These employees assess their department's activities for potential operational risks, monitor the control mechanisms and coordinate ways of resolving undesired events. They promote awareness for operational risks within their departments.

ORM department supports NIBC in identifying, assessing and managing its operational risks, develops policies and processes and provides the methodology and tools, so called ORM Framework. The ORM Framework enables an assessment whether the operational risk profile of the bank fits within the operational risk appetite. It also provides an integrated view of the operational risk and control self assessments **(RCSA)** performed bottom-up by all (S)BUs and international offices, including action planning, event and loss registration and planning mitigation measures. Furthermore, ORM also coordinates the development of periodic, forward looking scenario analysis and facilitates business continuity management. 2nd line Information Security is part of the Operational Risk Management department.

Information Security team supports management of IT risk to stay within risk appetite by creating a risk framework based on best practices, current threats and applicable regulations. ORM's information security professionals translate applicable laws, regulations, regulatory guidelines and (international) standards into policies that are tailored to NIBC. Adherence to these policies is monitored by control testing and relevant findings are reported on a quarterly basis. The Information Security team also reviews IT Third Party services, in order to ensure IT Third Party services meet regulatory requirements. They also raise awareness on a continuous basis in order to ensure staff remains vigilant on the increasing cyber risks. The Information Security team is closely aligned with IT in order to support NIBC with their standards and frameworks. Business Continuity Management, as well as Crisis Management, is coordinated by operational risk managers in close cooperation with IT and the Managing Board.

A central element in the New Product Approval and Review Process **(NPARP)** is the client's interest; i.e. determining how the product is suitable for its clients and how NIBC will ensure it can offer the product to its clients in a controlled, responsible and sustainable manner in the markets where NIBC is active. Furthermore, the NPARP assesses the operational capacity of all internal stakeholders that need to cooperate for launching an efficient and effective product. The NPARP includes a mandatory and risk-based product review at a predefined period after launch.

Operational risk in all its facets is a key part of a bank's overall risk management practice. Doing business always means properly understanding and managing risks. As such, NIBC's risk appetite framework also includes specific risk appetite statements for operational risk, as well as other non-financial risks, such as legal, ICT and compliance risks.

As part of the yearly cycle, NIBC uses the operational risk management process also as a basis for the in control statement of the Managing Board as included in NIBC's annual report. Given its size and relatively limited complexity, NIBC applies the Standardised Approach to calculate and determine the required regulatory capital that applies to operational risk. The capital requirement under the Standardised Approach is the sum of the requirement per individual business line. Within each business line, gross income is the indicator that serves as a proxy for the scale of business operations and as such, the likely scale of operational risk exposure within each of these business lines.

The average gross income is multiplied by a CRR/CRD regulatory factor assigned to that business line. This factor serves as a proxy for the industry-wide relationship between the operational risk loss experience for a given business line and the aggregate level of gross income for that business line. The operational risk calculation includes data from the last three twelve-monthly observations to determine the regulatory capital charge and is restated yearly after the year-end financial closing is complete.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts as of 31 December 2024

in EUR millions

	Banking activities	Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	473	545	517	72	899
3	Subject to TSA:	473	545	517		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Remuneration Policy

The Supervisory Board reviewed NIBC's remuneration policies in 2024. The review took into account all relevant laws, regulations and guidelines: the Dutch Banking Code, the DNB Principles on Sound Remuneration Policies (DNB principles), EBA Guidelines on Sound Remuneration, EBA guidelines on Internal Governance and the Dutch remuneration legislation for financial services companies (Wet Financieel Toezicht (WFT). Regeling beheerst Beloningsbeleid Van Banken **(RBB)** and Wet (nadere) beloningsbeleid financiële onderneming **(W(N)BFO)**.

NIBC's remuneration policy is sustainable, balanced and in line with our chosen strategy and risk appetite and sustainability ambitions. It revolves around these six key principles: remuneration is (i) aligned with business strategy and sustainability ambitions; (ii) appropriately balanced between short and long term; (iii) differentiated and linked to the achievement of performance objectives and the results of the NIBC; (iv) externally competitive and internally fair; (v) managed in an integrated manner that takes into account total compensation and (vi) is determined in a gender neutral manner.

The Remuneration and Nominating Committee and the Supervisory Board believe NIBC's remuneration policy responsibly links performance and reward and is compliant with the applicable laws, regulations and guidelines. The Supervisory Board continues to believe in prudent management of remuneration whilst recognising that NIBC operates in a competitive market place where it needs to be able to attract, motivate and retain sufficient talent.

NIBC is determined to make a positive contribution towards fair compensation practices in the banking sector in consultation with its stakeholders.

The 2024 Annual Report contains a detailed overview of NIBC's remuneration policy.

EU REM1 – Remuneration awarded for the financial year as of 31 December 2024

in EUR thousands		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Fixed remuneration				
1	Number of identified staff	8	4	39	5
2	Total fixed remuneration	1,241	6,223	11,826	1,206
3	Of which: cash-based	1,241	6,223	11,826	1,206
4	(Not applicable in the EU)				
EU-4a	Of which: shares or equivalent ownership interests	-	-	-	-
5	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x	Of which: other instruments	-	-	-	-
6	(Not applicable in the EU)				
7	Of which: other forms	-	-	-	-
8	(Not applicable in the EU)				
	Variable remuneration				
9	Number of identified staff	8	4	39	5
10	Total variable remuneration	-	-	570	46
11	Of which: cash-based	-	-	250	27
12	Of which: deferred	-	-	21	8
EU-13a	Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a	Of which: deferred	-	-	-	-
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments	-	-	309	19
EU-14b	Of which: deferred	-	-	141	8
EU-14x	Of which: other instruments	-	-	-	-
EU-14y	Of which: deferred	-	-	-	-
15	Of which: other forms	-	-	-	-
16	Of which: deferred	-	-	-	-
17	**Total remuneration**	**1,241**	**6,223**	**12,396**	**1,252**

EU REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) as of 31 December 2024

	in EUR thousands	MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards – Number of identified staff	–	–	–	–
2	Guaranteed variable remuneration awards -Total amount	–	–	–	–
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	–	–	–	–
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	–	–	–	–
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	–	–	–	–
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year – Number of identified staff	–	2	1	2
7	Severance payments awarded during the financial year – Total amount	–	2,624	377	342
8	Of which paid during the financial year	–	–	–	342
9	Of which deferred	–	–	–	–
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	–	–	–	–
11	Of which highest payment that has been awarded to a single person	–	–	–	–

EU REM3 – Deferred remuneration as of 31 December 2024

in EUR thousands

	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB Supervisory function**	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	**MB Management function**	**2,496**	**1,196**	**1,241**	**-**	**-**	**383**	**59**	**59**
8	Cash-based	568	262	307	-	-	-	-	-
9	Shares or equivalent ownership interests	648	648	-	-	-	-	-	-
10	Share-linked instruments or equivalent non-cash instruments	1,281	287	934	-	-	122	59	59
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	**Other senior management**	**1,071**	**539**	**406**	**-**	**-**	**320**	**126**	**251**
14	Cash-based	253	102	151	-	-	-	-	-
15	Shares or equivalent ownership interests	292	292	-	-	-	-	-	-
16	Share-linked instruments or equivalent non-cash instruments	526	146	255	-	-	218	126	251
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	**Other identified staff**	**87**	**23**	**45**	**-**	**-**	**35**	**19**	**27**
20	Cash-based	33	11	22	-	-	-	-	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	54	12	23	-	-	24	19	27
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**3,654**	**1,758**	**1,692**	**-**	**-**	**739**	**204**	**336**

EU REM4 - Remuneration of 1 million EUR or more per year as of 31 December 2024

	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	3
2	1 500 000 to below 2 000 000	1
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) as of 31 December 2024

	in EUR thousands	**Management body remuneration**			**Business areas**						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	**Total number of identified staff**										**56**
2	Of which: members of the MB	8	4	12							
3	Of which: other senior management				5	8	-	16	5	5	
4	Of which: other identified staff				-	-	-	5	-	-	
5	**Total remuneration of identified staff**	**1,241**	**6,223**	**7,463**	**2,015**	**2,576**	**-**	**6,083**	**1,555**	**1,419**	
6	Of which: variable remuneration	-	**-**	-	95	171	-	181	169	-	
7	Of which: fixed remuneration	1,241	6,223	7,463	1,920	2,405	-	5,902	1,386	1,419	

Sustainability Disclosures

Although the Pillar III ITS is intended for large institutions and is not directly applicable for NIBC, NIBC voluntarily provides qualitative information in relation to Table 1, Table 2 and Table 3 of the Prudential disclosures on sustainability risks in order to convey comparable information in regard to the sustainability risk profile of NIBC.

NIBC recognises that sustainability risks can materialise as drivers of financial risk. We have a mature risk approach in place to monitor, manage and mitigate sustainability risks, including climate and environmental risk. This is supported by clear oversight, a robust risk management framework and increasing disclosures in support of our commitments, recognised standards, and regulatory requirements. Our efforts are focused on building and continuously improving upon this foundation to address and mitigate potential sustainability risks within our business context.

We recognise that climate risk and impacts are increasing and that we need to remain alert to the financial and non-financial challenges that these may present in our business going forward.

At NIBC, we assess climate risk to be a driver of potential medium to long term financial risks. In the short term and through the medium term, it primarily represents operational risks such as potential regulatory risks or event-driven reputational risks

Qualitative information on Environmental risk

Business strategy and processes

Our sustainability strategy is guided by a commonsense premise - sustainability and decarbonisation are everyone's responsibility and should be our business as usual. They should be among the considerations which are embedded and consistently applied across the business activities of our organisation. They should be balanced across environmental, social and governance factors.

Sustainability is one of many drivers which allow NIBC to create value for its stakeholders. Our business strategy involves the pursuit of opportunities but also involves risks and impacts, both negative and positive. We carefully weigh these in our business decisions and aim to transparently report in this Sustainability Statement on matters which we have determined to be material. Our strategy has a bearing across the environmental, social and governance landscape and we are trying to ensure that this covers all of our significant business segment and markets.

NIBC is continuously adapting its strategy and business model to a changing world. This improves the resilience of our business model in light of climate change across the main elements of our value chain such as our own operations, the focus on certain client segments and as well the product offering that also impacts the resilience of our clients.

Environmental, social and governance topics are among those which are reviewed as part of our operational resilience analysis. This is supported by our periodic in-control process in which day-to-day risks and impacts, including those towards our own workforce (operational risks) and consumers and end-users (business risk) are assessed. ICAAP scenario analysis is performed to identify our unlikely but not improbable risks which may have a higher impact. This is supplemented by further analysis including those performed in our Double Materiality Assessment **(DMA)** processes which analyse actual and potential risks and impacts from both a financial and an impact materiality perspective and across short, medium and long-term horizons.

OBJECTIVES

In 2019, NIBC set the following overall decarbonisation targets:

- Net Zero emissions before 2050 related to its financings and operations, which covers NIBC's full scope 1, 2 and 3 (CO_2e, Paris aligned, 1.5o C scenario);

- 55% reduction in emissions by 2030 compared to its 2019 baseline for scope 1, 2, and 3 (CO_2e);

- End financing of fossil fuel exploration and production.

The 55% reduction target mirrors the 2021 strengthening of the commitment of the Dutch government to a 55% reduction by 2030. This overall target spans NIBC full scope of emissions and covers all our business activities (across various industries) at that stage. It has not been externally validated, also as alignment with a specific sectoral pathway is challenging to make. Nonetheless, the UNEP Emissions Gap Report 2024 also reiterates that a median reduction of 55% compared to 2019 is needed in order to align with a 1.5˚C degree pathway. This corresponds with the 2019 baseline and the 2030 reduction target as set by NIBC and as such we maintain this target to support our overarching objective NIBC has already achieved the second target and to a very large extent also the last of its targets. This was mostly achieved via ending its financing of fossil fuel exploration and production and thereafter selling the (remaining) portfolio in 2022, and furthermore in 2024 by selling its Shipping portfolio

ACTIVITIES TOWARDS ENVIRONMENTAL OBJECTIVES AND EU TAXONOMY-ALIGNED ACTIVITIES

In order to further direct our priorities and allocate resources, Transition plans for the (Dutch) Real Estate portfolio and the (own book) Mortgage portfolio were developed in 2024. These built further upon the Climate Action plan that NIBC published in 2022 and constitute an additional step in translating the overarching objectives towards our business operations. The Managing Board and Supervisory Board have reviewed and endorsed these Transition plans in 2024 for implementation. The execution of the plans, is expected to materialise predominantly in 2025 and beyond. The newly established Sustainability and Technology Committee, which is a sub-committee of the Supervisory Board, will be updated on further progress of these plans.

POLICIES AND PROCEDURES

NIBC has several policies related to the environment and climate, aiming to minimise its environmental impact and contribute to sustainable development. These include NIBC's Sustainability Policy and Environment and Climate Policy. Additional business context and asset class policy requirements are elaborated in the Real Estate and Infrastructure sustainability policies.

These policies cover the areas of climate change mitigation and climate change adaptation via integrating environmental, social, and governance **(ESG)** criteria into our financial decisions, reducing our carbon footprint through energy-efficient initiatives, and supporting projects like energy efficient digital infrastructure and sustainable real estate

Governance

RESPONSIBILITIES OF THE MANAGEMENT BODY

NIBC’s sustainability governance involves a system of checks and balances which aims to ensure that stakeholder perspectives are taken into account in our decision-making processes. This aims to achieve integrating sustainability into our core business operations.

NIBC's Managing Board is ultimately responsible for all sustainability, compliance and business conduct matters. This approach is overseen and endorsed by NIBC's Supervisory Board in NIBC's two-tier board structure.

INTEGRATION IN BUSINESS LINES AND INTERNAL CONTROL FUNCTIONS

NIBC’s internal control framework is designed to ensure effective and efficient operations, reliable disclosures, and compliance with laws and regulations. This framework also applies to sustainability matters and is as such integrated in the bank's governance, risk management, and compliance processes.

INTERNAL GOVERNANCE ARRANGEMENTS

The Managing Board has the overarching responsibility to ensure that we have implemented an effective and appropriate system of risk management and internal controls and ensure that it is proportionate to the nature and size of the NIBC's activities. Responsibility for internal controls is delegated to business units and departments which must ensure that NIBC's internal control system is established within their areas of responsibility and that relevant controls are carried out, effective and well-documented.

Feedback received from our supervisor, observations of our Internal Audit department, and observations resulting from the limited (external) assurance process are also reported to and discussed with NIBC’s Managing Board, Supervisory Board and its Audit Committee.

To assist in the effective integration of these elements across our activities, the Managing Board has delegated decision authority on focused areas to a number of committees. The Risk Management Committee **(RMC)** decides on policies, measurement methods, monitoring and controlling of other sustainability related risks. This includes both backward as forward looking analysis.

The Engagement Committee is responsible for decision making with regard to client engagement, and hence will monitor sustainability matters such conflict of interest or integrity.

The business segments are responsible for the handling of sustainability matters in our day-to-day operations. This includes engaging with clients and integrating any resulting feedback or insights in updates to business plans or in individual transactions. Transaction proposals are overseen by our Transaction Committee **(TC)** and Investment Committee **(IC)** which includes adherence to our lending criteria and related policies which include sustainability elements.

In 2025 a new Supervisory Board Sustainability and Technology Committee **(STC)** has been created to oversee sustainability and technology matters. This new committee complements the roles of the Supervisory Board Audit Committee **(AC)** and the Risk Policy & Compliance Committee **(RPCC)**. It will amongst others monitor the implementation of NIBC's Sustainability strategy, target setting, commitments, compliance, due diligence and ESG performance indicators. Furthermore, it will oversee the initiatives that contribute to sustainable development and which are aimed to reduce NIBC's carbon footprint and enhance its social impact.

The Managing Board and Supervisory Board have in 2024 (re)affirmed our overarching objectives and the related decarbonisation targets. Progress on these targets, as well as a broader set of ESG topics, have regularly been brought to the attention of these bodies over the years since the overall decarbonisation targets of NIBC were determined in 2019.

ALIGNMENT OF REMUNERATION WITH ENVIRONMENTAL OBJECTIVES

In recent years, NIBC has eliminated most of its performance based variable compensation schemes. Managing Board remuneration therefore consists of base salary, pension, lease car allowance and insurance contributions. Consequently, our disclosures focus on alignment of sustainability in regular performance reviews and targets of the Managing Board. The Supervisory board remuneration consists of a basic fee and attendance fees. Further information is provided in the Remuneration Report section of our Annual Report.

For 2024 the Managing Board's performance has not been assessed against specific environmental- related targets and/or impacts. During 2024, further progress was made to integrate sustainability related considerations in the individual MB member performance targets.

Risk Management

NIBC maintains a framework of sustainability policies which include NIBC's Sustainability Policy and thematic policies consisting of a Human Rights Policy and an Environment and Climate Policy. These are further supported by sustainability sector policies relating to aspects which are deemed material to our stakeholders.

These policies outline NIBC's risk management approach and expectations for clients and suppliers and aim to foster sustainable and responsible business practices in NIBC's value chain.

NIBC defines material topics as environment, social and governance issue(s) as those items that do or could impact NIBC's performance and/or are deemed important to key stakeholders to the extent that it would influence their decision making. These are considered over the short-, medium- and/or long-term.

METHODOLOGIES AND STANDARDS

Our sustainability policies are guided by international frameworks and conventions such as the Paris Agreement, the UN Principles for Responsible Investment **(UN PRI)**, UN Global Compact **(UNGC)** the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles **(UNGPs)**, and the UN Sustainable Development Goals **(UN SDGs)**. These policies are publicly available on our corporate website. The purpose is to identify impacts, mitigate and reduce risks, prevent harms, to promote respect for human rights, and to foster environmentally sustainable business practices across value chains in which NIBC is active.

PROCESSES TO IDENTIFY MEASURE AND MONITOR

NIBC has established processes to assess climate and environmental risks and impacts related to our financings and investments. These are also described in the Environment section within the Sustainability Statement in our Annual Report. NIBC's Sustainability

Framework establishes processes to identify, measure and monitor environmental and climate risks. These are supplemented by periodic scenario analysis which helps us to further understand the transmission channels through which these may result in financial risk. NIBC is guided in our approach by industry best practices, learnings from peer institutions and supervisors. We also contribute to these where possible to help strengthen the resilience of the financial sector.

MITIGATION OF ENVIRONMENTAL RISKS

NIBC aims to adapt its products to manage the risks and meet changing client needs. Therefore we are increasing our engagement with clients and seeking more information about their (action) plans and needs in order to assist them to transition and adapt. For example, in 2024 NIBC has initiated the update of ESG questionnaires for our corporate clients to gather such input, as well as increase client risk awareness and to eventually reduce the reliance on estimations by requesting this type of information directly from clients. This was initally launched in 2023.

This is an emerging practice and hence it is too early to attribute results to the awareness raised. Nonetheless, these questionnaires are a source of valuable input to help us design our actions.

The Transition plans for Mortgages and Real Estate include the formulation of actions that should assist NIBC in further progressing towards our objectives. These are described in the Decarbonisation levers section within the Sustainability Statement in our Annual Report.

NIBC has implemented a Sustainability Framework and policies. This framework and the related governance on all sustainability matters at NIBC, governs and facilitates the implementation of the transition plan. The framework and related policies and can be found on our website.

IMPLEMENTATION OF TOOLS TO MANAGE RISKS

We believe that each of the core asset classes that we finance can transition and contribute to the shift towards a regenerative economy that better serves people, our planet and future generations.

Therefore as a further action toward our overarching targets we have set portfolio specific ambitions for our Dutch mortgage and Real Estate portfolios based on the CRREM pathway (v2). For the specific boundaries applied reference is made to the Definitions of Sustainability Indicators. These portfolios mark the majority of our core client assets. The resulting reduction ambitions for 2030 for these portfolios, measured on an intensity basis, are in line with the reduction rates as described in our Annual Report.

These ambitions guide our actions via Transition plans which contributes to our overall decarbonisation targets. The CRREM v2 model provides insights into the alignment of NIBC’s real estate portfolios with science-based projections (IPCC aligned) and the expected rate of GHG emissions reduction for residential and commercial real estate markets by 2030

RESULTS AND OUTCOMES OF THE RISK TOOLS

NIBC's climate risk profile reflects the climate risk profile of our clients. Therefore NIBC has been stepping up the efforts to ensure that such risks are properly identified, understood, measured, managed, and disclosed. We continue to revisit and refine our internal systems, models and processes related to data collection, adapt our credit approval processes and refine our risk management approach. The key refinements are visible in taking into account ESG characteristics of our clients in our lending decisions and secondly the development of internal climate scenario analysis to perform stress testing.

NIBC has estimated the impact of ESG risk on capital and liquidity through our stress testing and disclosed this in our Annual Report. Overall, the stressed scenario indicates a potential financial impact of 0 to 9 million expected (stressed) credit loss **(ECL)** to NIBC cumulatively across the short, medium and long term. Actual incurred losses to date which are directly attributable to climate change are 0. NIBC's scenario analysis assumes "all at once" chronic, acute and transitional impacts and stressed macroeconomic conditions. The outcomes are forward-looking and involves therefore uncertainty.

DATA AVAILABILITY AND QUALITY

We are dependent on environmental risk data becoming available and being provided to us next to the quality thereof, which means that we may not always be able to provide full confirmation of the progress that is made. This also limits the ability to determine the optimal set of actions or adjust action to improve their effectiveness. Therefore NIBC is increasing awareness among internal and external stakeholders of the importance of data quality and the facilitation thereof, such as for instance with questionnaires to our corporate clients and internal projects aimed at continuous improvement of data quality and availability.

ENVIONMNETAL RISK LIMITS

Environmental and climate risk are not to be seen as a new risk type but instead as a potential driver of traditional financial risks, the impacts are considered within NIBC's Risk Appetite Framework. Therefore we analyse potential impacts and transmission channels and are continuing to analyse and build metrics and limits appropriate to our business context.

TRANSMISSION CHANNELS WITH CREDIT RISK AND LIQUIDITY RISK

Each of NIBC's core asset classes will face climate transition risks. NIBC ABF client surveys and questionnaires are showing that many have started their transition and adaptation journey. Political support for climate transition measures is softening. This makes the medium to long term forecast less certain, given that carrots and sticks related to decarbonisation and an orderly and just climate transition rely on strong governmental policies and substantial incentives. Climate risk may become a driver of negative real estate values over time. To date we have not seen such effects materially impacting NIBC's collateral, however we anticipate that this could become more of a factor over time.

Efforts to improve data quality continued during 2024 and are expected to continue for the foreseeable future. These may facilitate NIBC's ability to refine and develop product solutions and policies which incentivise and nudge clients to mitigate climate transition risks. The increasing granularity of our portfolio suggests that to the degree these materialise as physical climate impacts, they will most likely be event-driven (acute) and related to a specific location.

Longer term climate transition risks could be a driver of either increased liquidity risk or decreased liquidity risk as investor appetite and NIBC's balance sheet also adapt over time. Therefore we remain cautious in regard to the long term direction. NIBC's funding base is diversifying and responsible investors have been attracted toward NIBC's green debt. NIBC savings customers are loyal (stickiness), but price sensitive ahead of any other factors.

Qualitative information on Social risk

NIBC continues to balance our approach towards retail customers, taking into account social components alongside environmental requirements. A lack of balance between environmental and social elements can lead to reduced affordability, a too-high debt burden or other unintended adverse social outcomes.

This aligns with NIBC aiming to continuously design and offer new or improved products and services. As an example how these two interact, end 2023 NIBC's Lot mortgage label won the "Groene Lotus" award in the category <5 years that focuses on innovation. It recognises our aim to offer mortgages which pursue both affordability and sustainability, therewith supporting social inclusion.

Clear and straightforward terms and conditions for our products offered are available in local language to help clients and potential clients understand their mortgage agreements fully. This transparency builds trust and ensures clients are aware of their rights, obligations, and any potential costs or fees associated with their mortgage loan.

Clients can choose options that best suit their financial situation and personal needs. Consumers and end users are well-protected by the fact NIBC offers its retail products in a mature and highly regulated operating environment. Our internal policies establish requirements to assess borrowers creditworthiness before granting them a mortgage loan.

PERFORMANCE ASSESSMENT

NIBC analyses and assesses actual and potential risks and impacts from both a financial and an impact materiality perspective and across short, medium and long-term horizons. Our main targets are related to social impacts in our own operations and are also described in our Annual Report. For example, our Diversity Policy sets an objective that at least 30% of NIBC's Supervisory Board,

Managing Board and the ExCo is comprised of women and at least 30% is comprised of men. Since early 2023 NIBC achieved a 50/50 gender ratio in its MB and since early 2024 also the ExCo has a 50/50 gender ratio which fulfils a long-term aspiration.

POLICIES

NIBC's main policies related to human rights are our Sustainability Policy and our Human Rights Policy which are applicable within NIBC. Our main policy commitments are to respect human rights and to promote freedom of association, freedom of expression and respect for international human rights law. We aim to avoid harmful practices such as discrimination, forced labour and modern slavery, and child labour in our own operations and in our value chain. And taking into account the bearing it can have on our customers and clients, our policies also exclude certain vice activities such as tobacco and gambling.

Several policies are related to NIBC's products and services for consumers. NIBC's Sustainability Policy steers our business activities to respect human rights, pursue fair lending practices and to avoid greenwashing and/or misleading communications. General conditions for products offered are provided in the local language of the consumers' location. NIBC's internal Corporate Information Security Policy and IT Security Risk Management Policy establish requirements designed to protect against potential information security threats.

Governance

The Managing Board and Supervisory Board are actively involved in overseeing sustainability risk management, receiving regular updates and setting the strategic direction in regard to social aspects.

INTEGRATION OF SOCIAL RISKS IN INTERNAL GOVERNANCE ARRANGEMENTS

Our Code of Conduct is the main overarching policy which sets out NIBC's expectations in regard to conduct and is a core policy. The Managing Board reviews and approves NIBC's Code of Conduct.

Specialised committees or roles focused on ESG matters ensure dedicated oversight and accountability for sustainability risks. For example, NIBC's Risk Management Committee **(RMC)** is responsible for reviewing and approving changes to NIBC's human rights policy and compliance polices.

Our lines of reporting and frequency of reporting relating to social risk are the same as for environmental and other sustainability risks as part of our integrated processes. Similar to environmental risk, available information in regard to remuneration is provided in Remuneration Report section in our Annual Report. For 2024 the Managing Board's performance has not been assessed against specific social- related targets and/or impacts. During 2024, further progress was made to integrate sustainability related considerations in the individual MB member performance targets.

Risk Management

ALIGNMENT WITH INTERNATIONAL STANDARDS

Our approach with regard to human rights has been developed over a number of years and is informed by regular discussions with stakeholders such as clients, investors and civil society organisations. Our sustainability policies are guided by the International Bill of Human Rights, UN Guiding Principles on Business and Human Rights, OECD Guidelines, ILO conventions and the European Convention for the Protection of Human Rights and Fundamental Freedoms.

PROCESSES TO IDENTIFY SOCIAL RISKS

NIBC has established processes to assess social risks and impacts related to our operations and financings and investments. These are also described in the Social section within the Sustainability Statement in our Annual Report. NIBC's Sustainability Framework establishes processes to identify, measure and monitor social, labour and human rights risks. These are supplemented by operational risk scenario analysis which helps us to further understand the transmission channels through which these may result in financial risk. NIBC is guided in our approach by industry best practices, learnings from peer institutions and supervisors. We also contribute to these where possible to help strengthen the resilience of the financial sector.

MITIGATING SOCIAL RISK

To apply our policies and professional standards, NIBC conducts due diligence and performs assessments. For example, during the origination and acceptance of mortgage loans, the capacity of the borrower to afford to repay the loan and the source of funds is assessed. NIBC considers external developments when setting loan acceptance criteria in order to help mitigate material risks and manage our dependencies. To ensure that NIBC does not cause or contribute to material negative impacts to consumers and end-users, a review from a sustainability perspective is part of approval processes for new products **(NPARP)** and significant changes to existing products **(SCARP)**.

NIBC places emphasis on understanding the unique needs and goals of groups of clients. We use this knowledge to develop new products and services. During 2024, NIBC launched the "Hero Mortgage", a specialised mortgage product tailored to individuals who serve their communities in essential roles, such as healthcare workers, teachers, firefighters, police officers, and military personnel. These mortgages aim to include benefits to take into account several variable or irregular income components prevalent across such roles up to 100% in determining the mortgage amount available, to acknowledge and support the invaluable contributions these professionals make to society. NIBC also serves clients in underserved market segments such as starters, self-employed clients, and seniors.

Communication tools have also been implemented. Clear and straightforward terms and conditions for our products offered are available in local language to help clients and potential clients understand their mortgage agreements fully. This transparency builds trust and ensures clients are aware of their rights, obligations, and any potential costs or fees associated with their mortgage.

Clients can choose options that best suit their financial situation and personal needs. Consumers and end users are well-protected by the fact NIBC offers its retail products in a mature and highly regulated operating environment. Our internal policies establish requirements to assess borrowers creditworthiness before granting them a mortgage loan.

To date NIBC has not set specific limits in regard to social risk. Effectively any material impact would trigger and analysis of the root cause, development of additional preventive measures and an escalation to our Managing Board.

TRANSMISSION CHANNELS

For NIBC, social and human rights risks typically are indirect risks which lie deep within counterparty and supplier value chains. To the degree these may transmit into a traditional risk category, it would most likely be as an operational risk. As such these "linked" incidents and according the OECD Guidelines and UNGPs can escalate to a "contributing" level if NIBC does not take reasonable actions to follow up. Since NIBC has processes and systems in place to address these situations, the main risks are reputational risks. For NIBC reputational risk is considered to be a sub-category within operational risk.

Qualitative information on Governance risk

NIBC's Managing Board is ultimately responsible for business conduct matters and ensuring adequate compliance to policies within NIBC. The expertise of our Managing Board and Supervisory Board in regard to business conduct matters is disclosed in the Managing Board Skills and Expertise and Supervisory Board Skills and Expertise paragraphs respectively in our 2024 Annual Report. Managing sustainability and compliance risk and complying with applicable laws, regulations and standards in both personal and business conduct is the responsibility of every employee or contractor working for NIBC. Our Managing Board is also the main approval body for NIBC's sustainability disclosures.

INTEGRATION IN GOVERNANCE ARRANGEMENTS

The Managing Board and Supervisory Board are actively involved in overseeing sustainability risk management, receiving regular updates and setting the strategic direction for sustainability. Specialised committees or roles focused on ESG matters ensure dedicated oversight and accountability for sustainability risks. For example, NIBC's Risk Management Committee **(RMC)** is responsible for reviewing and approving changes to NIBC's sustainability policies. They also review sustainability key risk indicators, risk appetite, heatmaps and risk assessments on a periodic basis.

INTEGRATION IN RISK MANAGEMENT ARRANGEMENTS

NIBC's Sustainability Framework defines processes, roles and responsibilities to manage sustainability risks and take a precautionary approach. Under this Framework NIBC performs sustainability due diligence and assessments of relevant and material sustainability risks related to the activities we finance. This Framework operates alongside and within our overall Risk Management Framework which guides our approach across the enterprise. During 2024 NIBC updated this Risk Management Framework to more closely align with ESRS topics and to meet the growing number of supervisory expectations. Underpinning NIBC's Sustainability Framework is our Sustainability Policy, thematic policies for Environment & Climate and Human rights, and asset class policies.

Sustainability criteria are considered in NIBC's due diligence and risk assessment processes. Where practical, these are supported by external experts who conduct independent assessments and valuations. These are among the inputs used to ensure well-informed balanced decision making when considering approvals of corporate transactions by NIBC's Transaction Committee **(TC)** or Investment Committee **(IC)**. Sustainability is an integrated component of NIBC's know your customer **(KYC)**, new product approval and review **(NPARP)**, and significant change and approval **(SCARP)** processes.

NIBC collaborates with clients to create awareness and implement effective risk mitigation strategies, such as adopting better environmental practices or promote social improvements. For example sustainability-linked structures may be used to embed financial covenants in contracts to promote improvement throughout the lifecycle of a transaction.

NIBC engages with consumers and end users about impacts through formal and informal channels and processes. These channels include direct communications, customer surveys, online feedback and complaints mechanisms, and via third parties. Whether positive or negative, we take all feedback seriously and act on these findings. Complaints are monitored within each business unit, by NIBC's compliance and risk teams and reported to NIBC's ExCo.

Appendices

Disclosure Index

Disclosure index of the Commission Implementing Regulation 2021/637

Pillar 3 disclosure requirements	Location in Pillar 3 report	EBA Template	Template description
Disclosure of key metrics and overview of risk-weighted exposure amounts	Key Metrics & Overview of Risk-Weighted Exposure Amounts	EU OV1	Overview of total risk exposure amounts
		EU KM1	Key metrics template
Disclosure of risk management objectives and policies	Risk Management Strategy & Process		
Disclosure of the scope of application	Scope of application	EU LI1	Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories
		EU LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements
		EU LIA	Explanations of differences between accounting and regulatory exposure amounts
Disclosure of own funds	Own Funds	EU CC1	Composition of regulatory own funds
		EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements
		EU CCA	Main features of regulatory own funds instruments and eligible liabilities instruments
Disclosure of countercyclical capital buffers	Countercyclical buffer	EU CCyB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer
		EU CCyB2	Amount of institution-specific countercyclical capital buffer
Disclosure of leverage ratio	Leverage Ratio	EU LR1	LRSum: Summary reconciliation of accounting assets and leverage ratio exposures
		EU LR2	LRCom: Leverage ratio common disclosure
		EU LR3	LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)
Disclosure of liquidity requirements	Liquidity Risk	EU LIQ1	Quantitative information of LCR
		EU LIQ2	Net Stable Funding Ratio
Disclosure of exposures to credit risk, dilution risk and credit quality	Credit Risk	EU CR1	Performing and non-performing exposures and related provisions
		EU CR2	Changes in the stock of non-performing loans and advances
		EU CQ1	Credit quality of forborne exposures

Pillar 3 disclosure requirements	Location in Pillar 3 report	EBA Template	Template description
		EU CQ3	Credit quality of performing and non-performing exposures by past due days
		EU CQ4	Quality of non-performing exposures by geography
		EU CQ5	Credit quality of loans and advances to non-financial corporations by industry
		EU CQ7	Collateral obtained by taking possession and execution processes
Disclosure of the use of credit risk mitigation techniques	Credit Risk	EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques
Disclosure of the use of the standardised approach	Calculation of Risk Weighted Assets	EU CR4	Standardised approach – Credit risk exposure and CRM effects
		EU CR5	Standardised approach
Disclosure of the use of the IRB approach to credit risk	Calculation of Risk Weighted Assets	EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques
Disclosure of specialised lending and equity exposure under simple risk weight approach	Equity exposures under the simple risk-weighted approach	EU CR10.5	Equity exposures under the simple risk-weighted approach
Disclosure of exposures to counterparty credit risk	Counterparty Credit Risk	EU CCR1	Analysis of CCR exposure by approach
		EU CCR2	Transactions subject to own funds requirements for CVA risk
		EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights
		EU CCR5	Composition of collateral for CCR exposures
		EU CCR8	Exposures to CCPs
Disclosure of exposures to securitisation positions	Securitisation Exposures	EU-SEC1	Securitisation exposures in the non-trading book
		EU-SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor
		EU-SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor
		EU-SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments
Disclosure of the use of the standardised approach and of the internal models for market risk	Market Risk	EU MR1	Market risk under the standardised approach
		EU MR2-A	Market risk under the internal Model Approach (IMA)
		EU MR2-B	RWEA flow statements of market risk exposures under the IMA
		EU MR3	IMA values for trading portfolios
		EU MR4	Comparison of VaR estimates with gains/losses
Disclosure of interest rate risk of non-trading book activities		EU IRRBB1	Interest rate risk of non-trading book activities
Disclosure of operational risk	Operational Risk	EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts
Disclosure of remuneration policy	Remuneration Policy	EU REM1	Remuneration awarded for the financial year

Pillar 3 disclosure requirements	Location in Pillar 3 report	EBA Template	Template description
		EU REM2	Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)
		EU REM3	Deferred remuneration
		EU REM4	Remuneration of 1 million EUR or more per year
		EU REM5	Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)
Disclosure of encumbered and unencumbered assets	Encumbered and Unencumbered Assets	EU AE1	Encumbered and unencumbered assets
		EU AE2	Collateral received and own debt securities issued
		EU AE3	Sources of encumbrance

List of Abbreviations

AC: Audit Committee
ADMC: Architecture and Data Management Committee
AFM: Authority for Financial Markets
AIRB: Advanced Internal Ratings' Based (approach)
ALCO: Asset & Liability Committee
ALM: Asset & Liability Management
AML: Anti-Money Laundering
ASF: Available Stable Funding
BCBS: Basel Committee on Banking Supervision
BIS: Bank for International Settlements
BPV: Basis-point Value
CCF: Credit Conversion Factor
CCR: Counterparty Credit Rating
CD: Compliance Department
CDD: Client Due Diligence
CDS: Credit Default Swap
CET 1: Common Equity Tier I
CLO: Collateralised Loan Obligations
CRM: Credit Risk Management (department)
CRM: Credit Risk Mitigation
CRR/CRD: Capital Requirements Regulation and Directive
CSA: Credit Support Annex
CVA: Credit Valuation Adjustment
DMA: Double Materiality Assessment
DNB: Dutch Central Bank
DVA: Debt Value Adjustment
EAD: Exposure at Default
EaR: Earnings at Risk
EBA: European Banking Authority
EC: Economic Capital
EC: Engagement Committee
ECB: European Central Bank
ECL: Expected Credit Loss
EHQLA: Extremely High Quality Liquid Assets
EL: Expected Loss
ERBA: External Ratings Based Approach
ESG: Environmental, Social and Governance
ExCo: Executive Committee
FMCR: Financial Markets Credit Risk
FX: Foreign Exchange
G-SII: Globally Systemically Important Institution
GCD: Global Credit Data
GRM: Group Risk Management (department)
HQLA: High Quality Liquid Assets
IA: Internal Audit
IC: Investment Committee
ICAAP: Internal Capital Adequacy Assessment Process
ICT: Information and Communication Technology
IFRS: International Financial Reporting Standards
ILAAP: Internal Liquidity Adequacy Assessment Process
ILO: International Labour Organization
IMA: Internal Model Approach
IRRBB: Interest Rate Risk in the Banking Book
IRS: Interest Rate Swaps
ISDA: International Swaps and Derivatives Association
ITS: Implementing Technical Standards
KYC: Know Your Customer
LCR: Liquidity Coverage Ratio
LD: Legal Department
LGD: Loss Given Default
LtIMV: Loan-to-Indexed Market Value
MB: Managing Board
MDA: Modelling & Data Analytics (department)
MREL: Minimum Requirement for own funds and Eligible Liabilities
MRM: Market Risk Management (department)
NHG Guarantee: Nationale Hypotheekgarantie (Dutch government guarantee)
NPARP: New Product Approval Review Process
NPE: Nonperforming Exposure
NSFR: Net Stable Funding Ratio
OECD: Organisation for Economic Co-operation and Development
ORM: Operational Risk Management (department)
OTC: Over-the-Counter derivatives
OTM: Originate to manage
P&L: Profit & Loss (account)
PD: Probability of Default
RA: Regulatory Affairs (department)
RA&MV : Risk Analytics and Model Validation (department)
RAROC: Risk-Adjusted Return on Capital
RBB: Regeling beheerst Beloningsbeleid van Banken
RC: Pillar 1 Regulatory Capital
RCC: Regulatory Change Committee
RCSA: Operational Risk and Control Self-assessments
RDA: Restructuring & Distressed Assets Management (department)
RMBS: Residential Mortgage-Backed Securities
RMC: Risk Management Committee
RP&RA: Risk Policy & Risk Appetite (department)
RPCC: Risk Policy & Compliance Committee
RR&RPM: Retail Risk & Risk Portfolio Management (department)
RSF: Required Stable Funding
RWA: Risk Weighted Assets
RWEA: Risk Weighted Exposure Amount
SA: Standardized Approach
SCARP: Significant Change Approval and Review Process
SEC-ERBA: Securitisation External Ratings-Based Approach
SEC-IRBA: Securitisation Internal Ratings-Based Approach
SEC-SA: Securitisation Standardised Approach
SREP: Supervisory Review and Evaluation Process
SRT: Significant Risk Transfer
STS: Simple, Transparent and Standardised

SVaR: Stressed VaR
T1: Tier 1
T2: Tier 2
TC: Transaction Committee
UN: United Nations
UNGC: UN Global Compact
UNGP: UN Guiding Principles for Business and Human Rights
UNPRI: UN Principles for Responsible Investment
UNSDGs: UN Sustainable Development Goals
VaR: Value-at-Risk
WbFO: Wet beloning Financiële ondernemingen
Wft: Wet op het Financieel Toezicht